

GITANJALI

GG/GGL/S/2014/99A

August 11, 2014

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/Madam,

Sub.: Passing of Special Resolutions by Postal Ballot

Ref. : 1) Clause 31 of the Listing Agreement
 2) BSE Scrip Code: 532715
 3) NSE Scrip Symbol: GITANJALI

Further to our letter Dated August 01, 2014 on the captioned subject and apropos the references quoted above, we are enclosing herewith six copies of Postal Ballot notice Dated August 01, 2014 sent to the Members of the Company, seeking their approval through Postal Ballot.

Kindly take the same in your records,

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 (E), Mumbai - 400 051, India

T: 022 40354600 / 01 F: 40354602 • www.gitanjaligroup.com

CIN No - L36911MH1986PLC040689

GITANJALI

GITANJALI GEMS LIMITED

Registered Office: A-1, 7th Floor, Laxmi Tower, Bandra Kurla Complex, Bandra (E), Mumbai - 400051

Tel.: 022 40354600/01; Fax: 022 40354602

CIN : L36911MH1986PLC040689; Website: www.gitanjaligroup.com

NOTICE PURSUANT TO SECTION 110 OF THE COMPANIES ACT, 2013 READ WITH THE COMPANIES (MANAGEMENT AND ADMINISTRATION) RULES, 2014

Dear Shareholder(s)

Pursuant to the provisions of Section 110 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, Notice is hereby given for seeking the approval of the shareholders for the proposals contained in the draft resolutions appended below by way of Postal Ballot. The explanatory statement pertaining to the said Resolutions setting out material facts is annexed hereto along with a Postal Ballot Form for your consideration.

(1) To consider and if thought fit to pass, the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Section 42, 62(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modifications or re-enactments thereof for the time being in force) read with Companies (Share Capital & Debentures), Rules 2014, Foreign Exchange Management Act, 1999, provisions of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2009 (“said Regulations”) as amended from time to time, the Listing Agreements entered into by the Company with the stock exchanges where the shares of the Company are listed and all other applicable laws and regulations, and subject to such approvals, consents, permissions, and/or sanctions as may be required from the Government of India, Reserve Bank of India, Securities and Exchange Board of India, Stock Exchanges and from any other appropriate authorities, institutions or bodies (hereinafter collectively referred to as the “Concerned Authorities”) and subject to fulfillment of such conditions, if any, as may be required to be fulfilled in obtaining, or as may be stipulated by the Concerned Authorities from time to time in granting, any such approvals, consents, permissions or sanctions, which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the “Board” which term shall be deemed to include any committee thereof which the Board may have constituted or hereinafter constitute to exercise its powers including the powers conferred by this resolution), the consent of the Company be and is hereby accorded to the Board to raise funds upto an amount not exceeding Rs. 175 crores , by way of offer, issue and allot on preferential basis, not exceeding 2,38,05,296 (Two Crores Thirty eight Lakhs Five Thousand Two Hundred and Ninety six) Warrants carrying an option / entitlement to subscribe to equivalent number of Equity Shares of Rs. 10/- each at a future date, not exceeding 18 (eighteen) months from the date of issue of such warrants at such price as may be determined as per the provisions of Regulation 76 of the said Regulations to the following persons / entities (hereinafter referred to as “the proposed allottees”) in public category:

Sr. No	Name of the proposed allottees	Maximum number of warrants to be allotted
1	M/s. Vespera Fund Limited	16,00,000
2	M/s. Marshal Global Capital Fund Limited	16,00,000
3	Mr. Chaitya Shah	68,68,432
4	Mr. Rakesh Gajera	68,68,432
5	Mr. Ramesh Shah	68,68,432
	Total	2,38,05,296

RESOLVED FURTHER THAT the offer, issue and allotment of the aforesaid warrants to the proposed allottees and the Equity Shares resulting from the exercise of the entitlement of the warrant holders to subscribe to the Equity Shares shall be made at such times as the Board may in its absolute discretion decide, subject however, to applicable guidelines, notifications, rules and regulations and the terms and conditions given herein below:

1. In accordance with chapter VII of said regulations, an amount equivalent to atleast twenty five percent of the consideration determined in terms of regulation 76 of said regulations shall be paid against each warrant on the date of allotment of warrants. The price including premium of the equity shares to be allotted on exchange / surrender of the said warrants to the proposed allottees shall not be lower than the minimum price determined as per the provisions of Regulation 76 of said Regulations.
2. As per the provisions of Regulation 71 of the said Regulations, the Relevant Date for determining the price of the Equity Shares to be allotted on exchange / surrender of the said warrant shall be August 8, 2014.
3. Each of the said warrant shall carry a right, entitling its registered owner to apply at his option and seek allotment of one Equity Share of Rs. 10/- each upon exchange / surrender of each warrant to the Company along with payment of balance 75 % of the issue price of the Equity Share.

4. Against each of the said warrant, the registered owner of the warrant shall be entitled to apply for and seek allotment of one Equity share, at his option, in the manner aforesaid, within the period not exceeding 18 months from the date of issue of the said warrants. The Board of Directors of the Company at its discretion shall decide the time within which the application for equity share against exchange / surrender of the said warrant shall be made subject to the aforesaid time limit
5. In case a warrant holder does not apply for the equity shares of the Company against exchange / surrender of the said warrants as aforesaid within the time that may be fixed by the Board of Directors in this regard, then the amount paid up on each of the said warrants shall be forfeited and all the rights attached to the said warrant shall lapse ipso facto.
6. Upon exchange / surrender of each of the said warrant, the amount paid up thereon shall be credited, adjusted and applied towards share application money, for which the holder of the warrant is entitled to apply.
7. The Equity Shares to be offered, issued and allotted as aforesaid against exchange/surrender of the said warrant upon exercise of the option by the warrant holder, shall be subject to the provisions of the Memorandum and Articles of Association of the Company and on allotment such Equity Shares shall rank pari-passu in all respect with the existing Equity Shares of the Company.
8. Each of the Equity Shares to be issued and allotted as aforesaid upon exchange / surrender of the said warrants, and also the entire pre-preferential Equity Shares held, if any, by the proposed allottees, shall be subject to the lock in for such period as prescribed under Regulation 78 of the said Regulations.
9. The warrant by itself shall not give to the holder thereof any rights of the shareholders of the Company.
10. The option attached to each of the said warrants shall be independent of each other.
11. The number of Warrants and the price per Warrant shall be appropriately adjusted, subject to provisions of Companies Act, 2013 and said Regulations for corporate actions such as bonus issue, rights issue, stock split, merger, demerger, transfer of undertaking, sale of division or any such capital or corporate restructuring.

RESOLVED FURTHER THAT for the purpose of giving effect to the above resolutions, the Board be and is hereby authorized on behalf of the Company to appoint advisors, lawyers, merchant bankers, and/or consultants as may be deemed fit and take all such actions and do/ ratify all such acts, deeds, matters and things as it may, in its absolute discretion deem necessary, desirable, expedient, usual, proper or incidental in relation to the creation, offer, issue and allotment of the Warrants/equity shares and listing thereof and to resolve and settle all questions and difficulties that may arise in the proposed creation, issue, offer and allotment of the said Warrants/equity shares and utilizations of the issue proceeds, sign all documents and undertakings as may be required and generally to do all such acts, deeds, matters and things in connection therewith and incidental thereto as the Board in its absolute discretion deems fit, without being required to seek any further consent or approval of the members or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution.

RESOLVED FURTHER THAT the Board be and is hereby authorized to take necessary steps for listing of the aforesaid equity shares to be allotted to the abovementioned allottees on the BSE Limited and the National Stock Exchange of India Limited where the Company's equity shares are listed as per the terms and conditions of the Listing Agreements and other applicable guidelines, rules and regulations.

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of its powers herein conferred by this resolution to any Director or Director(s) or to any Committee of Directors and/or any member of such Committee with power to the said Committee/member to sub-delegate its powers to any of its members or officers of the Company to give effect to this resolution."

2. To consider and, if thought fit, to pass, the following resolution as a Special Resolution:

"RESOLVED THAT in supersession of resolution passed under Section 293(1)(d) of Companies Act 1956 by way of postal ballot on March 6, 2013 and pursuant to the provisions of section 180(1)(c) of Companies Act, 2013 (the act), and all other applicable provisions, if any, of the act (including any statutory modification or re-enactment thereof for the time being in force) read with rules framed thereunder as amended from time to time, consent of the Company be and is hereby accorded to the Board of Directors (hereinafter referred to as "The Board" including any committee thereof) of the Company to borrow in any manner from time to time any sum or sums of money at its discretion on such terms and conditions as the Board may deem fit, notwithstanding that the money to be borrowed by the Company together with the monies already borrowed or to be borrowed (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business), from the financial institutions, Company's bankers and/or from any person or persons, firms, bodies corporate whether by way of loans, advances, deposits, bill discounting, issue of debentures, bonds or any financial instruments or otherwise and whether secured or unsecured, which may exceed the aggregate of the paid up capital of the Company and its free reserves that is to say, reserves not set apart for any specific purpose, provided that the maximum amount of money so borrowed by the Board and outstanding at any one time shall not exceed the sum of Rs. 10,000 Crores (Rupees Ten Thousand Crores only).

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorised to do all

such acts, deeds, matters and things as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty, doubt that may arise in respect of the borrowing(s) aforesaid and also to delegate all or any of the above powers to such Committee of Directors or the Managing Director or the Director or the Principal Officer of the Company and further to do all such acts, deeds and things and to execute all documents and writings as may be necessary, proper, desirable or expedient to give effect to this resolution.”

3. To consider and, if thought fit, to pass, the following resolution as a Special Resolution:

“RESOLVED THAT in supersession of resolution passed under section 293(1)(a) of Companies Act, 1956 by way of postal ballot on March 6, 2013 and pursuant to the provisions of Section 180(1)(a) of companies act, 2013 (the act) and all other applicable provisions, if any, of the act (including any statutory modification or re-enactment thereof for the time being in force) read with rules framed thereunder as amended from time to time, consent of the Company be and is hereby accorded to the Board of Directors (hereinafter referred to as board including any committee thereof) of the company to create mortgages / charges / hypothecation on all or any of the immovable and movable properties of the Company present and future, of the whole, or substantially the whole, of the undertaking of the Company, ranking pari-passu with or second or subservient or subordinate to the mortgages / charges / hypothecation already created or to be created in future by the company for securing any loans and/or advances and /or guarantees and/or any financial assistance obtained or may be obtained from financial institutions, banks or machinery suppliers and/or any other persons or institutions providing finance for purchase of assets / business of the Company or for working capital or for purchase of specific items of machinery and equipments under any deferred payment scheme or bills rediscounting scheme or in favour of trustees for Debenture holder(s) / Bondholder(s) / FCCB(s) holders that may be appointed hereafter, as security for the debentures / bonds / FCCBs that may be issued by the Company, on such terms and conditions and at such times and in such form and manner as the Board of Directors may deem fit, so that the total outstanding amount at any time so secured shall not exceed the aggregate of the amount(s) consented by the company by the Resolution passed through this postal ballot pursuant to Section 180(1)(c) of the Companies Act, 2013 together with interest thereon and further interest if any costs, charges, expenses, remuneration payable to the trustees and all other monies payable by the Company.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to and cause to prepare, finalise, approve and execute on behalf of the Company with the lenders, banks, machinery suppliers, persons, institutions and trustees for the Debenture/Bond/FCCBs holders, the documents, deeds, agreements, declarations, undertakings and writings as may be necessary and expedient for giving effect to the foregoing resolution and also to delegate all or any of the above powers to such Committee of Directors or the Managing Director or the Director or the Principal Officer of the Company.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to vary and/or alter the terms and conditions of the security created / to be created as aforesaid in consultation with the Lenders, Trustees and other Mortgagees as they may deem fit.”

4. To consider and, if thought fit, to pass, the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Section 186 and other applicable provisions, if any, of the Companies Act, 2013(the act) read with rules framed there under as amended from time to time and subject to such approvals, consents, sanction and permissions of appropriate statutory authorities, RBI, departments or bodies as may be necessary, consent of the Company be and is hereby accorded to the Board of Directors of the Company to make loan(s) and/or give any guarantee(s)/ provide any security(ies) in connection with loan(s) made to any person or other body corporate and/or acquire by way of subscription, purchase or otherwise the securities of any body corporate up to a limit not exceeding Rs. 7500 Crores (Rupees Seven Thousand Five Hundred Crores only) notwithstanding that the aggregate of the loans, guarantees or securities so far given or to be given to any person or other body corporate and/or securities so far acquired or to be acquired in all bodies corporate may exceed the limits prescribed under the said section.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to take such steps as may be necessary for obtaining approvals, statutory, contractual or otherwise, in relation to the above and to settle all matters arising out of and incidental thereto, and to sign and execute all deeds, applications, documents and writings that may be required, on behalf of the Company and also to delegate all or any of the above powers to such Committee of Directors or the Managing Director or the Director or the Principal Officer of the Company and generally to do all acts, deeds and things that may be necessary, proper, expedient or incidental for the purpose of giving effect to the aforesaid Resolution.”

By order of the Board
For Gitanjali Gems Limited

Registered Office:

A-1, 7th Floor, Laxmi Tower
Bandra Kurla Complex,
Bandra East, Mumbai – 400051
Place: Mumbai
Date: August 1, 2014

Pankhuri Warange
Company Secretary

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 AND SECTION 110 OF COMPANIES ACT, 2013**ITEM NO 1**

The Company proposes to issue and allot upto 2,38,05,296 (Two Crores Thirty eight Lakhs Five Thousand Two Hundred and Ninety six) Warrants on a preferential basis carrying an option / entitlement to subscribe to equivalent number of Equity Shares of Rs. 10 each at a future date, not exceeding 18 (eighteen) months from the date of issue of such warrants at such price as may be determined as per the provisions of Regulation 76 of the said Regulations to the following persons / entities (hereinafter referred to as "the proposed allottees"):

Sr. No	Name of the proposed allottees	Maximum number of warrants to be allotted
1	M/s. Vespera Fund Limited	16,00,000
2	M/s. Marshal Global Capital Fund Limited	16,00,000
3	Mr. Chaitya Shah	68,68,432
4	Mr. Rakesh Gajera	68,68,432
5	Mr. Ramesh Shah	68,68,432
	Total	2,38,05,296

Members' approval is being sought in terms of section 62(1)(c) of the Companies Act, 2013, which provides, inter alia that whenever it is proposed to increase the subscribed capital of a company by issue and allotment of further shares, such further shares shall be offered to the persons who on the date of the offer are holders of the equity shares of the company in proportion to the capital paid-up on that date unless the shareholders in a general meeting decide otherwise. Further, Section 42 of Companies Act, 2013, states that a Company shall not make private placement of its securities unless it is previously approved by shareholders of the Company by special resolution. The Listing Agreements executed by the Company with the Stock Exchanges also provide that the Company shall, in the first instance, offer all securities for subscription pro rata to the shareholders unless the shareholders in a general meeting decide otherwise.

The following disclosure for the preferential issue of Warrants is made in accordance with the provisions of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2009 ("said Regulations") relating to the Preferential Issue and the Companies Act, 2013:

1. Objects of the preferential issue:

The object of this issue is to mobilize funds to meet the long term financial requirements, working capital requirements and general corporate purposes.

2. Proposal of promoters, directors or key managerial personnel of the Company to subscribe to the offer:

None of the promoters or Directors or key managerial personnel of the Company will participate in the proposed preferential issue of Warrants.

3. Shareholding pattern before and after the preferential issue

Sr. No.	Category of Shareholder	Before Preferential issue		After Preferential issue*	
		No. of Shares	% of Equity	No. of Shares	% of Equity
A	PROMOTER				
	Indian	3,53,99,071	36.08	3,53,99,071	29.03
	Foreign	0	0.00	0	0.00
	Sub-Total	3,53,99,071	36.08	3,53,99,071	29.03
B	PUBLIC				
	Mutual Fund / UTI	973	0.00	973	0.00
	Banks and Financial Institutions	48,64,851	4.96	48,64,851	3.99
	Foreign Institutional Investors	1,36,96,714	13.96	1,68,96,714	13.86
	Bodies Corporate	2,41,55,786	24.62	2,41,55,786	19.81
	Resident Individuals	1,73,71,816	17.70	2,42,40,248	19.88
	NRI	15,00,167	1.53	1,52,37,031	12.50
	HUF	4,99,179	0.51	4,99,179	0.41
	Trust	2,74,012	0.28	2,74,012	0.22
	Clearing Members	3,57,882	0.36	3,57,882	0.29
	Sub-Total	6,27,21,380	63.92	8,65,26,676	70.97
	GRAND TOTAL	9,81,20,451	100.00	12,19,25,747	100.00

*Assuming entire 2,38,05,296 warrants are converted into equity shares

4. Time within which preferential issue will be completed:

The Company shall complete the allotment of Warrants within a period of 15 (fifteen) days from the date of passing of the proposed special resolution by the shareholders or where the allotment on preferential basis requires any approval of regulatory authorities, the allotment of Warrants will be completed within 15 (fifteen) days from the date of such approval.

5. Details of identity of the proposed allottees, natural persons who are ultimate beneficial owners of the shares proposed to be allotted and/or who ultimately control proposed allottees, percentage of post preferential issue capital that may be held by them and change in control, if any, in the Company consequent to the preferential issue:

The details of the proposed allottees of the warrants to be issued pursuant to the Special Resolution as set out at Item No.1 of the notice and the percentage of expanded capital to be held by them after the proposed allotment of the said equity shares to them as per the said resolution are as under:

S. No.	Name of proposed allottees	Category	Pre preferential holding	Post preferential issue holding	Percentage of post preferential Issue Capital	Ultimate beneficial owners / entities who ultimately control proposed allottees of the shares proposed to be allotted
1	Vespera Fund Limited	Foreign Institutional Investor	Nil	16,00,000	1.31	The management share holder of Vespera Fund Limited is Elara Asset Management Ltd, which is 100% subsidiary of Elara Capital PLC. Mr. Raj Bhatt holds majority of shares of Elara Capital PLC.
2	Marshal Global Capital Fund Limited	Foreign Institutional Investor	Nil	16,00,000	1.31	Marshal Global Capital Fund Ltd, is an investment fund incorporated in Mauritius, licensed & authorised by the FSC Mauritius as a CIS, investing in global financial markets with a focus on Asian Equities. Marshal Advisors Limited, an investment management firm, licensed and regulated by FSC Mauritius is the controlling shareholder of Marshal Global Capital Fund Ltd, owning 100% of the management / voting shares. Marshal Advisors Ltd is fully owned by Select Analytix Limited a holding company whose beneficial owner is Mr. Murthy R Nuni.
3	Mr. Chaitya Shah	Individual-Non Promoter	Nil	68,68,432	5.63	N.A.
4	Mr. Rakesh Gajera	Individual-Non Promoter	Nil	68,68,432	5.63	N.A.
5	Mr. Ramesh Shah	Individual-Non Promoter	Nil	68,68,432	5.63	N.A.

Consequent to the preferential issue, there will not be any change in control of the Company.

6. Undertaking that the Company will re-compute the price of the specified securities proposed to be issued to the Investor in terms of the SEBI ICDR Regulations where it is required to do so:

The price for the proposed preferential issue will be computed in compliance with said Regulations. The Company undertakes that it shall, if required, re-compute the price of the equity shares in terms of the said Regulations.

7. Undertaking that if the amount payable on account of recomputation of price is not paid within time stipulated in the SEBI ICDR Regulations, the specified securities shall continue to be locked-in till the time such amount is paid by the Investor.

The Company undertakes that if the amount payable on account of the re-computation of price is not paid within the time stipulated in the said Regulations, the equity shares issued to proposed allottees shall continue to be locked in till the time such amount is paid by them .

Ford, Rhodes, Parks & Co., Chartered Accountants, the Statutory Auditors of the Company, have certified that the proposed preferential issue is being made in accordance with the requirements contained in the said Regulations. A copy of the said certificate is available for inspection by the shareholders at the Registered Office of the Company on all working days except public holidays, Saturdays and Sundays, between 10 a.m. to 6 p.m. upto the date of declaration of results of postal ballot i.e September 9, 2014

8. Lock In

The equity shares to be allotted under the proposed offering shall be subject to lock in for a period of 1 year from the date of trading approval, in accordance with the said Regulations.

9. Pricing of the equity shares :

The equity shares will be issued at such price, which will be not less than the higher of the following, in terms of said Regulations

- (a) Average of weekly high and low of the closing price during 26 weeks preceding the relevant date

OR

- (b) Average of weekly high and low of the closing price during 2 weeks preceding the relevant date. Relevant Date for the purpose is the date 30 (thirty) days prior to the date declaration of results

The Special Resolution pursuant to the provisions of section 42 and 62(1)(c) of companies act, 2013 is proposed to be passed to enable the Company to proceed with the proposed preferential issue.

Your directors recommend the special resolution for the approval of members.

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in this resolution.

ITEM NO. 2 and 3

The members by way of postal ballot declared on March 6, 2013, by way of ordinary resolutions and in pursuance of the provisions of section 293(1)(d) and (a) respectively, of the Companies Act, 1956 interalia, approved of:

- a. Borrowing monies on behalf of company in excess of the aggregate of the paid up capital of the Company and its free reserves, subject to total outstanding amount so borrowed not exceeding a sum of Rs. 10,000 crores at any point of time.
- b. Creation of a mortgage or charge, as security by way of mortgage/ hypothecation on the Company's assets in favour of banks, financial institutions, other lenders, trustees, etc

Under Section 180 of the Companies Act, 2013 the board can exercise such powers only with the consent of members of the Company by way of special resolution.

The Ministry of Corporate Affairs issued circular no. 04/2014 dated March 25, 2014, which allowed companies to comply with provisions of section 180 within one year from the date of its notification i.e upto September 11, 2014.

The approval of members authorising the board for the borrowings as set out in item no 2 of the notice and creation of charge as set out in item no 3 of the notice, is therefore being sought, by way of special resolutions. The directors recommend the resolutions as set out in item no 2 and 3 of the notice for the approval of members.

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at item No. 2 and 3.

ITEM NO. 4

As per resolution passed by the shareholders of the Company under section 372A of the companies act 1956 by way of postal ballot declared on March 6, 2013 , the Board of Directors were authorized to invest, give loan or issue guarantee or provide any security up to a limit not exceeding Rs. 7500 crore in specific subsidiaries (said subsidiaries) of the company. The Company in future may invest in, give loan, provide security or guarantee to Companies other than said subsidiaries to meet the financial requirements of such companies.

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Section 186 of companies act 2013 provides that a company cannot make investment in other body corporate or give loan or guarantee or provide any security to any person or other body corporate in excess of the limits set out therein, unless it is previously authorized by a special resolution.

The approval of shareholders authorising the board to invest, give guarantee or provide security as set out in item no 4 is therefore, being sought, by way of special resolution.

The directors recommend the resolutions as set out in item no 4 of the notice for the approval of members.

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 4.

By order of the Board
For Gitanjali Gems Limited

Registered Office:

A-1, 7th Floor, Laxmi Tower
Bandra Kurla Complex,
Bandra East, Mumbai – 400051
Place: Mumbai
Date: August 1, 2014

Pankhuri Warange
Company Secretary

Notes:

1. The relative Explanatory Statement pursuant to Sections 102 and 110 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 setting out material facts is annexed hereto.
2. The Board of Directors at its meeting held on August 1, 2014 has appointed Mr. Manish L. Ghia, Partner, M/s Manish Ghia & Associates, Practicing Company Secretaries, Mumbai, as the Scrutinizer to receive and scrutinize the completed Ballot Papers from the Members. The Postal Ballot Form and the self-addressed business reply envelope are enclosed for use of the Members.
3. You are requested to carefully read the instructions printed in the Postal Ballot Form and return the Form duly completed with the assent (for) or dissent (against), in the attached pre-paid envelope, so as to reach the Scrutinizer on or before Saturday, September 6, 2014, to be eligible for being considered, failing which, it will be strictly treated as if no reply has been received from the Member. The Scrutinizer will submit his report to Managing Director or Company Secretary of the Company after completion of the scrutiny and the results of postal ballot will be announced on Tuesday, September 9, 2014, at the Registered office of the Company at A-1, 7th Floor, Laxmi Towers, Bandra Kurla Complex, Bandra (East), Mumbai - 400051.
4. The Notice is being sent to all the Shareholders, whose names will appear on the Register of Members/list of Beneficial Owners as received from National Securities Depository Limited (NSDL)/Central Depository Services (India) Limited (CDSL) as on Friday, August 1, 2014.
5. The self-addressed envelope attached to this notice bears the address to which duly completed postal ballot form is to be sent.
6. Unsigned Postal Ballot Form will be rejected.
7. In compliance with provisions of Section 110 of the Act read with the Companies (Management and Administration) Rules, 2014, the Company is pleased to offer e-voting facility as an alternate, for all the Shareholders of the Company. For this purpose, the Company has entered into an agreement with Karvy Computershare Private Limited (Karvy) for facilitating e-voting to enable the Shareholders to cast their votes electronically instead of dispatching Postal Ballot Form. E-voting is optional.

The instructions for Shareholders for e-voting are as under:

(a) In case of Shareholders' receiving e-mail from Karvy:

- (i) Open your e-mail. The login credentials (i.e., user-id & password) will be mentioned in the mail. Please note that the password is an initial password.
- (ii) Launch internet browser by typing the following <https://evoting.karvy.com>
- (iii) Put user ID and password as initial password noted in step (i) above. Click Login.

- (iv) Members holding shares in Demat/ Physical form will now reach Password Change menu wherein they are required to mandatorily change their login password in the new password field. The new password has to be minimum eight characters consisting of at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character. Kindly note that this password can be used by the Demat holders for voting for resolution of any other Company on which they are eligible to vote, provided that Company opts for e-voting through Karvy Computershare Private Limited e-Voting platform. System will prompt you to change your password and update any contact details like mobile number, email ID etc, on 1st login. You may also enter the Secret Question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (v) You need to log in again with the new credentials
- (vi) On successful login system will prompt to select the evoting event number of Gitanjali Gems Limited.
- (vii) If you are holding shares in Demat form and had logged on to "https://evoting.karvy.com" And casted your vote earlier for any company, then your existing login id and password are to be used.
- (viii) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
- (ix) Once you have voted on the resolution, you will not be allowed to modify your vote.
- (x) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail: scrutinizer@mgconsulting.in with a copy marked to evoting@karvy.com

(b) In case of Shareholders' receiving Postal Ballot Form by Post:

- (i) Initial password is provided as below/at the bottom of the Postal Ballot Form

EVEN	US USER ID	PASSWORD/PIN
E Voting Event Number		

Please follow all steps from Sl. No. (ii) to Sl. No. (ix) above, to cast vote.

- (ii) please contact toll free No. **1-800-34-54-001** for any further clarifications.
- (iii) If you are already registered with Karvy Computershare Private Limited for e-voting then you can use your existing user ID and password for casting your vote

8. Shareholders whose email id is registered with depositories are being sent Notice of Postal Ballot by e-mail and others are sent by post along with Postal Ballot Form. Shareholders who have received Postal Ballot Notice by e-mail and who wish to vote through Physical Postal Ballot Form can download Postal Ballot Form from www.gitanjaligroup.com or seek duplicate Postal Ballot Form from Karvy Computershare Pvt Ltd., Registrar & Transfer Agent, unit: Gitanjali Gems Limited, Plot No. 17 to 24, Vittalrao Nagar, Madhapur, Hyderabad - 500081, fill in the details and send the same to the Scrutinizer.
9. Kindly note that the Shareholders can opt only one mode of voting, i.e., either by Physical Ballot or e-voting. If you are opting for e-voting, then do not vote by Physical Ballot also and vice versa. However, in case Shareholders cast their vote by Physical Ballot and e-voting, then voting done through e-voting shall prevail and voting done by postal ballot will be treated as invalid.
10. Shareholders desiring to exercise vote by Physical Postal Ballot are requested to carefully read the instructions printed in the Postal Ballot Form and return the Form duly completed and signed in the enclosed self addressed business reply envelope to the Scrutinizer. The postage cost will be borne by the Company. However, envelopes containing Postal Ballots, if sent by courier or registered/speed post at the expense of the Shareholders will also be accepted.
11. The voting rights of Shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on closing hours of Friday, August 1, 2014.
12. The e-voting period commences from August 08, 2014 (10.00 am) and ends on September 6, 2014 (6.00 pm). The e-voting module shall be disabled by Karvy for voting thereafter.

GITANJALI

Gitanjali Gems Limited

Registered Office: A-1, 7th Floor, Laxmi Tower, Bandra Kurla Complex, Bandra (E), Mumbai - 400051

Tel.: 022 40354600/01; Fax: 022 40354602

CIN : L36911MH1986PLC040689; Website: www.gitanjaligroup.com

POSTAL BALLOT FORM

(To be returned to Scrutinizer appointed by the Company)

1. **Name(s) of Shareholder(s)** **Sr. No.**
(In Block Letters)
(Including Joint Holder(s), If any)

2. **Registered address of the
Sole/First named Shareholder**

3. **Registered Folio No. /
DP ID No. * /Client ID No. ***
(*Applicable to Shareholders holding
Shares in dematerialized form)

4. **Number of shares held**

5. I/We hereby exercise my/our vote in respect of the resolution(s) to be passed through postal ballot for the business stated in the Postal Ballot Notice of the Company by sending my/our assent or dissent to the said resolution(s) by placing the tick (✓) mark at the appropriate box below:

Item No.	Description	No. of Shares	I/ We assent to the Resolution (For)	I/ We dissent to the Resolution (Against)
1.	Special Resolution for issue of warrants on preferential basis upto an amount not exceeding ₹ 175 crores to persons other than promoter as per Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2009			
2.	Special Resolution under section 180(1)(c) of the Companies Act, 2013 for borrowing powers of the Board of Directors upto ₹ 10000 crores			
3.	Special Resolution under section 180(1)(a) of the Companies Act, 2013 for creation of charge/ Hypothecation/Mortgage of Moveable and immoveable properties of the Company.			
4.	Special Resolution to invest /make loan(s) /give any guarantee(s)/provide any security(ies)under section 186 of Companies Act, 2013 upto a limit not exceeding ₹ 7500 crores			

Place :

Date :

Signature of the Shareholder(s)

ELECTRONIC VOTING PARTICULARS

EVEN (E Voting Event Number)	User ID	Password / PIN

Note : Kindly read the instructions printed overleaf before filing the form
Last date for receipt of Postal Ballot Forms by Scrutinizer is Saturday, September 6, 2014

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INSTRUCTIONS

1. A Shareholder desiring to exercise vote by Postal Ballot may complete this Postal Ballot Form (no other form or photocopy thereof is permitted) and send it to the Scrutinizer, Mr. Manish L. Ghia, Partner, M/s. Manisha Ghia & Associates, Mumbai in the attached self addressed business reply envelope. Postage will be borne and paid by the Company. However, envelopes containing Postal Ballot Form(s), if sent by courier or registered/speed post at the expense of the Shareholder will also be accepted.
2. The self addressed business reply envelope bears the address of the Scrutinizer.
3. This Form should be completed and signed by the Shareholder (as per the specimen signature registered with the Company/Depository Participants). In case of joint holding, this Form should be completed and signed by the first named Shareholder and in his absence, by the next named Shareholder.
4. Duly completed Postal Ballot Form should reach the scrutinizer not later than Saturday, September 6, 2014. All Postal Ballot Forms received after this date will be strictly treated as if reply from such Shareholder has not been received.
5. There will be only one Postal Ballot Form for every folio irrespective of the number of joint Shareholder(s).
6. In case of shares held by companies, trusts, societies etc. the duly completed Postal Ballot Form should be accompanied by a certified true copy of Board resolution/authority letter.
7. A Shareholder may request for a duplicate Postal Ballot Form, if so required. However, the duly completed duplicate Postal Ballot form should reach the Scrutinizer not later than the last date of receipt of Postal Ballot Form, i.e., Saturday, September 6, 2014.
8. Voting rights shall be reckoned on the paid up value of shares registered in the name of the Shareholders as on Friday, August 1, 2014.
9. Shareholders are requested not to send any other paper along with the Postal Ballot Form in the enclosed self addressed business reply envelope, as all such envelopes will be sent to the Scrutinizer and any extraneous paper found in such envelope would be destroyed by the Scrutinizer.
10. The Scrutinizer's decision on the validity of a Postal Ballot will be final and binding.
11. Incomplete, unsigned or incorrect Postal Ballot Forms will be rejected.
12. The Company is pleased to offer e-voting facility as an alternate, for all the Shareholders of the Company to enable them to cast their votes electronically instead of dispatching Postal Ballot Form. E-voting is optional. The detailed procedure is enumerated in the Notes to the Postal Ballot Notice.

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