

**FORD, RHODES, PARKS & CO.**  
CHARTERED ACCOUNTANTS

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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 and its subsidiaries (together, "the Group") for the nine month period ended December 31, 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.

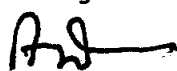
Without qualifying our review conclusion, attention is invited to:-

- a) Note No 2 relating to negative networth of few of the subsidiaries.
- b) Note No 3 relating to overdrawing and nonpayment of interest and charges on bank facilities for nine month period ending 31<sup>st</sup> December, 2014.
- c) Note No 4 relating to outstanding Income tax dues.
- d) Note No. 5 relating to non creation of cash reserve on Non convertible Debentures.
- e) Note No. 6 relating to rescheduling of outstanding interest and installments of ECB.

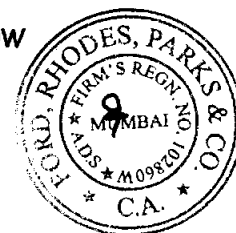
The above points are referred in detail as part of notes to the results.

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 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



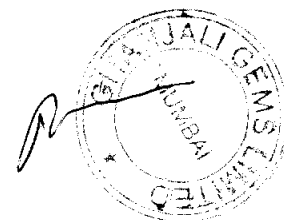
Dated: February 12, 2015  
Place: Mumbai

# GITANJALI

## Statement of unaudited consolidated financial results for the quarter and nine months ended December 31, 2014 Profit & Loss statement

(Rs. in Lacs)

Particulars	Quarter ended			Nine months ended		Year ended
	31.12.2014	30.09.2014	31.12.2013	31.12.2014	31.12.2013	31.03.2014
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
<b>PART - I</b>						
<b>1 Income from Operations</b>						
(a) Net Sales / Income from Operations	344,971.27	247,110.89	275,960.99	799,369.03	968,249.60	1,243,600.03
(b) Other operating income	-	-	-	-	-	-
<b>Total Income from operations (net)</b>	<b>344,971.27</b>	<b>247,110.89</b>	<b>275,960.99</b>	<b>799,369.03</b>	<b>968,249.60</b>	<b>1,243,600.03</b>
<b>2 Expenses</b>						
a) Cost of materials consumed / Purchase of stock-in-trade	378,460.88	225,968.90	125,923.20	792,374.98	692,539.79	952,568.80
b) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(82,967.47)	(26,651.67)	98,027.92	(129,483.52)	113,768.50	94,475.84
c) Employee benefits expense	7,780.32	7,688.80	6,223.41	21,641.87	21,698.32	27,133.10
d) Depreciation & amortisation expense	929.37	1,049.23	830.00	2,721.45	2,368.76	3,827.33
e) Other expenses	19,652.89	12,023.52	18,223.51	41,716.65	80,096.73	99,022.88
<b>Total Expenses</b>	<b>323,855.99</b>	<b>220,078.78</b>	<b>249,228.14</b>	<b>728,971.43</b>	<b>910,472.10</b>	<b>1,177,027.95</b>
<b>3 Profit from Operations before other income, finance costs and exceptional items (1-2)</b>	<b>21,115.28</b>	<b>27,032.11</b>	<b>26,732.85</b>	<b>70,397.60</b>	<b>57,777.50</b>	<b>66,572.08</b>
4 Other income	15,497.78	(2,624.49)	(0.00)	13,746.22	9,570.44	10,754.82
<b>5 Profit from Ordinary activities before finance costs and exceptional items (3+4)</b>	<b>36,613.06</b>	<b>24,407.62</b>	<b>26,732.85</b>	<b>84,143.82</b>	<b>67,347.94</b>	<b>77,326.90</b>
<b>6 Finance costs</b>						
Interest cost	26,232.58	21,835.92	21,387.98	68,028.76	51,032.96	70,491.26
Others	747.83	384.67	611.82	1,981.62	2,777.01	3,140.20
<b>7 Profit from Ordinary activities after finance costs but before exceptional items (5-6)</b>	<b>9,632.65</b>	<b>2,187.03</b>	<b>4,733.05</b>	<b>14,133.44</b>	<b>13,537.97</b>	<b>3,695.44</b>
8 Exceptional items	(13.95)	244.14	-	(789.92)	-	(73.47)
<b>9 Profit from ordinary activities before tax (7+8)</b>	<b>9,618.70</b>	<b>2,431.17</b>	<b>4,733.05</b>	<b>13,343.52</b>	<b>13,537.97</b>	<b>3,621.97</b>
10 Tax expense						
- Income Tax	666.41	1,299.14	358.85	2,621.95	1,883.82	769.37
- MAT	(730.22)	(871.81)	(698.72)	(2,056.29)	(1,123.91)	(374.60)
- Deferred Tax	(19.16)	62.50	17.49	61.36	54.03	(367.10)
<b>11 Net Profit from ordinary activities after tax (9-10)</b>	<b>9,701.67</b>	<b>1,941.34</b>	<b>5,055.43</b>	<b>12,716.50</b>	<b>12,724.03</b>	<b>3,594.30</b>
12 Extraordinary items (net of tax expense)	-	-	-	-	-	-
<b>13 Net Profit for the period (11-12)</b>	<b>9,701.67</b>	<b>1,941.34</b>	<b>5,055.43</b>	<b>12,716.50</b>	<b>12,724.03</b>	<b>3,594.30</b>
14 Share of profit / (Loss) of associates	-	-	-	-	-	-
15 Minority interest	100.00	107.54	9.36	265.67	382.76	242.10
<b>16 Net Profit after taxes, minority interest and share of profit / (Loss) of associates (13+14-15)</b>	<b>9,601.67</b>	<b>1,833.80</b>	<b>5,046.07</b>	<b>12,450.83</b>	<b>12,341.27</b>	<b>3,352.20</b>
17 Paid-up equity share capital	9,812.05	9,812.05	9,206.55	9,812.05	9,206.55	9,206.55
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	-	-	-	-	-	385,212.98
<b>19 Earnings per share (before extraordinary items)</b>						
a) Basic	9.93	1.91	5.48	12.88	13.40	3.64
b) Diluted	9.93	1.91	5.10	12.88	12.48	3.40
<b>20 Earnings per share (after extraordinary items)</b>						
a) Basic	9.93	1.91	5.48	12.88	13.40	3.64
b) Diluted	9.93	1.91	5.10	12.88	12.48	3.40
<b>PART - II</b>						
<b>A PARTICULARS OF SHAREHOLDING</b>						
1 Public Shareholding						
- Number of shares	63,513,945	63,010,497	56,371,016	63,513,945	56,371,016	56,605,756
- Percentage of shareholding	64.73	64.22	61.23	64.73	61.23	61.48
2 Promoters and Promoter Group Shareholding						
a) Pledged / Encumbered						
- Number of shares	15,048,555	11,229,370	7,273,015	15,048,555	7,273,015	7,038,275
- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	43.48	31.98	20.38	43.48	20.38	19.85
- Percentage of shares (as a % of the total share capital of the company)	15.34	11.44	7.90	15.34	7.90	7.64
b) Non - encumbered						
- Number of shares	19,557,951	23,880,584	28,421,460	19,557,951	28,421,460	28,421,460
- Percentage of shares (as a % of the total shareholding of Promoter and Promoter group)	56.52	68.02	79.62	56.52	79.62	80.15
- Percentage of shares (as a % of the total share capital of the company)	84.66	24.34	30.87	84.66	30.87	30.87
<b>8 INVESTOR COMPLAINTS (during the quarter)</b>	<b>Opening</b>	<b>Additions</b>	<b>Disposals</b>	<b>Closing</b>		
Number of complaints	0	13	13	0		



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

# GITANJALI

## Consolidated Segmentwise Reporting Revenue, Results and Capital Employed

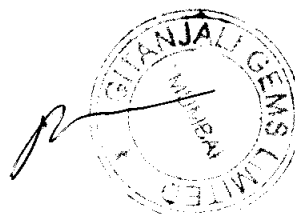
### A) Primary Segment (By Business Segment)

(Rs. in Lacs)

Particulars	Quarter ended			Nine months ended		Year ended
	31.12.2014	30.09.2014	31.12.2013	31.12.2014	31.12.2013	31.03.2014
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1. Segment Revenue						
a) Segment - Diamond	102,081.21	94,207.30	137,205.51	280,089.41	593,395.38	719,157.92
b) Segment - Jewellery	252,939.88	165,900.49	162,085.89	548,742.91	497,237.74	652,043.27
c) Segment - Others	360.32	366.41	1,370.25	1,938.68	4,403.35	7,363.32
Total	355,381.41	260,474.20	300,661.65	830,771.00	1,095,036.47	1,378,564.51
Less: Inter Segment Revenue	10,410.14	13,363.31	24,700.66	31,401.97	126,786.87	134,964.48
<b>Net Sales / Income from Operations</b>	<b>344,971.27</b>	<b>247,110.89</b>	<b>275,960.99</b>	<b>799,369.03</b>	<b>968,249.60</b>	<b>1,243,600.03</b>
2. Segment Results						
Profit / (Loss) before tax and interest from each segment						
a) Segment - Diamond	2,540.58	2,312.22	8,108.19	8,611.92	28,581.40	34,668.58
b) Segment - Jewellery	34,297.17	22,198.55	18,846.82	76,460.96	39,585.90	44,769.79
c) Segment - Others	(224.69)	(103.15)	(222.16)	(929.06)	(819.36)	(2,111.47)
Total	36,613.06	24,407.62	26,732.85	84,143.82	67,347.94	77,326.90
Less Finance cost	26,980.41	22,220.59	21,999.80	70,010.38	53,809.97	73,631.46
<b>Total profit before exceptional item &amp; tax</b>	<b>9,632.65</b>	<b>2,187.03</b>	<b>4,733.05</b>	<b>14,133.44</b>	<b>13,537.97</b>	<b>3,695.44</b>
3. Capital Employed						
a) Segment - Diamond	133,984.84	128,064.10	135,522.15	133,984.84	135,522.15	156,835.98
b) Segment - Jewellery	279,943.58	270,283.63	247,726.00	279,943.58	247,726.00	228,642.04
c) Unallocated net assets	4,095.96	5,814.66	25,198.32	4,095.96	25,198.32	8,941.50
<b>Total</b>	<b>418,024.38</b>	<b>404,162.39</b>	<b>408,446.47</b>	<b>418,024.38</b>	<b>408,446.47</b>	<b>394,419.52</b>

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

Particulars	Quarter ended			Nine months ended		Year ended
	31.12.2014	30.09.2014	31.12.2013	31.12.2014	31.12.2013	31.03.2014
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
Segment Revenue						
India	165,291.32	85,368.61	68,142.66	336,384.37	368,757.72	510,548.89
Rest of the world	179,679.95	161,742.28	207,818.33	462,984.66	599,491.88	733,051.14
<b>Total Revenue</b>	<b>344,971.27</b>	<b>247,110.89</b>	<b>275,960.99</b>	<b>799,369.03</b>	<b>968,249.60</b>	<b>1,243,600.03</b>



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# Gitanjali Gems Limited

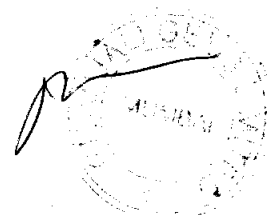
## Notes:

1. The above consolidated unaudited financial results for the nine month period ended December 31, 2014 were reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on February 12, 2015.
2. 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 December 31, 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 December 31, 2014.
3. The business of the group continues to be impacted due to regulatory restrictions on import of gold & unfavorable INR Vs USD currency fluctuation. 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 December 31, 2014 amounted to around Rs.146.69 Crores which is mainly on account of non servicing of interest and charges.
4. As on date the group has not paid self assessment tax for the assessment year 2013-14 totaling around Rs. 58.23 Crores (appx). Besides the income tax liability, the group has also to pay VAT, Service Tax and TDS totaling to Rs 9.57 Crores.
5. Cash reserve remains to be created by the company against Non - Convertible debentures maturing during the year.
6. The Company has sought for rescheduling of repayment of ECB term loan with IDBI. The Reserve Bank of India has given in principal approval for rescheduling. Approval from IDBI is awaited. Pending such approval the outstanding overdue position as per existing terms is as follows;

(Rs in Crores)

Nature of Loan	Principal Amount	Interest & charges
ECB - IDBI	1.27	9.54
NCD - LIC	-	0.53

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](http://www.gitanjaligroup.com), Stock Exchanges: [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com).
8. The Auditors have without qualifying their limited review report drawn attention to the Notes No. 2 to 6, stated above.
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.



## Gitanjali Gems Limited

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: February 12, 2015

