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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("the Company") and its subsidiaries and its associate together (the Company and its Subsidiaries together referred to as "the Group" for the quarter and nine months ended December 31, 2015 ("the Statement"), being submitted by the Company pursuant to the requirement of regulation 33 of the SEBI (listing obligation and disclosure requirements)Regulations, 2015.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 Accounting Standard for Interim Financial Reporting (AS 25), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder 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 statements 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 Holding 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 overdrawn and non-payment of interest and charges on bank facilities for nine months period ended 31st December, 2015.
- b) Note No 3 relating to outstanding Income tax.
- c) Note No. 4 & 6 relating to outstanding interest and instalments of ECB and Non-convertible Debentures and relative Cash Reserve.

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

The statement includes the result of 32 subsidiaries&1 associate.

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 attention that causes us to believe that the accompanying statement of unaudited consolidated financial results prepared in accordance with applicable accounting standards and other recognised 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 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
FRNo.102860W/W100089


A. D. Shenoy

Partner

Membership No. 11549



Place: Mumbai

Date: February 13, 2016

A Partnership Firm with Registration No: BA61078 converted into a Limited Liability Partnership (LLP) namely FORD RHODES PARKS & CO. LLPw.e.f August 4, 2015 - LLP Identification No.AAE4990

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GITANJALI

Gitanjali Gems Ltd.

Statement of unaudited consolidated financial results for the quarter and nine months ended December 31, 2015
Profit & Loss statement

Particulars	Quarter ended			Nine months ended		(Rs. In Lacs)
	31.12.2015 Unaudited	30.09.2015 Unaudited	31.12.2014 Unaudited	31.12.2015 Unaudited	31.12.2014 Unaudited	Year ended 31.03.2015 Audited
PART - I						
1 Income from Operations						
(a) Net Sales / income from Operations	339,968.27	345,697.20	344,971.27	970,176.16	799,369.03	1,148,106.16
(b) Other operating income	-	-	-	-	-	-
Total income from operations (net)	339,968.27	345,697.20	344,971.27	970,176.16	799,369.03	1,148,106.16
2 Expenses						
a) Cost of materials consumed / Purchase of stock-in-trade	268,205.29	376,228.82	378,460.88	924,653.50	792,374.98	1,144,979.91
b) Changes in inventories of finished goods, work-in-progress and stock-in-trade	37,689.19	(67,681.04)	(82,967.47)	(54,818.69)	(129,483.52)	(166,332.84)
c) Employee benefits expense	7,036.97	6,560.72	7,780.32	19,882.60	21,641.87	27,599.74
d) Depreciation & amortisation expense	738.38	859.26	929.37	2,333.81	2,721.45	4,688.68
e) Other expenses	6,332.44	8,252.96	19,652.89	24,408.22	41,716.65	40,789.87
Total Expenses	320,002.27	324,211.72	323,855.99	916,459.44	728,971.43	1,051,725.36
3 Profit from Operations before other income, finance costs and exceptional items (1-2)	19,966.00	21,485.48	21,115.28	53,716.72	70,397.60	96,380.80
4 Other income	2,148.66	1,294.34	15,497.78	14,199.59	13,746.22	9,852.85
5 Profit from Ordinary activities before finance costs and exceptional items (3+4)	22,114.66	22,779.82	36,613.06	67,916.31	84,143.82	106,233.65
6 Finance costs						
Interest cost	13,051.78	18,505.01	26,232.58	50,995.44	68,028.76	87,939.78
Others	492.89	125.80	747.83	1,818.17	1,981.62	2,476.47
7 Profit from Ordinary activities after finance costs but before exceptional items (5-6)	8,569.99	4,149.01	9,632.65	15,102.70	14,133.44	15,817.40
8 Exceptional items	-	-	(13.95)	-	(789.92)	(6,975.65)
9 Profit from ordinary activities before tax (7+8)	8,569.99	4,149.01	9,618.70	15,102.70	13,343.52	8,841.75
10 Tax expense						
- Income Tax	1,717.91	1,202.30	666.41	3,583.74	2,621.95	858.42
- MAT	(1,074.83)	(1,186.16)	(730.22)	(2,875.58)	(2,056.29)	(780.19)
- Deferred Tax	15.09	1.30	(19.16)	80.71	61.36	(194.64)
11 Net Profit from ordinary activities after tax (9-10)	7,911.82	4,131.57	9,701.67	14,313.83	12,716.50	8,958.16
12 Extraordinary items (net of tax expense)	-	-	-	-	-	-
13 Net Profit for the period (11-12)	7,911.82	4,131.57	9,701.67	14,313.83	12,716.50	8,958.16
14 Less: Share of profit / (Loss) of associates	(75.32)	(40.80)	-	(160.06)	-	(219.55)
15 Add: Minority Interest	(526.25)	(129.96)	100.00	(1,234.93)	265.67	(811.09)
16 Net Profit after taxes, minority interest and share of profit / (Loss) of associates (13+14-15)	8,362.75	4,220.73	9,601.67	15,388.70	12,450.83	9,549.70
17 Paid-up equity share capital						
Face value of the share	10,243.77	9,812.05	9,812.05	10,243.77	9,812.05	9,812.05
	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						401,838.63
19 Earnings per share (before extraordinary items)						
a) Basic	8.40	4.30	9.93	15.47	12.88	9.84
b) Diluted	8.40	4.30	9.93	15.47	12.88	9.73
20 Earnings per share (after extraordinary items)						
a) Basic	8.40	4.30	9.93	15.47	12.88	9.84
b) Diluted	8.40	4.30	9.93	15.47	12.88	9.73

Gitanjali Gems Limited

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CIN - 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		Year ended
	31.12.2015	30.09.2015	31.12.2014	31.12.2015	31.12.2014	31.03.2015
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1. Segment Revenue						
a) Segment - Diamond	81,822.67	65,772.91	102,081.21	232,462.63	280,089.41	422,621.54
b) Segment - Jewellery	270,814.67	284,315.58	252,939.88	771,592.18	548,742.91	786,072.10
c) Segment - Others	625.23	10.02	360.32	1,262.25	1,938.68	2,771.11
Total	353,262.57	350,098.51	355,381.41	1,005,317.06	830,771.00	1,211,464.75
Less: Inter Segment Revenue	13,294.30	4,401.31	10,410.14	35,140.90	31,401.97	63,358.59
Net Sales / Income from Operations	339,968.27	345,697.20	344,971.27	970,176.16	799,369.03	1,148,106.16
2. Segment Results Profit / (Loss) before tax and interest from each segment						
a) Segment - Diamond	687.78	797.73	2,540.58	1,785.51	8,611.92	10,803.63
b) Segment - Jewellery	21,483.07	22,100.83	34,297.17	66,420.65	76,460.96	96,049.29
c) Segment - Others	(56.19)	(118.74)	(224.69)	(289.85)	(929.06)	(619.27)
Total	22,114.66	22,779.82	36,613.06	67,916.31	84,143.82	106,233.65
Less						
Finance cost	13,544.67	18,630.81	26,980.41	52,813.61	70,010.38	90,416.25
ii) Other Un-allocable expenses						
Total profit before exceptional item & tax	8,569.99	4,149.01	9,632.65	15,102.70	14,133.44	15,817.40
3. Capital Employed						
a) Segment - Diamond	131,772.37	144,450.51	133,984.84	131,772.37	133,984.84	145,894.43
b) Segment - Jewellery	281,467.15	276,888.16	279,943.58	281,467.15	279,943.58	257,137.05
c) Unallocated net assets	22,963.40	11,734.38	4,095.96	22,963.40	4,095.96	12,880.65
Total	436,202.92	433,073.05	418,024.38	436,202.92	418,024.38	415,912.13

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Gitanjali Gems Limited

Notes:

1. The above consolidated unaudited financial results for the quarter and nine months ended December 31, 2015 were reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on February 13, 2016. The statutory auditor has carried out limited review of aforesaid results.
2. The business of the company 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 company's request for substitution of security and release of cash margin is accepted by consortium banks and on providing alternate collateral securities to banks, cash margin and collaterals amounting to Rs. 178.06 crores would be released by the banks which will cover the overdrawing from banks. The company's over drawn position in the working capital account as on December 31, 2015 amounted to around Rs. 116.92 crores which is mainly on account of non servicing of interest, charges and foreign currency mark to market effect.
3. As on date the Group has not paid self assessment tax totaling about Rs. 23.40 crores. Besides the income tax liability, the Group has also to pay VAT, Service Tax and TDS totaling about Rs. 4.31 crores.
4. Due to the liquidity constrains, Cash reserve remains to be created by the Company against Non – Convertible debentures maturing during the year.
5. At the Meeting of Board of Directors of the Company held on April 21, 2015, the Board has approved the "Scheme of Amalgamation" [Scheme] under Section 391 to 394 of the Companies Act, 1956 and relevant Sections of the Companies Act 2013, to the extent applicable, for amalgamation of Gitanjali Exports Corporation Limited (GECL), a wholly owned subsidiary with the Company, subject to the approval of the Scheme by Stock Exchanges, Shareholders and Creditors of the respective Companies, Hon. Bombay High Court and subject to approval of any other statutory authorities as may be required. Once sanctioned, the Scheme will be effective from the appointed date i.e. April 1, 2014. The Company is in the process of completing formalities.

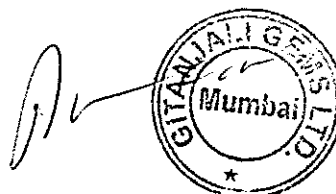
At the Meeting of Board of Directors of the respective Companies held on April 21, 2015, the Board the respective Companies have approved the "Scheme of Amalgamation" [Scheme] under Section 391 to 394 of the Companies Act, 1956 and relevant Sections of the Companies Act 2013, to the extent applicable, for amalgamation of Asmi Jewellery India Limited and Spectrum Jewellery Limited with Nakshatra Brands Limited and Merger of Gitanjali Jewellery Retail Limited and Gitanjali Lifestyle Limited with GILI India Limited, subject to the approval of the Scheme by Hon. Bombay High Court and subject to approval of any other statutory authorities as may be required. Once sanctioned, the Scheme will be effective from the appointed date i.e. April 1, 2014. The Companies are in the process of completing formalities.

6. In respect of Long Term Borrowings, the outstanding overdue position as per existing terms is as follows;

(Rs in Crores)

Nature of Loan	Principal Amount	Interest & charges
ECB – IDBI	-	10.29
NCD – LIC	4.68	0.28

Promoter has requested to adjust Rs. 4.50 crores being monies refundable to him by LIC towards company's dues in respect of NCD.



Gitanjali Gems Limited

7. During the quarter, 4,317,273 number of warrants issued earlier on preferential basis, were converted into equivalent number of equity shares of Rs 10 /- each at premium of Rs 62.39/-. Consequently, paid up equity share capital of the Company increased from Rs 9,812.05 lacs to Rs 10,243.77 lacs.
8. The Group has identified two major reportable segments: Diamond business and Jewellery business.
9. The Group has opted to publish consolidated financial results from the financial year 2014-15. Consolidated and Standalone financial results are available at the website of the Company: www.gitanjaligroup.com, stock exchanges: www.bseindia.com and www.nseindia.com.
10. Except for Audited figures for 12 month period i.e. April 2014 to March 2015, 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: February 13, 2016