

GITANJALI

November 14, 2014

GG/GGL/S/2014/204

Listing Department
General Manager – DCS
BSE Limited
P.J. Towers, Dalal Street
Mumbai 400 001

Listing Department
National Stock Exchange of India Limited
“Exchange Plaza”, Bandra Kurla Complex
Bandra Kurla Complex,
Bandra (E), Mumbai – 400051

Dear Sir,

Sub. : Unaudited Financial Results (Standalone & Consolidated) along with Limited Review Report for the Quarter ended September 30, 2014

Ref. : 1) BSE Scrip Code – 532715
2) NSE Scrip Symbol – GITANJALI

Apropos the Captioned subject and reference quoted above, please find enclosed herewith the following:

1. A copy of the standalone unaudited financial results for the quarter ended September 30, 2014 in the format prescribed under clause 41 of Listing Agreement.
2. A copy of the consolidated unaudited financial results for the quarter ended September 30, 2014 in the format prescribed under clause 41 of Listing Agreement.
3. Limited Review Report from the statutory auditors of the Company for the quarter ended September 30, 2014.

Please acknowledge the receipt.

Thanking You

Yours Faithfully

For Gitanjali Gems Limited


(Pankhuri Warange)
Company Secretary

Gitanjali Gems Limited

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

T: 022 40354600 / 01 F: 40354602 • www.gitanjaligroup.com

CIN No - L36911MH1986PLC040689

FORD, RHODES, PARKS & CO.
CHARTERED ACCOUNTANTS

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

TELEPHONE : (91) 22 67979819
 : (91) 22 67979823
FAX : (91) 22 67979822
EMAIL : frptax@vsni.com

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 six month period ended September 30, 2014 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.

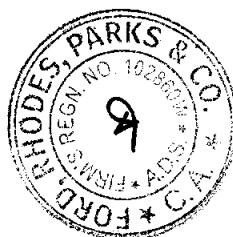
We conducted our review in accordance with the Standard on Review Engagement (SRE) 2400, Engagements to Review Financial Statements issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial 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 negative networth of subsidiaries.
- b) Note No 3 relating to overdrawng and nonpayment of interest and charges on bank facilities for half year ending 30th September, 2014.
- c) Note No 4 relating to outstanding Income tax, TDS, VAT & Service tax.
- d) Note No. 5 relating to overdue interest, installments and extention of repayment of ECB and Non convertible Debetures and relative Cash Reserve.

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



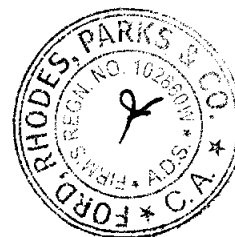
FORD, RHODES, PARKS & CO.

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: November 14, 2014

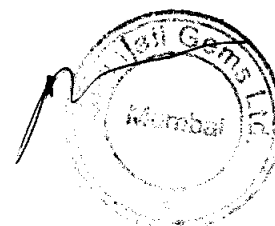
Place: Mumbai

GITANJALI

Statement of unaudited consolidated financial results for the quarter and half-year ended September 30, 2014. Profit & Loss statement

(Rs. in Lacs)

Particulars	Quarter ended			Half year ended		Year ended
	30.09.2014	30.06.2014	30.09.2013	30.09.2014	30.09.2013	31.03.2014
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
PART - I						
1 Income from Operations						
(a) Net Sales / Income from Operations	247,110.89	207,286.87	300,370.18	454,397.76	692,288.61	1,243,600.03
(b) Other operating income						
Total income from operations (net)	247,110.89	207,286.87	300,370.18	454,397.76	692,288.61	1,243,600.03
2 Expenses						
a) Cost of materials consumed / Purchase of stock-in-trade	225,968.90	187,945.20	246,643.11	413,914.10	566,616.59	952,568.80
b) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(26,651.67)	(19,864.38)	4,498.36	(46,516.05)	15,740.58	94,475.84
c) Employee benefits expense	7,688.80	6,172.75	8,735.70	13,861.55	15,474.91	27,133.10
d) Depreciation & amortisation expense	1,049.23	742.85	810.66	1,792.08	1,538.76	3,827.33
e) Other expenses	12,023.52	10,040.24	25,433.21	22,063.76	64,563.68	99,022.88
Total Expenses	220,078.77	185,036.66	286,121.04	405,115.43	663,934.52	1,177,027.95
3 Profit from Operations before other income, finance costs and exceptional items (1-2)	27,032.11	22,250.21	14,249.14	49,282.32	28,354.09	66,572.08
4 Other income	(2,624.49)	872.93	8,875.34	(1,751.56)	12,261.01	10,754.82
5 Profit from Ordinary activities before finance costs and exceptional items (3+4)	24,407.62	23,123.14	23,124.48	47,530.76	40,615.10	77,326.90
6 Finance costs						
Interest cost	21,835.92	19,960.26	17,817.35	41,796.18	29,644.98	70,491.26
Others	384.67	849.12	456.97	1,233.79	2,165.19	3,140.20
7 Profit from Ordinary activities after finance costs but before exceptional items (5-6)	2,187.03	2,313.76	4,850.16	4,500.79	8,804.93	3,695.44
8 Exceptional items	244.14	(1,020.11)	-	(775.97)	-	(73.47)
9 Profit from ordinary activities before tax (7+8)	2,431.17	1,293.65	4,850.16	3,724.82	8,804.93	3,621.97
10 Tax expense						
- Income Tax	1,299.14	656.40	794.85	1,955.54	1,524.97	769.37
- MAT	(871.81)	(454.25)	(1.10)	(1,326.07)	(425.19)	(374.60)
- Deferred Tax	62.50	18.01	(0.38)	80.52	36.54	(367.10)
11 Net Profit from ordinary activities after tax (9-10)	1,941.34	1,073.49	4,056.79	3,014.83	7,668.61	3,594.30
12 Extraordinary items (net of tax expense)	-	-	-	-	-	-
13 Net Profit for the period (11-12)	1,941.34	1,073.49	4,056.79	3,014.83	7,668.61	3,594.30
14 Share of profit / (Loss) of associates	-	-	-	-	-	-
15 Minority interest	107.54	58.13	274.38	165.67	373.40	242.10
16 Net Profit after taxes, minority interest and share of profit / (Loss) of associates (13+14-15)	1,833.80	1,015.36	3,782.41	2,849.16	7,295.21	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/-	9,206.55 Rs. 10/-
18 Reserve excluding Revaluation Reserves as per balance sheet of previous accounting year						385,212.98
19 Earnings per share (before extraordinary items)						
a) Basic	1.91	1.08	4.11	2.97	7.92	3.64
b) Diluted	1.91	1.08	3.85	2.97	7.43	3.40
20 Earnings per share (after extraordinary items)						
a) Basic	1.91	1.08	4.11	2.97	7.92	3.64
b) Diluted	1.91	1.08	3.85	2.97	7.43	3.40
PART - II						
A PARTICULARS OF SHAREHOLDING						
1 Public Shareholding						
- Number of shares	63,010,497	62,721,380	55,904,499	63,010,497	55,904,499	56,605,756
- Percentage of shareholding	64.22	63.92	60.72	64.22	60.72	61.48
2 Promoters and Promoter Group Shareholding						
a) Pledged / Encumbered						
- Number of shares	11,229,370	6,977,611	7,875,343	11,229,370	7,875,343	7,038,275
- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	32	19.71	21.78	31.98	21.78	19.85
- Percentage of shares (as a % of the total share capital of the company)	11	7.11	8.55	11.44	8.55	7.64
b) Non - encumbered						
- Number of shares	23,880,584	28,421,460	28,285,649	23,880,584	28,285,649	28,421,460
- Percentage of shares (as a % of the total shareholding of Promoter and Promoter group)	68.02	80.29	78.22	68.02	78.22	80.15
- Percentage of shares (as a % of the total share capital of the company)	24.34	28.97	30.72	24.34	30.72	30.87
B INVESTOR COMPLAINTS (during the quarter)						
	Opening	Additions	Disposals	Closing		
Number of complaints	0	104	104	0		



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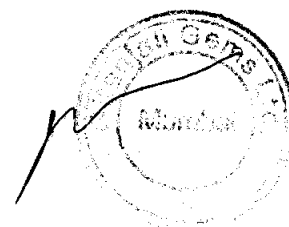
Consolidated Segmentwise Reporting Revenue, Results and Capital Employed

A) Primary Segment (By Business Segment)

Particulars	(Rs. in Lacs)					
	Quarter ended			Half year ended		Year ended
	30.09.2014	30.06.2014	30.09.2013	30.09.2014	30.09.2013	31.03.2014
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1. Segment Revenue						
a) Segment - Diamond	94,207.30	83,800.90	233,080.50	178,008.20	456,189.87	719,157.92
b) Segment - Jewellery	165,900.49	129,902.54	128,113.03	295,803.03	335,151.85	652,043.27
c) Segment - Others	366.41	1,211.95	1,688.18	1,578.36	3,033.10	7,363.32
Total	260,474.20	214,915.39	362,881.71	475,389.59	794,374.82	1,378,564.51
Less: Inter Segment Revenue	13,363.31	7,628.52	62,511.53	20,991.83	102,086.21	134,964.49
Net Sales / Income from Operations	247,110.89	207,286.87	300,370.18	454,397.76	692,288.61	1,243,600.02
2. Segment Results						
Profit / (Loss) before tax and interest from each segment						
a) Segment - Diamond	2,312.22	3,759.12	14,707.29	6,071.34	20,473.21	34,668.58
b) Segment - Jewellery	22,198.55	19,965.24	8,773.56	42,163.79	20,739.08	44,769.79
c) Segment - Others	(103.15)	(601.22)	(356.37)	(704.37)	(597.19)	(2,111.47)
Total	24,407.62	23,123.14	23,124.48	47,530.76	40,615.10	77,326.90
Less Finance cost	22,220.59	20,809.38	18,274.32	43,029.97	31,810.17	73,631.46
Total profit before exceptional item & tax	2,187.03	2,313.76	4,850.16	4,500.79	8,804.93	3,695.44
3. Capital Employed						
a) Segment - Diamond	128,064.10	152,625.52	127,752.62	128,064.10	127,752.62	156,835.98
b) Segment - Jewellery	270,283.63	244,175.80	238,899.31	270,283.63	238,899.31	228,642.04
c) Unallocated net assets	5,814.66	6,537.47	33,393.19	5,814.66	33,393.19	8,941.50
Total	404,162.39	403,338.79	400,045.12	404,162.39	400,045.12	394,419.52

B) Secondary Segment (By Geographical Segment)

Particulars	Quarter ended			Half year ended		Year ended
	30.09.2014	30.06.2014	30.09.2013	30.09.2014	30.09.2013	31.03.2014
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
Segment Revenue						
India	85,368.61	85,724.44	76,904.39	171,093.05	300,615.06	510,548.89
Rest of the world	161,742.28	121,562.43	223,465.79	283,304.71	391,673.55	733,051.14
Total Revenue	247,110.89	207,286.87	300,370.18	454,397.76	692,288.61	1,243,600.03



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Notes:

1. The above consolidated unaudited financial results for the six month period ended September 30, 2014 were reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on November 14, 2014.
2. In respect of twelve 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 September 30, 2014 have been prepared on going concern basis and no provision for impairment is considered. The total investment value of these subsidiaries amounted to Rs.95.72 Crores as on September 30, 2014.
3. Due to regulatory restrictions on import of gold & unfavorable INR Vs USD currency fluctuation, the business of the group was severely impacted. The group's over drawn position in the working capital account as on September 30, 2014 amounted to around Rs.105.33 Crores which is mainly on account of non servicing of interest. The consortium bankers have assessed enhanced working capital requirements and the sanctions are awaited.
4. As on date the group has not paid self assessment tax for the assessment year 2013-14 totaling around Rs. 54.94 Crores (appx). Besides the income tax liability, the group has also to pay VAT, Service Tax and TDS totaling to Rs 10.74 Crores. The holding company has applied for enhancement of facilities and expects to pay the above referred statutory dues shortly on getting disbursement from its consortium of banks.
5. The Company has sought for extension of repayment of ECB term loan for amount which was due but not paid and has approached LIC for rescheduling NCD repayments. As on September 30, 2014 outstanding position is as follows :

(Rs in Crores)

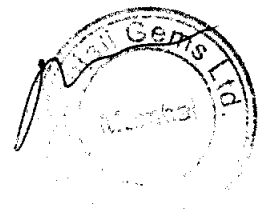
Nature of Loan	Principal Amount	interest & charges
ECB - ICICI	10.78	7.21
NCD - LIC	1.17	2.15*

- *interest in respect of NCD has been since paid.
- Pending above revised repayment schedule, no cash reserve for NCD has been created.

6. Pursuant to the applicability of the Companies Act, 2013, (the Act) from accounting period commencing from April 1, 2014 the company has not recalculated depreciation with reference to the estimated economic lives of fixed assets as prescribed by schedule II to the Companies Act, 2013 or actual useful life of asset whichever is lower. The group is in the process of computing the depreciation based on useful lives of assets. The effect of the same will be given in the subsequent quarters.

In respect of overseas subsidiaries, depreciation is calculated as per respective accounting policies in line with local laws. Hence, no change in the method of depreciation is considered.

7. The Company has opted to publish consolidated financial results from the financial year 2013-14. Standalone financial results are available at the website of the Company: www.gitanjaligroup.com, Stock Exchanges: www.bseindia.com and www.nseindia.com.
8. The Auditors have without qualifying their limited review report drawn attention to the Notes No. 2 to 5, stated above.



Gitanjali Gems Limited

9. The Company has identified two major reportable segments: Diamond business and Jewellery business.
10. Except for Audited figures for 12 month period i.e. April 2013 to March 2014, 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: November 14, 2014

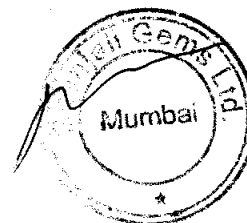


GITANJALI

Statement of Assets and Liabilities

(Rs. in Lacs)

Particulars	Standalone		Consolidated	
	As at 30.09.2014	As at 31.03.2014	As at 30.09.2014	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	277,087.41	272,173.17	394,350.34	385,212.98
(c) Money received against share warrants	-	-	-	-
Sub-total - Shareholders' funds	286,899.46	281,379.72	404,162.39	394,419.53
2 Minority interest	-	-	6,262.11	6,096.44
3 Non-current liabilities				
(a) Long-term borrowings	73,710.43	63,717.87	79,899.79	74,269.37
(b) Deferred tax liabilities (net)	91.92	63.66	-	-
(c) Other long-term liabilities	-	-	11,561.23	10,103.29
(d) Long-term provisions	302.93	275.87	2,280.68	1,380.00
Sub-total - Non-current liabilities	74,105.28	64,057.40	93,741.70	85,752.66
4 Current liabilities				
(a) Short-term borrowings	411,915.11	421,513.38	767,120.33	763,200.57
(b) Trade payables	78,149.00	66,372.81	227,410.76	166,019.35
(c) Other current liabilities	13,928.71	25,860.63	46,235.40	50,680.46
(d) Short-term provisions	-	56.20	5,196.68	3,258.51
Sub-total - Current liabilities	503,992.82	513,803.02	1,045,963.17	983,158.89
TOTAL - EQUITY AND LIABILITIES	864,997.56	859,240.14	1,550,129.37	1,469,427.52
B ASSETS				
1 Non-current assets				
(a) Fixed assets	2,931.86	3,050.42	31,284.82	31,788.23
(b) Goodwill on consolidation	-	-	9,002.40	9,002.40
(c) Non-current investments	141,466.16	141,479.57	8,899.65	8,590.00
(d) Deferred tax assets (net)	-	-	1,906.52	1,943.44
(e) Long-term loans and advances	18,864.05	17,503.36	26,444.24	23,835.52
(f) Other non-current assets	12,063.40	11,270.06	16,734.15	16,091.81
Sub-total - Non-current assets	175,325.47	173,303.41	94,271.78	91,251.40
2 Current assets				
(a) Current investments	-	-	-	-
(b) Inventories	139,003.63	101,674.71	399,478.38	350,301.31
(c) Trade receivables	477,176.61	524,586.26	965,829.09	948,403.35
(d) Cash and cash equivalents	6,519.57	13,049.30	30,969.36	35,542.99
(e) Short-term loans and advances	66,972.28	46,626.46	58,899.86	40,691.92
(f) Other current assets	-	-	680.90	3,236.55
Sub-total - Current assets	689,672.09	685,936.73	1,455,857.59	1,378,176.12
TOTAL - ASSETS	864,997.56	859,240.14	1,550,129.37	1,469,427.52



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