

GITANJALI

GG/GGL/S/2016/459

September 12, 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 ended June 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 ended June 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 11.30 a.m. and concluded at 7.30 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.gitanjaligroup.com

CIN - L36911MH1986PLC040689

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.

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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 ended June 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, Interim Financial Information Performed by the Independent Auditor of the Company 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 the following matters

- Note No. 3 relating to overdrawn position of Rs. 2405 Lacs in working capital borrowing from consortium of bankers.
- Note No. 4 relating to IDBI ECB where the company has not paid overdue interest of USD 1.54 million and relating to 12% Non-Convertible Debenture issued to LIC where principal and interest of Rs.388 lacs is overdue. Further, as given in Note No. 5 the Company has not created liquid assets of Rs.211 lacs as required under Rule 18 (7c) of the Company's (Share capital and Debenture) Rule 2014
- Note No 6 relating to giving effect of merger of group company in subsequent quarter.

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

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 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 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: September 12, 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 ended 30th June, 2016 Profit & Loss statement

(Rs. in Lakhs)

Particulars	Quarter ended	
	30.06.2016	30.06.2015
	Unaudited	Unaudited
PART - I		
1 Income from Operations		
(a) Net Sales / income from Operations	172,766.98	163,978.49
(b) Other operating income	-	-
Total income from operations (net)	172,766.98	163,978.49
2 Expenses		
a) Cost of materials consumed / Purchase of stock-in-trade	184,718.29	172,177.91
b) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(26,176.54)	(20,602.07)
c) Employee benefits expense	698.09	611.15
d) Depreciation & amortisation expense	333.76	360.60
e) Other expenses	6,688.45	3,132.47
Total Expenses	166,262.05	155,680.06
3 Profit from Operations before other income, finance costs and exceptional items (1-2)	6,504.93	8,298.43
4 Other income	3,395.21	4,858.62
5 Profit from Ordinary activities before finance costs and exceptional items (3+4)	9,900.14	13,157.05
6 Finance costs		
Interest cost	7,721.32	11,219.12
Others	308.44	716.00
7 Profit from Ordinary activities after finance costs but before exceptional items (5-6)	1,870.38	1,221.93
8 Exceptional items	-	-
9 Profit from ordinary activities before tax (7+8)	1,870.38	1,221.93
10 Tax expense		
- Income Tax	480.00	325.00
- MAT	(480.00)	(325.00)
- Deferred Tax	(353.81)	(129.22)
11 Net Profit from ordinary activities after tax (9-10)	2,224.19	1,351.15
12 Extraordinary items (net of tax expense)	-	-
13 Net Profit for the period (11-12)	2,224.19	1,351.15
14 Other Comprehensive income (net of tax)	-	-
15 Total Comprehensive income	2,224.19	1,351.15
16 Paid-up equity share capital	10,883.34	9,812.05
Face value of the share	Rs. 10/-	Rs. 10/-
17 Reserve excluding Revaluation Reserves as per balance sheet of previous accounting year		
18 Earnings per share (before extraordinary items)		
a) Basic	2.12	1.38
b) Diluted	2.12	1.30
19 Earnings per share (after extraordinary items)		
a) Basic	2.12	1.38
b) Diluted	2.12	1.30



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CIN No - L36911MH1986PLC040689

GITANJALI

Standalone segmentwise reporting revenue, results and capital employed

A) Primary Segment (By Business Segment)

(Rs. in Lacs)

Particulars	Quarter ended	
	30.06.2016	30.06.2015
	Unaudited	Unaudited
1. Segment Revenue		
a) Segment - Diamond	63,534.38	60,408.15
b) Segment - Jewellery	112,218.51	105,147.72
Total	175,752.89	165,555.87
Less: Inter Segment Revenue	2,985.91	1,577.38
Net Sales / Income from Operations	172,766.98	163,978.49
2. Segment Results		
Profit / (Loss) before tax and interest from each segment		
a) Segment - Diamond	859.69	1,157.29
b) Segment - Jewellery	9,040.45	11,999.76
Total	9,900.14	13,157.05
Less		
Finance cost	8,029.76	11,935.12
Total profit before exceptional item & tax	1,870.38	1,221.93
3. Capital Employed		
a) Segment - Diamond	51,549.30	73,313.90
b) Segment - Jewellery	135,465.22	105,922.88
c) Unallocated net assets	118,895.55	113,770.94
Total	305,910.07	293,007.72



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Gitanjali Gems Limited

Notes:

1. The above standalone unaudited financial results for the period ended June 30, 2016 were reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on September 12, 2016.
2. The company adopted Indian Accounting Standards ("Ind AS") from April 1, 2016 and accordingly above standalone financial results have 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 the relevant rules issued thereunder and the other accounting principles generally accepted in India.

The IND AS compliant standalone financial results for the corresponding quarter ended June 30, 2015 have been stated in terms of SEBI circular CIR/CFD/FAC/62/2016 dated July 5, 2016.

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

Notes	Particulars	Jun-15
		Standalone (Rs. in Lakhs)
A	Net Profit as per Indian GAAP	1,580.14
	1 Impact of measuring financial instruments at amortised cost	(32.76)
	2 Impact of measuring financial instruments at fair value through P&L	(49.50)
	3 Depreciation impact on PPE	(281.21)
	4 Deferred tax impact	134.48
B	Net Profit as per Ind AS	1,351.15
C	Other Comprehensive Income	-
D	B+C Total comprehensive income	1,351.15

3. Originally, the business of the company was impacted 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. 49.42 crores is awaited. This will cover the overdrawn from banks. The company's over drawn position in the working capital account as on June 30, 2016 amounted to around Rs. 24.05 crores mainly due to non servicing of interest, charges and foreign currency mark to market effect.



Gitanjali Gems Limited

4. In respect of External Commercial Borrowings of IDBI & BOB, the outstanding overdue interest (due on May 22, 2016) is USD 1.54 Million since paid and for Non-Convertible debentures of LIC total outstanding is Rs 3.88 crore which includes Rs 0.37 crore towards interest and charges. Promoter has requested to adjust Rs. 4.50 crores being monies refundable to him by LIC towards company's dues in respect of NCD.
5. In respect of Non – Convertible debentures maturing during the following year, cash reserve will be created.
6. The amalgamation of Gitanjali Exports Corporation Limited with the Company became effective from August 24, 2016. The effect of merger will be reflected in the books of accounts in the second quarter.
7. During the period, 6,395,677 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 102.44 crore to Rs 108.83 crore.
8. The Company has identified two major reportable segments: Diamond business and Jewellery business.
9. 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, stock exchanges: www.bseindia.com and www.nseindia.com.
10. EPS is not annualized.
11. Previous period figures have been regrouped/rearranged, wherever necessary to conform to the current period's classification.

Place: Mumbai
Date: September 12, 2016

For Gitanjali Gems Limited


Mehul C. Choksi
Chairman & Managing Director



FORD RHODES PARKS & CO LLP

CHARTERED ACCOUNTANTS

(Formerly Ford, Rhodes, Parks & Co.)

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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 together (the Company and its Subsidiaries together referred to as "the Group") and its share of profit / (loss) of its associates for the quarter ended June 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 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) 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 provides 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 the following matters

- a. Note No. 3 relating to overdrawn position of Rs.8527 Lacs in working capital borrowing from consortium of bankers.
- a. Note No. 4 relating to non- payment of Income Tax of Rs. 126 lacs and other statutory dues of 563 lacs.
- b. Note No. 5 relating to IDBI ECB where the company has not paid overdue interest of USD 1.54 million and relating to 12% Non-Convertible Debenture issued to LIC where principal and interest of Rs.388 lacs is overdue. Further, as given in Note No. 6 the Company has not created liquid assets of Rs.211 lacs as required under Rule 18 (7c) of the Company's (Share capital and Debenture) Rule 2014.
- c. Note No 7 relating to giving effect of merger of group companies in subsequent quarter.

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

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: September 12, 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 year quarter ended 30th June, 2016 Profit & Loss statement

(Rs. in Lacs)

Particulars	Quarter ended	
	30.06.2016	30.06.2015
	Unaudited	Unaudited
PART - I		
1 Income from Operations		
(a) Net Sales / income from Operations	371,043.36	284,510.69
(b) Other operating income	-	-
Total income from operations (net)	371,043.36	284,510.69
2 Expenses		
a) Cost of materials consumed / Purchase of stock-in-trade	369,745.68	280,219.39
b) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(32,641.22)	(24,826.84)
c) Employee benefits expense	6,535.51	6,284.91
d) Depreciation & amortisation expense	1,720.80	1,851.54
e) Other expenses	13,431.42	9,952.75
Total Expenses	358,792.19	273,481.75
3 Profit from Operations before other income, finance costs and exceptional items (1-2)	12,251.17	11,028.94
4 Other income	7,519.42	10,927.68
5 Profit from Ordinary activities before finance costs and exceptional items (3+4)	19,770.59	21,956.62
6 Finance costs		
Interest cost	13,742.89	19,438.65
Others	894.92	1,360.75
7 Profit from Ordinary activities after finance costs but before exceptional items (5-6)	5,132.78	1,157.22
8 Exceptional items	-	-
9 Profit from ordinary activities before tax (7+8)	5,132.78	1,157.22
10 Tax expense		
- Income Tax	1,517.04	663.53
- MAT	(1,515.01)	(614.59)
- Deferred Tax	(601.01)	(332.50)
11 Net Profit from ordinary activities after tax (9-10)	5,731.76	1,440.78
12 Extraordinary items (net of tax expense)	-	-
13 Net Profit for the period (11-12)	5,731.76	1,440.78
14 Share of profit / (Loss) of associates	(32.15)	(43.94)
15 Minority Interest	(40.41)	(595.06)
16 Net Profit after taxes, minority interest and share of profit / (Loss) of associates (13+14-15)	5,740.02	1,991.90
17 Other Comprehensive income (net of tax)	3,505.90	4,149.71
18 Total Comprehensive income	9,245.92	6,141.61
19 Paid-up equity share capital	10,883.34	9,812.05
Face value of the share	Rs. 10/-	Rs. 10/-
20 Reserve excluding Revaluation Reserves as per balance sheet of previous accounting year		
21 Earnings per share (before extraordinary items)		
a) Basic	5.46	2.03
b) Diluted	5.46	1.92
22 Earnings per share (after extraordinary items)		
a) Basic	5.46	2.03
b) Diluted	5.46	1.92



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CIN No - L36911MH1986PLC040689

GITANJALI

Consolidated Segmentwise Reporting Revenue, Results and Capital Employed

A) Primary Segment (By Business Segment)

(Rs. in lacs)

Particulars	Quarter ended	
	30.06.2016	30.06.2015
	Unaudited	Unaudited
1. Segment Revenue		
a) Segment - Diamond	83,482.48	84,867.05
b) Segment - Jewellery	294,950.96	216,461.93
c) Segment - Others	146.90	627.00
Total	378,580.34	301,955.98
Less: Inter Segment Revenue	7,536.98	17,445.29
Net Sales / Income from Operations	371,043.36	284,510.69
2. Segment Results		
Profit / (Loss) before tax and interest from each segment		
a) Segment - Diamond	2,713.98	300.00
b) Segment - Jewellery	18,915.67	22,836.75
c) Segment - Others	(1,859.06)	(1,180.13)
Total	19,770.59	21,956.62
Less		
Finance cost	14,637.81	20,799.40
Total profit before exceptional item & tax	5,132.78	1,157.22
3. Capital Employed		
a) Segment - Diamond	127,737.17	154,419.82
b) Segment - Jewellery	308,190.51	261,938.81
c) Unallocated net assets	17,247.08	6,775.74
Total	453,174.76	423,134.37



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Gitanjali Gems Limited

Notes:

1. The above consolidated unaudited financial results for the period ended June 30, 2016 were reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on September 12, 2016.
2. The company adopted Indian Accounting Standards ("Ind AS") from April 1, 2016 and accordingly above standalone financial results have 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 the relevant rules issued thereunder and the other accounting principles generally accepted in India.

The IND AS compliant consolidated financial results for the corresponding quarter ended June 30, 2015 have been stated in terms of SEBI circular CIR/CFD/FAC/62/2016 dated July 5, 2016.

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

		Particulars	Jun-15
			Consolidated (Rs. In Lakhs)
A		Net Profit as per Indian GAAP	2,226.49
	1	Impact of measuring financial instruments at amortised cost	(81.37)
	2	Impact of measuring financial instruments at fair value through P&L	(38.75)
	3	Depreciation impact on PPE	(1,106.37)
	4	Deferred tax impact	396.82
B		Net Profit as per Ind AS	1,396.82
		Exchange differences in translating the financial statements of foreign operations	4,149.73
C		Other Comprehensive Income	4,149.73
D		Non Controlling interest	595.06
E	B+C+D	Total comprehensive income	6,141.61

3. Originally, the business of the company was impacted 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. 176.87 crores is awaited. This will cover the overdrawn from banks. The company's over drawn position in the working capital account as on June 30, 2016 amounted to around Rs. 85.27 crores mainly due to non servicing of interest, charges and foreign currency mark to market effect.
4. As on date the Group has outstanding income tax dues totaling about Rs. 1.26 crores. Besides the income tax liability, the Group has also to pay VAT, Service Tax, TDS, etc. totaling about Rs. 5.63 crores.



Gitanjali Gems Limited

5. In respect of External Commercial Borrowings of IDBI & BOB, the outstanding overdue interest (due on May 22, 2016) is USD 1.54 Million since paid and for Non-Convertible debentures of LIC total outstanding is Rs 3.88 crore which includes Rs 0.37 crore towards interest and charges. Promoter has requested to adjust Rs. 4.50 crores being monies refundable to him by LIC towards company's dues in respect of NCD.
6. In respect of Non – Convertible debentures maturing during the following year, cash reserve will be created.
7. The amalgamation of Gitanjali Exports Corporation Limited with the Company became effective from August 24, 2016. Further, amalgamation of Asmi Jewellery India Limited and Spectrum Jewellery Limited with Nakshatra Brands Limited also became effective from July 7, 2016. The effect of merger will be reflected in the books of accounts in the second quarter.
8. During the period, 6,395,677 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 102.44 crore to Rs 108.83 crore.
9. The Group has identified two major reportable segments: Diamond business and Jewellery business.
10. The Group has opted to publish consolidated financial results from the financial year 2015-16. Consolidated financial results are available at the website of the Company: www.gitanjaligroup.com, stock exchanges: www.bseindia.com and www.nseindia.com.
11. EPS is not annualized.
12. Previous period figures have been regrouped / rearranged, wherever necessary to conform to the current period's classification.

Place: Mumbai
Date: September 12, 2016

For Gitanjali Gems Limited


Mehul C. Choksi
Chairman & Managing Director

