

# GITANJALI

GG/GGL/S/2016/606

December 14, 2016

To,  
The Listing Department  
BSE Limited  
P.J. Towers, Dalal Street  
Mumbai - 400 001

National Stock Exchange of India Limited  
Exchange Plaza  
Bandra – Kurla Complex  
Bandra (East)  
Mumbai - 400 051

Dear Sir,

Sub. : Unaudited Financial Results (Standalone & Consolidated) along with Limited Review Report for the Quarter and Half Year ended September 30, 2016

Ref. : 1) BSE Scrip Code – 532715  
2) NSE Scrip Symbol – GITANJALI  
3) Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Apropos the Captioned subject and references quoted above, please find enclosed the copy of unaudited financial results along with limited review report for the quarter and half year ended September 30, 2016, duly approved by the Board of Directors of the Company, at its meeting held today. The Meeting of Board of Directors of the Company commenced at 2 p.m. and concluded at 6:15 p.m.

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 (East), Mumbai – 400051, India

T: 022 40354600 / 01 F: 40354602 • [www.gitanjaliigroup.com](http://www.gitanjaliigroup.com)

CIN - L36911MH1986PLC040689

# FORD RHODES PARKS & CO LLP

## CHARTERED ACCOUNTANTS

(Formerly Ford, Rhodes, Parks & Co.)

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

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

### AUDITOR'S REPORT ON LIMITED REVIEW

We have reviewed the accompanying statement of unaudited standalone financial results of Gitanjali Gems Limited ("the Company") for the quarter and half year ended September 30, 2016 and Balance sheet as at September 30, 2016 ("the financial statement") being submitted by the Company pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation 2015. This statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on these financial statements based on our 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 provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

Without qualifying our opinion, attention is invited to following matters

- Note No 3 relating to overdrawn position of Rs 35.52 crores in working capital borrowing from consortium of bankers;
- Note No 4 relating to outstanding self assessment income tax dues of Rs 10.24 crores and other statutory dues amounting Rs 2.80 crores; and
- Note No 5 relating to ECB where the company has not paid outstanding overdue principal and interest of USD 10.44 million and USD 0.96 million respectively and relating to 12% Non Convertible Debenture issued to LIC where principal and interest of Rs 3.37 crores is overdue. Further as given in Note No 6 the company has not created liquid asset of Rs 2.11 crores as required under Rule 18(7c) of the Company's (Share capital and Debenture) Rule 2014.

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 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.102860W/W100089**



**A. D. Shenoy**  
**Partner**  
**Membership No. 11549**



**Place: Mumbai**  
**Date: 14<sup>th</sup> December 2016**

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

# GITANJALI

## Unaudited standalone financial results for the quarter and half-year ended September 30, 2016

### Profit & Loss statement

(Rs. in Lacs)

| Particulars   | Quarter ended      |                    |                    | Haf year ended     |                    |
|---|--------------------|--------------------|--------------------|--------------------|--------------------|
|   | 30.09.2016         | 30.06.2016         | 30.09.2015         | 30.09.2016         | 30.09.2015         |
|   | Unaudited          | Unaudited          | Unaudited          | Unaudited          | Unaudited          |
| <b>1 Income from Operations</b>   |                    |                    |                    |                    |                    |
| (a) Net Sales / income from Operations  | 2,28,897.88        | 2,25,816.59        | 2,24,008.64        | 4,54,714.47        | 4,51,021.54        |
| (b) Other operating income  | -                  | -                  | -                  | -                  | -                  |
| <b>Total income from operations (net)</b>   | <b>2,28,897.88</b> | <b>2,25,816.59</b> | <b>2,24,008.64</b> | <b>4,54,714.47</b> | <b>4,51,021.54</b> |
| <b>2 Expenses</b>   |                    |                    |                    |                    |                    |
| trade   | 2,08,402.40        | 2,40,275.35        | 1,95,347.66        | 4,48,677.75        | 4,15,735.18        |
| progress and stock-in-trade   | (1,579.30)         | (29,595.37)        | 13,685.13          | (31,174.67)        | 4,602.88           |
| c) Employee benefits expense  | 1,003.56           | 913.89             | 844.87             | 1,917.45           | 1,650.37           |
| d) Depreciation & amortisation expense  | 430.53             | 431.42             | 467.80             | 861.95             | 931.97             |
| e) Other expenses   | 5,709.73           | 7,329.37           | 4,102.65           | 13,039.10          | 8,149.04           |
| <b>Total Expenses</b>   | <b>2,13,966.92</b> | <b>2,19,354.66</b> | <b>2,14,448.11</b> | <b>4,33,321.58</b> | <b>4,31,069.44</b> |
| <b>3 Profit from Operations before other income, finance costs and exceptional items (1-2)</b>  | <b>14,930.96</b>   | <b>6,461.93</b>    | <b>9,560.53</b>    | <b>21,392.89</b>   | <b>19,952.10</b>   |
| 4 Other income  | (697.78)           | 5,323.84           | 3,569.92           | 4,626.06           | 8,409.44           |
| <b>5 Profit from Ordinary activities before finance costs and exceptional items (3+4)</b>       | <b>14,233.18</b>   | <b>11,785.77</b>   | <b>13,130.45</b>   | <b>26,018.95</b>   | <b>28,361.54</b>   |
| <b>6 Finance costs</b>  |                    |                    |                    |                    |                    |
| Interest cost   | 11,845.37          | 9,019.95           | 10,838.84          | 20,865.32          | 24,890.03          |
| Others  | 4.35               | 394.85             | 962.88             | 399.20             | 948.21             |
| <b>7 Profit from Ordinary activities after finance costs but before exceptional items (5-6)</b> | <b>2,383.46</b>    | <b>2,370.97</b>    | <b>1,328.73</b>    | <b>4,754.43</b>    | <b>2,523.30</b>    |
| 8 Exceptional items   | -                  | -                  | -                  | -                  | -                  |
| <b>9 Profit from ordinary activities before tax (7+8)</b>                                       | <b>2,383.46</b>    | <b>2,370.97</b>    | <b>1,328.73</b>    | <b>4,754.43</b>    | <b>2,523.30</b>    |
| 10 Tax expense  |                    |                    |                    |                    |                    |
| - Income Tax  | 510.00             | 490.00             | 475.00             | 1,000.00           | 811.00             |
| - MAT   | (510.00)           | (490.00)           | (475.00)           | (1,000.00)         | (811.00)           |
| - Deferred Tax  | 148.19             | (405.84)           | (283.21)           | (257.65)           | (441.24)           |
| <b>11 Net Profit from ordinary activities after tax (9-10)</b>                                  | <b>2,235.27</b>    | <b>2,776.81</b>    | <b>1,611.94</b>    | <b>5,012.08</b>    | <b>2,964.54</b>    |
| 12 Extraordinary items (net of tax expense)   | -                  | -                  | -                  | -                  | -                  |
| <b>13 Net Profit for the period (11-12)</b>   | <b>2,235.27</b>    | <b>2,776.81</b>    | <b>1,611.94</b>    | <b>5,012.08</b>    | <b>2,964.54</b>    |
| 14 Paid-up equity share capital   | 11,861.60          | 10,883.34          | 9,812.05           | 11,861.60          | 9,812.05           |
| Face value of the share   | Rs. 10/-           | Rs. 10/-           | Rs. 10/-           | Rs. 10/-           | Rs. 10/-           |
| 15 Reserve excluding Revaluation Reserves as per balance sheet of previous accounting year      |                    |                    |                    | 3,37,707.27        | 3,25,032.68        |
| <b>16 Earnings per share (before extraordinary items)</b>                                       |                    |                    |                    |                    |                    |
| a) Basic  | 1.98               | 2.64               | 1.64               | 4.45               | 3.02               |
| b) Diluted  | 1.98               | 2.64               | 1.64               | 4.45               | 3.02               |
| <b>17 Earnings per share (after extraordinary items)</b>  |                    |                    |                    |                    |                    |
| a) Basic  | 1.98               | 2.64               | 1.64               | 4.45               | 3.02               |
| b) Diluted  | 1.98               | 2.64               | 1.64               | 4.45               | 3.02               |

Gitanjali Gems Limited

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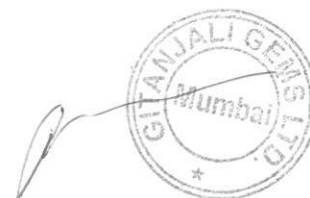
# GITANJALI

## Standalone segmentwise reporting revenue, results and capital employed

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

(Rs. in Lacs)

| Particulars  | Quarter ended      |                    |                    | Half year ended    |                    |
|--|--------------------|--------------------|--------------------|--------------------|--------------------|
|  | 30.09.2016         | 30.06.2016         | 30.09.2015         | 30.09.2016         | 30.09.2015         |
|  | Unaudited          | Unaudited          | Unaudited          | Unaudited          | Unaudited          |
| 1. Segment Revenue   |                    |                    |                    |                    |                    |
| a) Segment - Diamond                                       | 53,891.73          | 78,068.83          | 56,793.19          | 1,31,960.56        | 1,35,934.72        |
| b) Segment - Jewellery                                     | 1,78,714.11        | 1,50,733.67        | 1,67,928.08        | 3,29,447.78        | 3,17,376.82        |
| Total  | 2,32,605.84        | 2,28,802.50        | 2,24,721.27        | 4,61,408.34        | 4,53,311.54        |
| Less: Inter Segment Revenue                                | 3,707.96           | 2,985.91           | 712.63             | 6,693.87           | 2,290.00           |
| <b>Net Sales / Income from Operations</b>                  | <b>2,28,897.88</b> | <b>2,25,816.59</b> | <b>2,24,008.64</b> | <b>4,54,714.47</b> | <b>4,51,021.54</b> |
| 2. Segment Results   |                    |                    |                    |                    |                    |
| Profit / (Loss ) before tax and interest from each segment |                    |                    |                    |                    |                    |
| a) Segment - Diamond                                       | 969.77             | 1,138.77           | 524.58             | 2,108.54           | 1,442.56           |
| b) Segment - Jewellery                                     | 13,263.41          | 10,647.00          | 12,605.87          | 23,910.41          | 26,918.98          |
| Total  | 14,233.18          | 11,785.77          | 13,130.45          | 26,018.95          | 28,361.54          |
| Less   |                    |                    |                    |                    |                    |
| Finance cost   | 11,849.72          | 9,414.80           | 11,801.72          | 21,264.52          | 25,838.24          |
| <b>Total profit before exceptional item &amp; tax</b>      | <b>2,383.46</b>    | <b>2,370.97</b>    | <b>1,328.73</b>    | <b>4,754.43</b>    | <b>2,523.30</b>    |
| 3. Capital Employed  |                    |                    |                    |                    |                    |
| a) Segment - Diamond                                       | 1,08,126.55        | 1,22,481.10        | 1,36,460.19        | 1,08,126.55        | 1,36,460.19        |
| b) Segment - Jewellery                                     | 1,50,845.41        | 1,40,425.62        | 1,18,170.00        | 1,50,845.41        | 1,18,170.00        |
| c) Unallocated net assets                                  | 90,596.91          | 81,889.05          | 80,214.53          | 90,596.91          | 80,214.53          |
| <b>Total</b>   | <b>3,49,568.87</b> | <b>3,44,795.77</b> | <b>3,34,844.72</b> | <b>3,49,568.87</b> | <b>3,34,844.72</b> |



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# GITANJALI

## Notes:

1. The above standalone unaudited financial results for the period ended September 30, 2016 were reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on December 14, 2016.
2. The above financials results have been prepared in accordance with the Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rule, 2015 as amended by the Companies ( Indian Accounting Standards) (Amendment's) Rules, 2016. The company adopted Ind AS from 01st April 2016 with a transition date of 01st April 2015 and accordingly, these financial 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 standalone financial results for the corresponding quarter ended September 30, 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 30<sup>th</sup> September 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   | Half year ended<br>September 2015 | 3 Months ended<br>September 2015 |
|----------|---|-----------------------------------|----------------------------------|
|          | <b>IGAAP Profit reported as on Sept,2015</b>                        | 3,478.49                          | 1,898.35                         |
|          | <b>Add / (Less) : Amalgamation Adjustments</b>                      | 287.08                            | 235.18                           |
| <b>A</b> | <b>Net Profit as per Indian GAAP</b>                                | 3,765.57                          | 2,133.53                         |
| 1        | Impact of measuring financial instruments at amortized cost         | (66.23)                           | (33.08)                          |
| 2        | Impact of measuring financial instruments at fair value through P&L | (444.64)                          | (405.89)                         |
| 3        | Depreciation impact on PPE  | (740.63)                          | (372.11)                         |
| 4        | Deferred tax impact   | 450.47                            | 289.49                           |
| <b>B</b> | <b>Net Profit as per Ind AS</b>                                     | 2,964.54                          | 1,611.94                         |
| <b>C</b> | <b>Other Comprehensive Income</b>                                   | -                                 | -                                |
| <b>D</b> | <b>B+C Total comprehensive income</b>                               | 2,964.54                          | 1,611.94                         |

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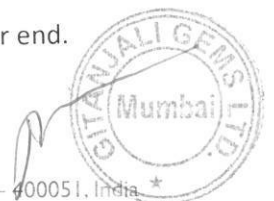
3. The Company's business have been impacted in the last few years due to regulatory restrictions on import of gold & unfavorable INR Vs USD Currency fluctuation in FY 2012-13. The consortium bankers have assessed enhanced working capital requirements and few of the sanctions are awaited. The company's request for substitution of security and release of cash margin is accepted and accordingly the company has provided alternate collateral securities to banks against which release of cash margin and collaterals amounting to Rs. 103.00 Crore is awaited. This will cover the overdrawn from banks. The company's over drawn position in the working capital account as on September 30, 2016 amounted to around Rs. 35.52 crores mainly due to non servicing of interest, charges.
4. As on date the company has outstanding self assessment Income Tax relating to A.Y. 2016-17, totaling to Rs. 10.24 crores. Besides the income tax liability, the Company has also to pay TDS & DDT totaling about Rs. 2.80 crores.
5. In respect of External Commercial Borrowings, the outstanding overdue interest is USD 0.96 Million and the outstanding overdue principle of USD 10.44 Million and for Non-Convertible debentures of LIC total overdue is Rs 3.37 crore which includes Rs 1.03 crore towards interest and charges.
6. In respect of Non – Convertible debentures maturing during the following year, cash reserve will be created.
7. Consequent to approval of merger of Gitanjali Exports Corporation Limited, a wholly owned subsidiary by Hon High court of Bombay vide order dated 17<sup>th</sup> June 2016 and on filing of order with Registrar of companies on 24<sup>th</sup> August 2016 ,the amalgamation has been accounted under pooling of interest method w.e.f. the appointed date i.e. 01.04.2014. Being a wholly owned subsidiary, no shares have been issued. The previous year figures have been restated.
8. Nakshatra World Limited formerly known as Gitanjali Brands Limited which was 99.99% subsidiary of the company has become wholly owned subsidiary after 30<sup>th</sup> September 2016
9. During Current quarter 9,782,604 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 by Rs. 9.78 crores. Balance unexercised 30,51,640 number of warrants as on 21<sup>st</sup> July, 2016 were cancelled and subscription money of Rs.5.52 crore is forfeited and transferred to capital reserve.
10. The company, with a view to consolidate the business model, appointed reputed firm of consultants to advise on future business model and restructuring of domestic and overseas subsidiaries. Based on the recommendations, as part of restructuring of overseas subsidiaries, the company has plans of disinvestment in equity share of three of the foreign subsidiaries to it's another overseas wholly owned subsidiary namely Aston Luxury Group Ltd, Hong Kong. However the above restructuring is subject to approval by lenders and from Reserve Bank of India under FEMA. On signing off unbinding term sheet, the company has received part payment in earlier years. Pending necessary approval, the amount of USD 6.44 Million received as part consideration has been shown under Other Long term Liability from related parties.
11. Gratuity & leave liability based on actuarial valuation will be accrued at year end.

## Gitanjali Gems Limited

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# GITANJALI

12. The Company has identified two major reportable segments: Diamond business and Jewellery business.
13. The Company has opted to publish consolidated financial results from the financial year 2015-16. 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).
14. EPS is not annualized.
15. Previous period figures have been regrouped/rearranged, wherever necessary to conform to the current period's classification.

For Gitanjali Gems Limited

Place: Mumbai  
Date: December 14, 2016

Mehul C. Choksi  
Chairman & Managing Director



**Gitanjali Gems Limited**

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# FORD RHODES PARKS & CO LLP

## CHARTERED ACCOUNTANTS

(Formerly Ford, Rhodes, Parks & Co.)

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

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

### 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 together (the Company and its subsidiaries together referred to as "the Group") and its share of profit / (loss) of its associates for the quarter and half year ended September 30, 2016 Balance sheet as at September 30, 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. 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 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 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 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

- Note No 3 relating to overdrawn position of Rs 115.59 crores in working capital borrowing from consortium of bankers;
- Note No. 4 relating to outstanding self assessment income tax dues of Rs 29.94 crores and other statutory dues amounting Rs 9 crores; and
- Note No 5 relating to ECB where the company has not paid outstanding overdue principal and interest of USD 10.44 million and USD 0.96 million respectively and relating to 12% Non Convertible Debenture issued to LIC where principal and interest of Rs 3.37 crores is overdue. Further as given in Note No 6 the company has not created liquid asset of Rs 2.11 crores as required under Rule 18(7c) of the Company's (Share capital and Debenture) Rule 2014.

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.102860W/W100089



A. D. Shenoy  
Partner  
Membership No. 11549  
Place: Mumbai  
Date: 14<sup>th</sup> December 2016



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

Also at : BENGALURU - CHENNAI - KOLKATA



# GITANJALI

## Unaudited consolidated financial results for the quarter and half-year ended 30th September, 2016

### Profit & Loss statement

(Rs. in Lacs)

| Particulars   | Quarter ended      |                    |                    | Half year ended    |                    |
|---|--------------------|--------------------|--------------------|--------------------|--------------------|
|   | 30.09.2016         | 30.06.2016         | 30.09.2015         | 30.09.2016         | 30.09.2015         |
|   | Unaudited          | Unaudited          | Unaudited          | Unaudited          | Unaudited          |
| <b>1 Income from Operations</b>   |                    |                    |                    |                    |                    |
| (a) Net Sales / income from Operations  | 3,96,482.26        | 3,71,043.36        | 3,45,697.20        | 7,67,525.62        | 6,30,207.89        |
| (b) Other operating income  | -                  | -                  | -                  | -                  | -                  |
| <b>Total income from operations (net)</b>   | <b>3,96,482.26</b> | <b>3,71,043.36</b> | <b>3,45,697.20</b> | <b>7,67,525.62</b> | <b>6,30,207.89</b> |
| <b>2 Expenses</b>   |                    |                    |                    |                    |                    |
| a) Cost of materials consumed / Purchase of stock-in-trade and stock-in-trade                             | 3,93,614.85        | 3,69,745.68        | 3,76,228.82        | 7,63,360.53        | 6,56,448.21        |
| c) Employee benefits expense  | (35,689.51)        | (32,641.22)        | (67,681.04)        | (68,330.73)        | (92,507.88)        |
| d) Depreciation & amortisation expense  | 7,852.24           | 6,535.51           | 6,560.72           | 14,387.75          | 12,845.63          |
| e) Other expenses   | 1,805.44           | 1,718.53           | 1,964.87           | 3,523.97           | 3,818.03           |
| f) Depreciation & amortisation expense  | 10,555.90          | 13,431.42          | 9,267.00           | 23,987.32          | 21,077.33          |
| <b>Total Expenses</b>   | <b>3,78,138.92</b> | <b>3,58,789.92</b> | <b>3,26,340.37</b> | <b>7,36,928.84</b> | <b>6,01,681.32</b> |
| <b>3 Profit from Operations before other income, finance costs and exceptional items (1-2)</b>            | <b>18,343.34</b>   | <b>12,253.44</b>   | <b>19,356.83</b>   | <b>30,596.78</b>   | <b>28,526.57</b>   |
| 4 Other income  | 3,293.06           | 7,519.42           | 2,058.09           | 10,812.48          | 14,762.90          |
| <b>5 Profit from Ordinary activities before finance costs and exceptional items (3+4)</b>                 | <b>21,636.40</b>   | <b>19,772.86</b>   | <b>21,414.92</b>   | <b>41,409.26</b>   | <b>43,289.47</b>   |
| <b>6 Finance costs</b>  |                    |                    |                    |                    |                    |
| Interest cost   | 16,329.39          | 13,742.89          | 17,305.52          | 30,072.28          | 37,943.66          |
| Others  | 805.56             | 894.92             | 1,563.76           | 1,700.48           | 1,644.59           |
| <b>7 Profit from Ordinary activities after finance costs but before exceptional items (5-6)</b>           | <b>4,501.45</b>    | <b>5,135.05</b>    | <b>2,545.64</b>    | <b>9,636.50</b>    | <b>3,701.22</b>    |
| 8 Exceptional items   | -                  | -                  | -                  | -                  | -                  |
| <b>9 Profit from ordinary activities before tax (7+8)</b>   | <b>4,501.45</b>    | <b>5,135.05</b>    | <b>2,545.64</b>    | <b>9,636.50</b>    | <b>3,701.22</b>    |
| <b>10 Tax expense</b>   |                    |                    |                    |                    |                    |
| - Income Tax  | 1,158.32           | 1,517.04           | 1,202.30           | 2,675.36           | 1,865.83           |
| - MAT   | (1,122.78)         | (1,515.01)         | (1,186.15)         | (2,637.79)         | (1,800.75)         |
| - Deferred Tax  | (53.85)            | (601.01)           | (525.28)           | (654.86)           | (857.77)           |
| <b>11 Net Profit from ordinary activities after tax (9-10)</b>  | <b>4,519.76</b>    | <b>5,734.03</b>    | <b>3,054.77</b>    | <b>10,253.79</b>   | <b>4,493.91</b>    |
| 12 Extraordinary items (net of tax expense)   | -                  | -                  | -                  | -                  | -                  |
| <b>13 Net Profit for the period (11-12)</b>   | <b>4,519.76</b>    | <b>5,734.03</b>    | <b>3,054.77</b>    | <b>10,253.79</b>   | <b>4,493.91</b>    |
| 14 Share of profit / (Loss) of associates   | 32.15              | (32.15)            | (40.80)            | -                  | (84.74)            |
| 15 Minority interest  | (199.56)           | (40.41)            | (147.33)           | (239.97)           | (742.39)           |
| <b>16 Net Profit after taxes, minority interest and share of profit / (Loss) of associates (13+14-15)</b> | <b>4,751.47</b>    | <b>5,742.29</b>    | <b>3,161.30</b>    | <b>10,493.76</b>   | <b>5,151.56</b>    |
| 17 Other Comprehensive income ( net of tax)   | (1,844.26)         | 3,505.90           | 3,765.86           | <b>1,661.64</b>    | 7,915.56           |
| <b>18 Total Comprehensive income</b>  | <b>2,907.21</b>    | <b>9,248.19</b>    | <b>6,927.16</b>    | <b>12,155.40</b>   | <b>13,067.12</b>   |
| 17 Paid-up equity share capital   | 11,861.60          | 10,883.34          | 9,812.05           | 11,861.60          | 9,812.05           |
| Face value of the share   | Rs. 10/-           | Rs. 10/-           | Rs. 10/-           | Rs. 10/-           | Rs. 10/-           |
| 18 Reserve excluding Revaluation Reserves as per balance sheet of previous accounting year                |                    |                    |                    | 6,34,829.23        | 6,13,262.67        |
| <b>19 Earnings per share (before extraordinary items)</b>   |                    |                    |                    |                    |                    |
| a) Basic  | 4.01               | 5.46               | 3.11               | 9.10               | 4.58               |
| b) Diluted  | 4.01               | 5.46               | 3.11               | 9.10               | 4.58               |
| <b>20 Earnings per share (after extraordinary items)</b>  |                    |                    |                    |                    |                    |
| a) Basic  | 4.01               | 5.46               | 3.11               | 9.10               | 4.58               |
| b) Diluted  | 4.01               | 5.46               | 3.11               | 9.10               | 4.58               |



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# GITANJALI

## Consolidated Segmentwise Reporting Revenue, Results and Capital Employed

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

(Rs. in Lacs)

| Particulars  | Quarter ended      |                    |                    | Half year ended    |                    |
|--|--------------------|--------------------|--------------------|--------------------|--------------------|
|  | 30.09.2016         | 30.06.2016         | 30.09.2015         | 30.09.2016         | 30.09.2015         |
|  | Unaudited          | Unaudited          | Unaudited          | Unaudited          | Unaudited          |
| 1. Segment Revenue   |                    |                    |                    |                    |                    |
| a) Segment - Diamond                                       | 38,700.78          | 83,482.48          | 65,772.91          | 1,22,183.26        | 1,50,639.96        |
| b) Segment - Jewellery                                     | 3,68,493.91        | 2,94,950.96        | 2,84,315.58        | 6,63,444.87        | 5,00,777.51        |
| c) Segment - Others  | 281.78             | 146.90             | 10.02              | 428.68             | 637.02             |
| Total  | 4,07,476.47        | 3,78,580.34        | 3,50,098.51        | 7,86,056.81        | 6,52,054.49        |
| Less: Inter Segment Revenue                                | 10,994.21          | 7,536.98           | 4,401.31           | 18,531.19          | 21,846.60          |
| <b>Net Sales / Income from Operations</b>                  | <b>3,96,482.26</b> | <b>3,71,043.36</b> | <b>3,45,697.20</b> | <b>7,67,525.62</b> | <b>6,30,207.89</b> |
| 2. Segment Results   |                    |                    |                    |                    |                    |
| Profit / (Loss ) before tax and interest from each segment |                    |                    |                    |                    |                    |
| a) Segment - Diamond                                       | (977.50)           | 2,713.98           | 797.73             | 1,736.48           | 1,097.73           |
| b) Segment - Jewellery                                     | 20,915.46          | 18,917.94          | 20,735.93          | 39,833.40          | 42,425.40          |
| c) Segment - Others  | 1,698.44           | (1,859.06)         | (118.74)           | (160.62)           | (233.66)           |
| Total  | 21,636.40          | 19,772.86          | 21,414.92          | 41,409.26          | 43,289.47          |
| Less Finance cost  | 17,134.95          | 14,637.81          | 18,869.28          | 31,772.76          | 39,588.25          |
| <b>Total profit before exceptional item &amp; tax</b>      | <b>4,501.45</b>    | <b>5,135.05</b>    | <b>2,545.64</b>    | <b>9,636.50</b>    | <b>3,701.22</b>    |
| 3. Capital Employed  |                    |                    |                    |                    |                    |
| a) Segment - Diamond                                       | 2,11,496.20        | 2,22,841.92        | 2,86,460.81        | 2,11,496.20        | 2,86,460.81        |
| b) Segment - Jewellery                                     | 4,16,149.28        | 3,54,184.24        | 3,22,881.89        | 4,16,149.28        | 3,22,881.89        |
| c) Unallocated net assets                                  | 17,047.72          | 17,247.08          | 11,734.38          | 17,047.72          | 11,734.38          |
| <b>Total</b>   | <b>6,44,693.20</b> | <b>5,94,273.24</b> | <b>6,21,077.08</b> | <b>6,44,693.20</b> | <b>6,21,077.08</b> |



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## Notes:

1. The above consolidated unaudited financial results for the period ended September 30, 2016 were reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on December 14, 2016.
2. The above financials results have been prepared in accordance with the Indian Accounting Standards (Ind AS) notified under the Companies ( Indian Accounting Standards) Rule ,2015 as amended by the Companies ( Indian Accounting Standards) (Amendment's) Rules, 2016. The company adopted Ind AS from 01st April 2016 with a transition date of 01st April 2015 and accordingly, these financial 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 September 30, 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 30<sup>th</sup> September 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  | Half year ended<br>September 2015 | 3 Months ended<br>September 2015 |
|          | <b>IGAAP Profit reported as on Sept,2015</b>                                       | <b>6,317.27</b>                   | <b>4,090.78</b>                  |
|          | <b>Add / (Less) : Amalgamation Adjustments</b>                                     | <b>(3.26)</b>                     | <b>(1.63)</b>                    |
| <b>A</b> | <b>Net Profit as per Indian GAAP</b>   | <b>6,314.01</b>                   | <b>4,089.15</b>                  |
| 1        | Impact of measuring financial instruments at amortized cost                        | (164.25)                          | (82.88)                          |
| 2        | Impact of measuring financial instruments at fair value through P&L                | (444.64)                          | (405.88)                         |
| 3        | Depreciation impact on PPE   | (2219.34)                         | (1,112.97)                       |
| 4        | Deferred tax impact  | 923.39                            | 526.58                           |
| <b>B</b> | <b>Net Profit as per Ind AS</b>  | <b>4,409.17</b>                   | <b>3,014.00</b>                  |
|          | Fair Valuation of Equity Investment through OCI                                    | 13.93                             | 13.93                            |
|          | Exchange differences in translating the financial statements of foreign operations | 8,248.11                          | 4,098.38                         |

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|   |       |                            |           |          |
|---|-------|----------------------------|-----------|----------|
| C |       | Other Comprehensive Income | 8,262.04  | 4,112.31 |
| D |       | Non Controlling interest   | 395.91    | (199.15) |
| E | B+C+D | Total comprehensive income | 13,067.12 | 6,927.16 |

3. The Company's business have been impacted in the last few years due to regulatory restrictions on import of gold & unfavorable INR Vs USD Currency fluctuation in FY 2012-13. The consortium bankers have assessed enhanced working capital requirements and few of the sanctions are awaited. The company's request for substitution of security and release of cash margin is accepted and accordingly the company has provided alternate collateral securities to banks against which release of cash margin and collaterals amounting to Rs. 187.16 crores is awaited. This will cover the overdrawing from banks. The company's over drawn position in the working capital account as on September 30, 2016 amounted to around Rs. 115.49 crores mainly due to non servicing of interest, charges and foreign currency mark to market effect.
4. As on date the Group has outstanding self assessment Income Tax relating to A.Y. 2016-17, totaling to Rs. 29.94 crores. Besides the income tax liability, the Group has also to pay VAT, Service Tax, ESIC,PT, Excise,TDS, DDT etc. totaling about Rs. 9 crores.
5. In respect of External Commercial Borrowings, the outstanding overdue interest is USD 0.96 Million and the outstanding overdue principle of USD 10.44 Milion and for Non-Convertible debentures of LIC total overdue is Rs 3.37 crore which includes Rs 1.03 crore towards interest and charges.
6. In respect of Non – Convertible debentures maturing during the following year, cash reserve will be created.
7. Consequent to approval of merger of Gitanjali Exports Corporation Limited, a wholly owned subsidiary by Hon High court of Bombay vide order dated 17<sup>th</sup> June 2016 and on filing of order with Registrar of companies on 24<sup>th</sup> August 2016 ,the amalgamation has been accounted under pooling of interest method w.e.f. the appointed date i.e. 01.04.2014. Being a wholly owned subsidiary, no shares have been issued. The previous year figures have been restated .
8. Consequent to approval of merger of Asmi Jewellery India Limited and Spectrum Jewellery Limited wholly owned step down subsidiaries by Hon High court of Bombay vide order dated 10<sup>th</sup> June 2016 and on filing of order with Registrar of companies on 7<sup>th</sup> July 2016 ,the amalgamation has been accounted under purchase method w.e.f. the appointed date i.e. 01.04.2014. The previous year figures have been restated.
9. Nakshatra World Limited formerly known as Gitanjali Brands Limited which was 99.99% subsidiary of the company has become wholly owned subsidiary after 30<sup>th</sup> September 2016.
10. During Current quarter 9,782,604 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 by Rs. 9.78

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crores. Balance unexercised 30,51,640 number of warrants as on 21<sup>st</sup> July 2016 were cancelled and subscription money of Rs. 5.52 crore is forfeited and transferred to capital reserve.

11. Nakshatra World Limited formerly known as Gitanjali Brands Limited, a subsidiary of GGL has offered to Purchase equity shares of Bezel Jewellery (India) Private Limited [Formerly known as D'damas Jewellery (India) Private Limited] from its 49% JV partner viz. Damas Jewellery LLC for a consideration of Rs.48,125,000/- and preference shares for consideration of Rs. 97,884,000/-. The company has paid part consideration of Rs. 13,351,000/- towards equity shares. The company has paid balance consideration of Rs. 34,774,000/-, towards purchase of equity shares after 30<sup>th</sup> September, 2016.
12. The company, with a view to consolidate the business model, appointed reputed firm of consultants to advise on future business model and restructuring of domestic and overseas subsidiaries. Based on the recommendations, as part of restructuring of overseas subsidiaries, the company has plans of disinvestment in equity share of three of the foreign subsidiaries to it's another overseas wholly owned subsidiary namely Aston Luxury Group Ltd, Hong Kong. However the above restructuring is subject to approval by lenders and from Reserve Bank of India under FEMA. On signing off unbinding term sheet, the company has received part payment in earlier years. Pending necessary approval, the amount of USD 6.44 Million received as part consideration has been shown under Long Term Borrowing - Unsecured Loans & Advances from Related parties
13. Gratuity & leave liability based on actuarial valuation will be accrued at year end
14. The Group has identified two major reportable segments: Diamond business and Jewellery business.
15. Consolidated 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).
16. EPS is not annualized.
17. Previous period figures have been regrouped / rearranged, wherever necessary to conform to the current period's classification.

Place: Mumbai  
Date: December 14, 2016

For Gitanjali Gems Limited

Mehul C. Choksi  
Chairman & Managing Director



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# GITANJALI

| Statement of Assets and Liabilities                 | (Rs. in Lacs)       |                     |
|---|---------------------|---------------------|
|   | Standalone          | Consolidated        |
|   | As at 30.09.2016    | As at 30.09.2016    |
| <b>I ASSETS</b>                                     |                     |                     |
| <b>Non Current Assets</b>                           |                     |                     |
| Property, Plant and Equipment                       | 26,543.89           | 2,33,986.16         |
| Investment Property                                 | -                   | 3,471.93            |
| Goodwill on consolidation                           | -                   | 16,107.17           |
| Non Current Investments                             | 1,03,311.53         | 4,838.62            |
| Loans & Advances                                    | 2,943.27            | 3,491.49            |
| Other Non Current Financial Assets                  |                     | 469.65              |
| Other Non Current Assets                            | 16,824.80           | 24,509.88           |
|   | <b>1,49,623.49</b>  | <b>2,86,874.90</b>  |
| <b>Current Assets</b>                               |                     |                     |
| Inventories   | 2,14,740.74         | 6,41,341.89         |
| <b>Financial Assets</b>                             |                     |                     |
| Trade Receivables                                   | 6,90,080.21         | 10,12,731.64        |
| Cash and cash equivalents                           | 14,108.25           | 26,801.13           |
| Loans & Advances                                    | 80,331.82           | 1,173.97            |
| Other Current financial Asset                       | 6,629.71            | 17,054.70           |
| Other Current Assets                                | 12,927.28           | 54,466.99           |
|   | <b>10,18,818.01</b> | <b>17,53,570.32</b> |
| <b>TOTAL</b>  | <b>11,68,441.50</b> | <b>20,40,445.22</b> |
| <b>I. EQUITY AND LIABILITIES</b>                    |                     |                     |
| <b>Equity</b>                                       |                     |                     |
| Share Capital                                       | 11,861.60           | 9,863.97            |
| Other Equity  | 3,37,707.27         | 6,34,829.23         |
| Equity attributable to equity holders of the parent | <b>3,49,568.87</b>  | <b>6,44,693.20</b>  |
| Non-controlling interests                           | -                   | 5,366.33            |
| <b>Total Equity</b>                                 | <b>3,49,568.87</b>  | <b>6,50,059.53</b>  |
| <b>Non Current Liabilities</b>                      |                     |                     |
| <b>Financial Liabilities</b>                        |                     |                     |
| Loans and Borrowings                                | 49,593.71           | 53,146.14           |
| Other non current financial Liabilities             | -                   | 9,642.86            |
| Deferred tax liability (Net)                        | 8,528.55            | 13,075.03           |
| Other Non current liability                         | 2.60                | 498.19              |
| Long Term Provisions                                | 480.11              | 973.05              |
|   | <b>58,604.97</b>    | <b>77,335.27</b>    |
| <b>Current Liabilities</b>                          |                     |                     |
| <b>Financial Liability</b>                          |                     |                     |
| Borrowings  | 5,01,708.47         | 7,56,210.84         |
| Trade Payables                                      | 2,23,744.33         | 3,67,225.26         |
| Other Current Financial Liabilities                 | 29,877.97           | 46,473.29           |
| Other current liability                             | 4,869.25            | 1,36,182.09         |
| Short Term Provisions                               | 67.64               | 6,958.94            |
|   | <b>7,60,267.66</b>  | <b>13,13,050.42</b> |
| <b>TOTAL</b>  | <b>11,68,441.50</b> | <b>20,40,445.22</b> |

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