

FORD RHODES PARKS & CO LLP CHARTERED ACCOUNTANTS

(Formerly Ford, Rhodes, Parks & Co.)

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

TELEPHONE : (91) 22 67979819
: (91) 22 67979820
FAX : (91) 22 67979821
EMAIL : frplax@vsnl.com

INDEPENDENT AUDITOR'S REVIEW REPORT

TO

THE BOARD OF DIRECTORS OF GITANJALI GEMS LIMITED

We have reviewed the accompanying statement of unaudited consolidated financial results of Gitanjali Gems Limited ("the Company") and its subsidiaries together (the Company and its subsidiaries together referred to as "the Group") and its share of profit / (loss) of its associate for the quarter and nine months ended December 31, 2016 ("the Statement"), being submitted by the Company pursuant to the requirement of regulation 33 of the SEBI (Listing obligation and disclosure requirements) Regulations, 2015 read with circular no CIR/CFD/FAC/62/2016 dated July 5, 2016. This Statement which is the responsibility of the company's management and approved by Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Ind As 34 'Interim Financial Reporting', prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued there under and other accounting principles generally accepted in India. Our responsibility is to issue a report on the statement based on our review.

We conducted our review of the financial statement in accordance with the Standard on Review Engagement (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", 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 Holding Company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

Without qualifying our report, attention is invited to following matters:

- a. Note No 3 relating to the overdue interest of USD 1.58 Million in respect of External Commercial Borrowings, total overdue of Rs 2.86 crore in respect of Non-Convertible debentures of LIC & non payment of self assessment income Tax of Rs.31.61 crores & other statutory dues amounting to Rs.13.63 crores; and
- b. Note No 4 relating to non creation of cash reserve as required under Rule 18(7c) of the Company's (Share capital and Debenture) Rule 2014 in respect to Convertible debentures maturing during the following year.

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 applicable accounting standards and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with circular no CIR/CFD/FAC/62/2016 dated July 5, 2016 including the manner in which it is to be disclosed, or that it contains any material misstatement.

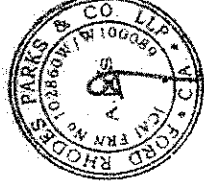
For **FORD RHODES PARKS & CO LLP**
Chartered Accountants
ICAI FRNo.1022860W /W100089



A. D. Shenoy
Partner
Membership No. 11549

Place: Mumbai

Date: 14th February 2017



GITANJALI

Gitanjali Gems Ltd.

Statement of unaudited consolidated financial results for the quarter and nine months ended December 31, 2016
Profit & Loss statement

Particulars	(Rs. in Lacs)			
	Quarter ended		Nine months ended	
	31.12.2016 Unaudited	30.09.2016 Unaudited	31.12.2015 Unaudited	31.12.2015 Unaudited
PART - I				
1 Income from Operations				
(a) Net Sales / Income from Operations	335,296.61	396,487.26	339,968.27	1,102,822.23
(b) Other operating income				
Total income from operations (net)	335,296.61	396,487.26	339,968.27	1,102,822.23
2 Expenses				
a) Cost of materials consumed / Purchase of stock-in-trade	262,762.64	393,614.85	269,205.29	1,026,123.17
b) Changes in inventories of finished goods, work-in-progress and stock-in-trade	37,395.57	(35,699.51)	37,699.19	(30,945.16)
c) Employee benefits expense	7,819.56	7,852.24	7,036.97	22,207.31
d) Depreciation & amortisation expense	1,965.98	1,805.44	1,839.90	5,489.95
e) Other expenses	4,573.68	10,555.90	3,855.22	28,561.00
Total Expenses	314,507.43	378,138.92	318,626.57	1,051,436.27
3 Profit from Operations before other income, finance costs and exceptional items (1+2)	20,789.18	18,343.34	21,341.70	51,385.96
4 Other income	2,705.64	3,293.06	(311.41)	13,518.12
5 Profit from Ordinary activities before finance costs and exceptional items (3+4)	23,494.82	21,636.40	21,030.29	64,904.08
6 Finance costs				
Interest cost	17,737.34	16,329.39	13,051.78	47,809.62
Others	84.19	805.56	646.89	1,784.67
7 Profit from Ordinary activities after finance costs but before exceptional items (5-6)	5,673.29	4,501.45	7,329.62	15,309.79
8 Exceptional items				
9 Profit from ordinary activities before tax (7+8)	5,673.29	4,501.45	7,329.62	15,309.79
10 Tax expense				
- Income Tax	652.84	1,158.32	1,717.91	3,328.20
- MAT	(432.23)	(1,122.79)	(1,074.83)	(3,070.02)
- Deferred Tax	(415.04)	(53.85)	(389.51)	(1,069.90)
11 Net Profit from ordinary activities after tax (9-10)	5,667.72	4,519.76	7,076.05	16,121.51
12 Extraordinary items (net of tax expense)				
13 Net Profit for the period (11-12)	5,667.72	4,519.76	7,076.05	16,121.51
14 Add: Share of profit / (Loss) of associates		32.15	(75.32)	(160.06)
15 Less: Minority interest	104.59	(199.56)	(544.00)	(1,286.39)
16 Net Profit after taxes, minority interest and share of profit / (Loss) of associates (13+14-15)	5,763.13	4,751.47	7,544.73	16,256.89
17 Other Comprehensive Income (net of tax)	2,974.92	(1,844.26)	(2,094.92)	4,636.56
18 Total Comprehensive Income	8,738.05	2,907.21	5,449.81	20,893.45
19 Paid-up equity share capital Face value of the share	11,861.60 Rs. 10/-	11,861.60 Rs. 10/-	10,243.77 Rs. 10/-	11,861.60 Rs. 10/-
20 Reserve excluding Revaluation Reserves as per balance sheet of previous accounting year				
21 Earnings per share (before extraordinary items)				
a) Basic	5.08	4.01	7.58	14.33
b) Diluted	5.08	4.01	7.58	14.33
22 Earnings per share (after extraordinary items)				
a) Basic	5.08	4.01	7.58	14.33
b) Diluted	5.08	4.01	7.58	14.33



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

Gitanjali Gems Ltd.

Consolidated Segmentwise Reporting Revenue, Results and Capital Employed

A) Primary Segment (By Business Segment)

Particulars	(Rs. in Lacs)			
	Quarter ended		Nine months ended	
	31.12.2016 Unaudited	30.09.2016 Unaudited	31.12.2015 Unaudited	31.12.2015 Unaudited
1. Segment Revenue				
a) Segment - Diamond	53,136.00	38,700.78	81,822.67	175,319.26
b) Segment - Jewellery	292,414.57	368,493.91	270,814.67	955,859.44
c) Segment - Others	55.04	281.78	625.23	483.72
Total	345,605.61	407,476.47	353,262.57	1,131,662.42
Less: Inter Segment Revenue	10,309.00	10,994.21	13,294.30	28,840.19
Net Sales / Income from Operations	335,296.61	396,482.26	339,968.27	1,102,822.23
2. Segment Results Profit / (Loss) before tax and interest from each segment				
a) Segment - Diamond	319.33	(977.50)	687.78	2,055.81
b) Segment - Jewellery	23,498.28	20,915.46	23,995.25	63,331.68
c) Segment - Others	(322.79)	1,698.44	(3,652.74)	(483.41)
Total	23,494.82	21,636.40	21,030.29	64,904.08
Less				
Finance cost	17,821.53	17,134.95	13,700.67	49,594.29
if) Other Un-allocable expenses				
Total profit before exceptional item & tax	5,673.29	4,501.45	7,329.62	15,309.79
3. Capital Employed				
Segment Assets				
a) Segment - Diamond	137,952.41	231,695.80	457,900.58	137,952.41
b) Segment - Jewellery	1,815,511.79	1,277,827.32	716,575.14	1,815,511.79
c) Unallocated net assets	305,670.91	(95,999.22)	152,675.24	305,670.91
Total	2,259,135.11	1,413,523.90	1,327,150.96	2,259,135.11
Segment Liabilities				
a) Segment - Diamond	233,915.49	20,199.60	220,193.19	233,915.49
b) Segment - Jewellery	1,245,993.55	861,678.04	418,888.89	1,245,993.55
c) Unallocated net assets	124,075.34	(113,046.94)	57,228.90	124,075.34
Total	1,603,984.38	768,830.70	696,310.98	1,603,984.38



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Gitanjali Gems Limited

Notes:

1. The above consolidated unaudited financial results for the period ended December 31, 2016 were reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on February 14, 2017.
2. The Statement has been prepared in accordance with the Indian Accounting, Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rule, 2015 as amended. The company adopted Ind AS from 1st April 2016 with a transition date of 1st April 2015 and accordingly, these financials results (including for all the periods presented in accordance with Ind AS 101- First – time Adoption of Indian Accounting Standards) have been prepared in accordance with the recognition and measurement principles in Ind AS 34 – Interim Financial Reporting, prescribed under Section 133 of the Companies Act,2013 and other recognized accounting practices and policies to the extent applicable.

The IND AS compliant consolidated financial results for the corresponding quarter ended December 31, 2015 have been stated in terms of SEBI circular CIR/CFD/FAC/62/2016 dated July 5, 2016.

The INDAS Compliant financial results, pertaining to the corresponding quarter and period ended 31st December 2015 has not been subjected to Limited review or audit by the statutory Auditor. However the management has exercised necessary due diligence to ensure that the financial results provide a true and fair view of its affairs for comparison purposes.

Reconciliation of profit between Ind AS and previous GAAP is shown below:

(Rs. in Lacs)

	Particulars	Nine month Ended	Q3 (FY 1516)
		December -15 (Consolidated)	(Consolidated)
	IGAAP Profit reported as on December,2015	14,153.77	7,836.50
	Add / (Less) : Amalgamation Adjustments	4.90	8.15
A	Net Profit as per Indian GAAP	14,158.67	7,844.66
1	Impact of measuring financial instruments at amortised cost	(247.17)	(82.92)
2	Impact of measuring financial instruments at fair value through P&L	(500.58)	(55.94)
3	Depreciation impact on PPE	(3,329.02)	(1,109.67)
4	Deferred tax impact	1,327.99	404.60
B	Net Profit as per Ind AS	11,409.89	7,000.73
	Fair Valuation of Equity Investment through OCI	(53.38)	(67.31)
	Exchange differences in translating the financial statements of foreign operations	6,227.66	(2,020.46)
C	Other Comprehensive Income	6,174.28	(2,087.77)



Gitanjali Gems Limited

3. In respect of External Commercial Borrowings overdue interest is USD 1.58 Million, in respect of Non-Convertible debentures overdue principal & interest is Rs 2.86 crores. As on date, the company has outstanding self assessment income tax relating to Assessment Year 2016-17 totaling to Rs. 31.61 crores and other statutory dues totaling to Rs. 13.63 crores.
4. In respect of Non – Convertible debentures maturing during the following year, cash reserve will be created.
5. Nakshatra World Limited, formerly known as Gitanjali Brands Ltd (NWL), a subsidiary of the Company has purchased equity shares of Bezel Jewellery (India) Private Ltd. (Formerly known as D'Damas Jewellery (India) Private Limited) (Bezel), another step down subsidiary of the company for a consideration of Rs. 48,125,000/- from its 49% JV partner Damas Jewellery LLC. Accordingly Bezel has become wholly owned step down subsidiary of the company.
6. With respect to restructuring of overseas subsidiaries, RBI and Lender's approval is pending for advance of USD 6.44 Million received in earlier year from one of its overseas subsidiary viz. Aston Luxury Group Limited as part consideration.
7. Gratuity & leave liability based on actuarial valuation will be accrued at year end
8. The Group has identified two major reportable segments: Diamond business and Jewellery business.
9. EPS is not annualized.
10. The above results may require adjustment before constituting the first set of Ind AS financials as of and for the year ended March 31, 2017 due to change in financial reporting assumptions and applications arising from new or revised standards or interpretations received or changes in the use of one or more optional exemptions as permitted under Indian Accounting Standards (Ind-AS) 101 issued under Companies (Indian Accounting Standards) Rule 2015 as amended.
11. Previous period figures have been regrouped / rearranged, wherever necessary to conform to the current period's classification.
12. The financial results are available at the website of the Company: www.gitanjaligroup.com, stock exchanges: www.bseindia.com and www.nseindia.com.

For Gitanjali Gems Limited



Mehul C. Choksi
Chairman & Managing Director



Place: Mumbai

Date: February 14, 2017