

FORD, RHODES, PARKS & CO.
CHARTERED ACCOUNTANTS

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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 third quarter and nine months ended December 31, 2011 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.

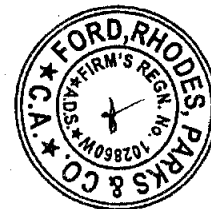
We conducted our review in accordance with the Standard on Review Engagement (SRE) 2400, Engagements to Review Financial Statements issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial 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 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
Firms registration No.102860W



A.D. Shenoy
Partner
Membership No. 11549



Dated: 14th February, 2012
Place: Mumbai

GITANJALI

Gitanjali Gems Ltd.

Unaudited Standalone Financial Results for the quarter and nine months ended 31st December, 2011

(Rs. in Lacs)

Particulars	Quarter Ended			Nine Months Ended		Year ended
	December 31, 2011 (Unaudited)	September 30, 2011 (Unaudited)	December 31, 2010 (Unaudited)	December 31, 2011 (Unaudited)	December 31, 2010 (Unaudited)	March 31, 2011 (Audited)
1 Net Sales / Income from Operations	208,878.25	210,577.93	127,184.73	580,989.36	362,766.21	512,247.19
2 Expenditure						
a) (Increase)/Decrease in stock in trade and work in progress	24,086.42	(9,971.51)	28,002.32	26,560.47	18,166.78	(31,609.34)
b) Consumption of raw material / Purchase of traded goods	171,177.23	198,907.37	89,330.43	504,265.32	313,284.62	500,818.56
c) Employees Cost	609.18	700.19	627.04	1,824.86	1,781.44	2,479.74
d) Depreciation & Ammortisation	93.19	91.80	82.44	254.07	249.25	335.63
e) Other expenditure	3,774.62	9,544.48	1,293.53	17,458.88	5,101.80	7,371.51
f) Total	199,740.64	199,272.33	119,335.76	550,363.60	338,583.89	479,396.10
3 Profit from Operations before Other Income, Interest & Exceptional Item (1-2)	9,137.61	11,305.60	7,848.97	30,625.76	24,182.32	32,851.09
4 Other Income	15.75	1,284.21	12.32	1,299.96	13.07	79.81
5 Profit before Interest & Exceptional Item (3+4)	9,153.36	12,589.81	7,861.29	31,925.72	24,195.39	32,930.90
6 Interest (net)	3,980.42	3,345.64	2,826.42	10,315.78	7,736.94	10,034.37
7 Profit after Interest but before Exceptional Item (5-6)	5,172.94	9,244.17	5,034.87	21,609.94	16,458.45	22,896.53
8 Exceptional items	-	-	-	-	-	-
Profit (+)/ Loss (-) from Ordinary Activities before tax (7+8)	5,172.94	9,244.17	5,034.87	21,609.94	16,458.45	22,896.53
9 Tax expense						
- Provision for Income Tax	1,281.00	1,711.00	220.00	4,322.00	620.00	450.00
- Provision for Deferred Tax	(1.77)	(0.22)	2.52	2.26	7.75	(13.77)
- MAT Credit	(1,871.00)	(997.00)	-	(4,023.00)	-	-
11 Net Profit (+)/ Loss (-) From Ordinary Activities after tax (9-10)	5,764.71	8,530.39	4,812.35	21,308.68	15,830.70	22,460.30
12 Extraordinary Item (net of tax expense)	-	-	-	-	-	-
13 Net Profit (+)/ Loss (-) for the period (11-12)	5,764.71	8,530.39	4,812.35	21,308.68	15,830.70	22,460.30
14 Paid-up equity share capital Face Value of the share	9,112.21 Rs. 10/-	8,631.95 Rs. 10/-	8,427.00 Rs. 10/-	9,112.21 Rs. 10/-	8,427.00 Rs. 10/-	8,487.16 Rs. 10/-
15 Reserves excluding Revaluation Reserves as per Balance sheet of previous accounting year						215,937.32
16 Earnings per Share (EPS)						
a) Basic EPS for the period, for the year to date and for the previous year	6.65	10.03	5.71	24.58	18.79	26.46
b) Diluted EPS for the period, for the year to date and for the previous year	6.65	8.76	4.90	24.58	16.11	22.84
17 Public Shareholding						
Number of shares	41,587,076	40,121,050	37,943,463	41,587,076	37,943,463	38,423,138
Percentage of shareholding	45.64	46.48	45.03	45.64	45.03	45.27
18 Promoters and promoter group Shareholding						
a) Pledged / Encumbered						
- Number of shares	15,328,833	8,654,000	10,278,564	15,328,833	10,278,564	9,374,000
- Percentage of shares (as a % of the total shareholding of Promoter and promoter group)	30.95	18.73	22.19	30.95	22.19	20.18
- Percentage of shares (as a % of the total share capital of the company)	16.82	10.03	12.19	16.82	12.19	11.05
b) Non - encumbered						
- Number of shares	34,206,186	37,544,460	36,047,973	34,206,186	36,047,973	37,074,460
- Percentage of shares (as a % of the total shareholding of Promoter and promoter group)	69.05	81.27	77.81	69.05	77.81	79.82
- Percentage of shares (as a % of the total share capital of the company)	37.54	43.49	42.78	37.54	42.78	43.68

Gitanjali Gems Limited

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Administrative Office:

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GITANJALI

Segmentwise Reporting Revenue, Results and Capital Employed

A) Primary Segment (By Business Segment)

Particulars	Quarter Ended			Nine Months Ended		(Rs. in Lacs)
	December 31, 2011 (Unaudited)	September 30, 2011 (Unaudited)	December 31, 2010 (Unaudited)	December 31, 2011 (Unaudited)	December 31, 2010 (Unaudited)	Year ended March 31, 2011 (Audited)
	1. Segment Revenue					
a) Segment - Diamond	105,319.73	110,722.28	85,367.31	309,975.58	252,175.16	337,660.18
b) Segment - Jewellery	104,487.55	105,553.59	43,276.17	278,236.86	113,635.58	178,442.63
Total	209,807.28	216,275.87	128,643.48	588,212.44	365,810.74	516,102.81
Less: Inter Segment Revenue	929.03	5,697.94	1,458.75	7,223.08	3,044.53	3,855.62
Net Sales / Income from Operations	208,878.25	210,577.93	127,184.73	580,989.36	362,766.21	512,247.19
2. Segment Results						
Profit / (Loss) before tax and interest from each segment						
a) Segment - Diamond	4,902.00	4,473.84	3,544.90	13,936.15	11,841.43	14,300.77
b) Segment - Jewellery	6,305.28	8,642.66	4,854.74	21,540.31	13,224.03	19,160.22
Total	11,207.28	13,116.50	8,399.64	35,476.46	25,065.46	33,460.99
Less						
i) Interest	3,980.42	3,345.64	2,826.42	10,315.78	7,736.94	10,034.37
ii) Other Un-allocable expenses	2,053.92	526.69	538.35	3,550.74	870.07	530.09
Total Profit Before Tax	5,172.94	9,244.17	5,034.87	21,609.94	16,458.45	22,896.53
3. Capital Employed						
a) Segment - Diamond	67,988.24	104,998.72	73,775.73	67,988.24	73,775.73	74,620.34
b) Segment - Jewellery	54,490.43	52,798.37	48,051.72	54,490.43	48,051.72	53,711.19
c) Unallocated net assets	129,351.66	86,585.04	98,831.38	129,351.66	98,831.38	97,321.22
Total	251,830.33	244,382.13	220,658.83	251,830.33	220,658.83	225,652.75

B) Secondary Segment (By Geographical Segment)

Segment Revenue

Particulars	Quarter Ended			Nine Months Ended		(Rs in Lacs)
	December 31, 2011 (Unaudited)	September 30, 2011 (Unaudited)	December 31, 2010 (Unaudited)	December 31, 2011 (Unaudited)	December 31, 2010 (Unaudited)	Year ended March 31, 2011 (Audited)
	India	111,443.13	108,058.01	53,264.16	289,385.94	147,804.76
Rest of the world	97,435.12	102,519.92	73,920.57	291,603.42	214,961.45	306,353.85
Total Revenue	208,878.25	210,577.93	127,184.73	580,989.36	362,766.21	512,247.19



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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 February 14, 2012 and the same has been subjected to a Limited Review by the Statutory Auditors of the Company.
2. As on December 31, 2011 net GDR proceeds of USD 0.0658 million were kept in deposits with overseas banks pending utilization.
3. The paid up equity share capital of the company has increased from Rs 8,487.16 Lacs as on March 31, 2011 to Rs 9,112.21 Lacs as on December 31, 2011, consequent to conversion of 1% Foreign Currency Convertible Bonds (FCCB) in to Equity shares. Out of total FCCBs (USD 110 million) issued, 63.4% of the total issue size was converted into equity shares and balance 36.6% bonds matured on November 25, 2011. The outstanding bonds worth USD 40.26 million were redeemed and Company paid outstanding principal amount and premium due to the bondholders. The redemption premium amounting to Rs 888.66 million is debited to share premium account. Post conversion total outstanding number of equity shares of the company stands at 91,122,095 till date.
4. The Company has allotted 9,43,396 warrants on preferential basis on January 24, 2012 as per SEBI (Issue of Capital and Disclosure Requirements), 2009 and other applicable statutory provisions to Bennett Coleman and Company Limited (BCCL) with each warrant convertible in to one equity share of Rs 10 each at a price of Rs 424/- which includes a premium of Rs 414/- per share.
5. Kolkata Axis Mall Limited, a step down subsidiary has opted for striking off its name from the Register of Companies, under Fast track exit mode as per General Circular No. 36/2011 dated June 7, 2011 issued by the Ministry of Corporate Affairs. The same has been approved by the Registrar of Companies, Maharashtra, Mumbai w.e.f. February 3, 2012.
6. Investors' complaints received and disposed off during the quarter ended December 31, 2011 are as follows:

Complaints pending at the beginning of the quarter	Nil
Complaints received during the quarter	31
Disposal of complaints	31
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 DIRECTORPlace: Mumbai
Date: February 14, 2012