

GITANJALI

GG/GGL/S/2017/46

February 14, 2017

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 / Nine months ended December 31,
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 / Nine months ended December 31, 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 8.15 p.m.

Please acknowledge the receipt.

Thanking You.

Yours faithfully,

For Gitanjali Gems Limited

(Pankhuri Warangal)
Company Secretary



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

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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INDEPENDENT AUDITOR'S REVIEW REPORT

TO

THE BOARD OF DIRECTORS OF GITANJALI GEMS LIMITED

We have reviewed the accompanying statement of unaudited standalone financial results of Gitanjali Gems Limited ("the Company") for the quarter and nine months ended December 31, 2016 ("the financial statement") being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation 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 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 matter:

- a. Note No 3 relating to overdue interest of USD 1.58 Million in respect of External Commercial Borrowings and total overdue of Rs 2.86 crore in respect of Non-Convertible debentures of LIC and non payment of self assessment income Tax of Rs11.37 crores and other statutory dues being TDS and DDT amounting to Rs.4.26 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.

(As fully described in the Notes)

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 Indian 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 as modified by circular No CIR/CFD/FAC/62/2016 dated July 5, 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: 14th February 2017



GITANJALI

Gitanjali Gems Ltd.

Statement of unaudited standalone 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	192,508.32	228,897.88	264,112.04	647,222.79
(b) Other operating income				
Total income from operations (net)	192,508.32	228,897.88	264,112.04	647,222.79
2 Expenses				
a) Cost of materials consumed / Purchase of stock-in-trade	199,944.00	208,402.40	247,573.17	648,621.75
b) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(18,770.88)	(1,579.30)	360.73	(49,945.55)
c) Employee benefits expense	937.19	1,003.56	907.22	2,854.64
d) Depreciation & amortisation expense	442.74	430.53	479.83	1,304.69
e) Other expenses	4,758.77	5,709.73	4,017.75	17,797.87
Total Expenses	187,311.82	213,966.92	253,338.70	620,633.40
3 Profit from Operations before other income, finance costs and exceptional items (1-2)	5,196.50	14,930.96	10,773.34	26,589.39
4 Other Income	6,975.57	(697.78)	(1,225.88)	11,601.63
Profit from Ordinary activities before finance costs and exceptional items (3+4)	12,172.07	14,233.18	9,547.46	38,191.02
5 Finance costs				
Interest cost	11,831.04	11,845.37	7,545.64	32,696.36
Others	60.57	4.35	318.10	459.77
7 Profit from Ordinary activities after finance costs but before exceptional items (5-6)	280.46	2,383.46	1,683.72	5,034.89
8 Exceptional items				
9 Profit from ordinary activities before tax (7+8)	280.46	2,383.46	1,683.72	5,034.89
10 Tax expense				
- Income Tax	360.00	510.00	384.00	1,360.00
- MAT	(360.00)	(510.00)	(384.00)	(1,360.00)
- Deferred Tax	(219.94)	148.19	(163.13)	(477.59)
11 Net Profit from ordinary activities after tax (9-10)	500.40	2,235.27	1,846.85	5,512.48
12 Extraordinary items (net of tax expense)				
13 Net Profit for the period (11-12)	500.40	2,235.27	1,846.85	5,512.48
14 Paid-up equity share capital				
Face value of the share	11,861.60	11,861.60	10,243.77	11,861.60
Reserve excluding Revaluation Reserves as per balance sheet of previous accounting year	Rs. 10/-	Rs. 10/-	Rs. 10/-	Rs. 10/-
15 Earnings per share (before extraordinary items)				
a) Basic	0.44	1.98	1.86	4.86
b) Diluted	0.44	1.98	1.86	4.86
17 Earnings per share (after extraordinary items)				
a) Basic	0.44	1.98	1.86	4.86
b) Diluted	0.44	1.98	1.86	4.86



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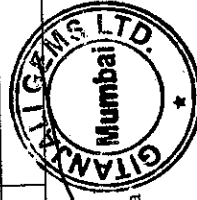
GITANJALI

Gitanjali Gems Ltd.

Standalone 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	38,774.33	53,891.73	84,643.81	170,734.89
b) Segment - Jewellery	157,735.95	178,714.11	183,316.42	487,183.73
Total	196,510.28	232,605.84	267,960.23	657,918.62
Less: Inter Segment Revenue	4,001.96	3,707.96	3,848.19	10,695.83
Net Sales / Income from Operations	192,508.32	228,897.88	264,112.04	647,222.79
2. Segment Results				
Profit / (Loss) before tax and interest from each segment				
a) Segment - Diamond	(792.37)	969.77	(499.43)	1,316.17
b) Segment - Jewellery	12,964.44	13,263.41	10,046.89	36,874.85
Total	12,172.07	14,233.18	9,547.46	38,191.02
Less				
Finance cost	11,891.61	11,849.72	7,863.74	33,156.13
ii) Other Un-allocable expenses				
Total profit before exceptional item & tax	280.46	2,383.46	1,683.72	5,034.89
3. Capital Employed				
Segment Assets				
a) Segment - Diamond	307,311.06	329,334.18	599,221.52	307,311.06
b) Segment - Jewellery	730,196.53	678,205.54	468,432.95	730,196.53
c) Unallocated net assets	153,959.69	152,239.99	86,464.50	153,959.69
Total	1,191,467.28	1,159,779.71	1,154,118.97	1,191,467.28
Segment Liabilities				
a) Segment - Diamond	212,604.46	221,207.63	473,513.72	212,604.46
b) Segment - Jewellery	573,447.28	527,360.13	343,913.76	573,447.28
c) Unallocated net assets	55,192.98	61,643.08	-	55,192.98
Total	841,244.72	810,210.84	817,427.48	841,244.72
				817,427.48



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Notes:

1. The above standalone 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 standalone 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 Ind AS 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;

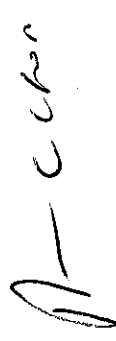
	Particulars	Nine month Ended Dec -15 (Standalone)	Q3 (FY 1516) (Standalone)
	IGAAP Profit reported as on December, 2015	5,538.02	2,059.51
	Add / (Less) : Amalgamation Adjustments	365.08	78.01
A	Net Profit as per Indian GAAP	5,903.09	2,137.52
1	Impact of measuring financial instruments at amortized cost	(98.42)	(32.19)
2	Impact of measuring financial instruments at fair value through P&L	(500.58)	(55.94)
3	Depreciation impact on PPE	(1,110.95)	(370.32)
4	Deferred tax impact	618.24	167.77
B	Net Profit as per Ind AS	4,811.38	1,846.84
C	Other Comprehensive Income	-	-
D	Total comprehensive income	4,811.39	1,846.84



Gitanjali Gems Limited

3. In respect of External Commercial Borrowings overdue interest is USD 1.58 Million and in respect of Non-Convertible debentures overdue principal and 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. Rs. 11.37 crores and other statutory dues of TDS & DDT totaling about Rs. 4.26 crores.
4. In respect of Non – Convertible debentures maturing during the following year, cash reserve will be created.
5. 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.
6. Gratuity & leave liability based on actuarial valuation will be accrued at year end.
7. The Company has identified two major reportable segments: Diamond business and Jewellery business.
8. EPS is not annualized.
9. The above results may require adjustment before constituting the first set of Ind As financial 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.
10. Previous period figures have been regrouped /rearranged, wherever necessary to conform to the current period's classification.
11. 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



Place: Mumbai

Date: February 14, 2017

Mehul C. Choksi
Chairman & Managing Director

