

GITANJALI

GGL/S&L/2011/488

November 21, 2011

Listing Department
National Stock Exchange of India Limited
Bandra Kurla Complex,
Bandra (E), Mumbai – 400 051

Dear Sir,

Sub. : Notice of Extraordinary General Meeting

Ref. : 1) Clause 31 of the Listing Agreement
2) Scrip Code: GITANJALI

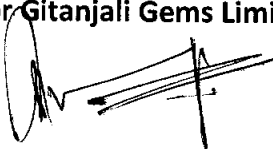
Apropos the captioned subject and reference quoted above, please find enclosed six copies of notice of Extraordinary General Meeting of the Company to be held on Tuesday, December 13, 2011 at Novotel, Rajiv Gandhi International Airport, Shamshabad, Ranga Reddy District, Hyderabad – 500 409.

This is for your information and records.

Thanking You,

Yours Faithfully,

For Gitanjali Gems Limited



(Pankhuri Warange)
Company Secretary

Gitanjali Gems Limited

Registered Office:

801/802, Prasad Chambers,
Opera House, Mumbai 400 004, India.
T: 022 2363 0272 / 0710 / 0319
F: 022 2363 0363

Corporate Office:

B-6, Laxmi Towers, 1st Floor,
Bandra Kurla Complex,
Bandra (E), Mumbai 400 051, India.
T: 022 4010 2120 / 21 F: 4010 2003

Administrative Office:

Building No. 2/101, Jogani Complex,
Behind Amar Brass, Manipada Road,
Kalina, Santacruz (E), Mumbai 400 098, India.
T: 022 4276 9200 / 9100 F: 022 4276 9103

www.gitanjaligroup.com

GITANJALI

GITANJALI GEMS LIMITED

Regd. Office: 801/802, Prasad Chambers, Opera House, Mumbai – 400 004

NOTICE

Notice is hereby given that Extraordinary General Meeting of the Members of Gitanjali Gems Limited will be held on Tuesday, the 13th day of December, 2011 at 3 p.m. at Novotel Hyderabad Airport, Rajiv Gandhi International Airport, Shamshabad, Ranga Reddy District, Hyderabad - 500409, Andhra Pradesh, to transact the following Business:

(1) To consider and if thought fit to pass, with or without modifications, the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Section 81(1A) and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modifications or re-enactments thereof for the time being in force), the enabling provisions in the Memorandum and the Articles of Association of the Company, Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2009 (“SEBI ICDR Regulations”) as amended from time to time, the listing agreements entered into by the Company with the stock exchanges where 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 create, offer, issue and allot upto 943396 (Nine Lakhs Forty Three Thousand Three Hundred and Ninety Six) Convertible Equity Warrants (hereinafter referred to as “Warrant(s)”) on a preferential basis to **Bennett Coleman and Company Limited (BCCL)**, with each Warrant convertible into one equity share of the Company of nominal value of Rs. 10/- each at a price of Rs. 424/- which includes a premium of Rs. 414/- per share, which price is not less than the price calculated in accordance with Chapter VII of the SEBI ICDR Regulations for preferential allotment of equity shares/Warrants on such terms and conditions as may be decided and deemed appropriate by the Board at the time of issue or allotment.

RESOLVED FURTHER THAT the ‘Relevant Date’ in relation to the issue of Warrants in accordance with the SEBI ICDR Regulations, would be November 13, 2011 being the date 30 days prior to the date of passing the resolution.

RESOLVED FURTHER THAT the issue of Warrants, if any, as above, shall be subject to the following terms and conditions:

1. The Warrants shall be convertible (at the sole option of the BCCL) at any time after a period of 6 months from the date of allotment of Warrants.

2. Each Warrant shall be convertible into one equity share of nominal value of Rs. 10/- each at a price of Rs. 424/- which includes a premium of Rs. 414/- per share, which price shall not be less than the price calculated in accordance with the SEBI ICDR Regulations for preferential allotment of equity shares/Warrants.
3. BCCL shall on the date of allotment of Warrants, pay an amount equivalent to 25% of the total consideration per warrant.
4. The relevant date for the preferential issue, for the purpose of SEBI ICDR Regulations, is November 13, 2011, which is the date, 30 days prior to the date of Extra-ordinary General Meeting i.e Tuesday December 13, 2011.
5. BCCL shall, on the date of allotment of equity shares pursuant to the exercise of option against each such warrant, pay the balance 75% of the consideration.
6. The amount referred to in (3) above shall be non interest bearing and shall be forfeited, if the option to acquire shares is not exercised within a period of 18 months from the date of allotment of the Warrants.
7. The number of Warrants and the price per Warrant shall be appropriately adjusted, subject to the Companies Act, 1956 and SEBI ICDR 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.
8. The Warrants allotted in terms of this resolution and the resultant Equity shares arising on exercise of rights attached to such Warrants shall be subject to a lock-in requirement as prescribed under the SEBI ICDR Regulations as amended from time to time.
9. The equity shares to be allotted pursuant to such conversion in the manner aforesaid shall rank pari passu in all respects including dividend with other existing shareholders.

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, allotted to the abovementioned allottee on the Bombay Stock Exchange 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 Directors 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 with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 293(1)(d) and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force) and pursuant to the provisions of the Articles of Association of the Company, and in partial modification to the earlier resolution passed in this regard, consent of the Company be and is hereby accorded to the Board of Directors 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 of Directors 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, will or 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.7500 Crores (Rupees Seven Thousand Five Hundred 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 the Borrowing Committee or 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 with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to section 293(1)(a) and all other applicable provisions, if any, of the Companies Act, 1956, (including any statutory modification or re-enactment thereof for the time being in force) and in partial modification to the earlier resolution passed in this regard, consent of the Company be and is hereby accorded to the Board of Directors 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 holders / Bondholders / FCCBs 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 amounts consented by the company by the Resolution passed in this Extraordinary General Meeting pursuant to Section 293(1)(d) of the Companies Act, 1956 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 the Borrowing Committee or 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."

Date : 14/11/2011
Place : Mumbai

By order of the Board of Directors

Regd office:
801 / 802, Prasad Chambers
Opera House, Mumbai: 400 004

Pankhuri Warange
Company Secretary

Notes:

- (a) A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself on a poll only and such proxy need not be a member of the company. Instrument of proxies, in order to be effective, should be duly stamped, completed, signed and deposited at the registered office of the company not less than 48 hours before the commencement of the meeting.
- (b) Corporate Members intending to send their authorized representatives to attend the meeting are requested to send a certified copy of the Board Resolution authorizing their representatives to attend and vote at the EGM.
- (c) Members who hold shares in dematerialized form are requested to write their Client ID and DP ID numbers and those who hold shares in physical form are requested to write their Folio Number in the Attendance Slip for attending the Meeting, to facilitate identification of membership at the meeting.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

Item no. 1

The Company proposes to issue and allot upto 943396 Warrants on a preferential basis to Bennett, Coleman & Co. Ltd. (hereinafter referred as BCCL”) with each warrant convertible into one equity share of the Company of nominal value of Rs. 10/- each at a price of Rs. 424/- which includes a premium of Rs. 414/- per share. The aggregate amount of total preferential issue will be approximately Rs. 40,00,00,000/- (Rupees Forty Crores only).

Members’ approval is being sought in terms of section 81(1A) of the Companies Act, 1956, 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. The Listing Agreements executed by the Company with the various 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 Regulation 73 of Chapter VII of SEBI ICDR Regulations relating to the Preferential Issue, and the Companies Act, 1956:

1 Objects of the preferential issue:

The Company is engaged in the business of gems and jewellery and it has undertaken a massive expansion plan for the branded jewellery business of Gitanjali Group. The company is planning to undertake the Brand Building exercise of Gitanjali Group in Tier 2 and Tier 3 cities by way of marketing and advertising. The company therefore proposes to issue Convertible Warrants on Preferential allotment basis to BCCL as per existing guidelines of SEBI ICDR Regulations as amended from time to time.

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

None of the current promoters of the Company or Directors or key management persons will participate in the proposed preferential issue of Warrants.

3 The shareholding pattern of the Company before and after the preferential issue:

Sr. No.	Category of shareholder	Before Preferential issue		*After Preferential issue	
		No of Shares	% To Equity	No of Shares	% To Equity
A	PROMOTER				
	Indian	48175019	52.87	48175019	52.33
	Foreign	10000	0.01	10000	0.01
	Sub - Total	48185019	52.88	48185019	52.34
B	PUBLIC				
	Mutual Funds / UTI	24000	0.03	24000	0.03
	Banks and Financial Institutions	71977	0.08	71977	0.08
	Foreign Institutional Investors	23830926	26.15	23830926	25.88
	Bodies Corporate	9704817	10.65	10648213	11.56
	Foreign Companies	1554050	1.70	1554050	1.69
	Resident Individuals	5410564	5.94	5410564	5.88
	NRI	1412252	1.55	1412252	1.53
	HUF	176363	0.19	176363	0.19
	Clearing Members	752127	0.83	752127	0.82
	Sub - Total	42937076	47.12	43880472	47.66
	GRAND TOTAL	91122095	100.00	92065491	100.00

* Assumes 943396 convertible 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 Identity of the proposed allottees, % 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:

BCCL, a company incorporated under the Companies Act, 1956 and having its registered office at The Times of India Building, Dr. D. N. Road, Mumbai – 400 001 shall hold 2018396 equity shares constituting 2.19% of the total post issue paid up share capital of the Company on a fully diluted basis pursuant to exercise of the option to convert the Warrants is exercised by BCCL.

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 ICDR Regulations where it is required to do so:

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

7 Undertaking that if the amount payable on account of re-computation 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 SEBI ICDR Regulations, the equity shares issued to BCCL shall continue to be locked in till the time such amount is paid by BCCL.

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 ICDR 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. prior to the date of the Extra Ordinary General Meeting and will also be available for inspection at the meeting.

8 The equity shares to be allotted to the Investor under the proposed offering shall be subject to lock in restrictions, in accordance with the SEBI ICDR Regulations.

9 Pricing of the equity shares :

The equity shares will be issued and allotted at a price of Rs. 424/- (Rupees Four Hundred and Twenty Four only) per equity share, which price is not less than the higher of the following, in terms of ICDR Regulations :

- (a) Average of weekly high and low of the closing price during 6 months 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 on which the general meeting of shareholders is proposed to be held in terms of section 81(1A) of the Companies Act, 1956 to consider the proposed issue, which in the present case is November 13, 2011.

The Special Resolution pursuant to the provisions of section 81(1A) is proposed to be passed to enable the Company to proceed with the proposed preferential issue.

None of the Directors of the Company is in any way concerned or interested in the resolution.

Item No. 2 & 3

As per the provisions of Section 293(1)(d) of the Companies Act, 1956, the Board of Directors of the Company cannot, except with the permission of the Shareholders in General Meeting, borrow monies in excess of the aggregate of the paid-up capital of the Company and its free reserves. As per the resolution passed by the shareholders of the Company by way of Postal Ballot declared on 15th September, 2011 the Board of Directors were authorized to borrow money upto a limit not exceeding Rs. 6000 Crores. The increasing business operations and future growth plans of the Company would necessitate restructuring of the borrowing limits by authorizing the Board of Directors to borrow monies which may exceed at any time the aggregate of the paid-up capital of the Company and its free reserves but not exceeding Rs. 7500 Crores (Rupees Seven Thousand Five Hundred Crores only).

The borrowings of the Company are, in general, required to be secured by suitable mortgage or charge on all or any of the movable and/or immovable properties of the Company in such form, manner and ranking as may be determined by the Board of Directors of the Company, from time to time, in consultation with the lender(s). Hence, it is necessary to obtain approval for the same from the Shareholders.

Your directors recommend the resolution no. 2 & 3 to be passed as an Ordinary Resolution.

None of the Directors of the Company is, in any way, concerned or interested in the said resolutions.

Date : 14/11/2011
Place : Mumbai

By order of the Board of Directors

Regd office:
801 / 802, Prasad Chambers
Opera House, Mumbai: 400 004

Pankhuri Warange
Company Secretary

GITANJALI

GITANJALI GEMS LIMITED

Regd. Office: 801/802, Prasad Chambers, Opera House, Mumbai - 400 004

PROXY FORM

DP ID No.*	Folio No.
Client ID No.*	No. of Shares

I/We _____ of _____ in the district of _____ being a Member / Members of the above named Company, hereby appoint _____ of _____ in the district of _____ or failing him/her _____ of _____ in the district of _____ as my/our proxy to attend and vote for me/us on my/our behalf at Extraordinary General Meeting of the Company to be held on Tuesday, December 13, 2011 at 3.00 p.m at Novotel Hyderabad Airport, Rajiv Gandhi International Airport, Shamshabad, Ranga Reddy District, Hyderabad - 500409, Andhra Pradesh, and at any adjournment(s) thereof.

Signed this _____ day of _____ 2011.

Affix a
15 paise
revenue
stamp

*Applicable for investors holding shares in electronic form.

Signature

Note: The Proxy in order to be effective should be duly stamped, completed and signed and must be deposited at the Registered Office of the Company not less than 48 hours before the time for holding the aforesaid meeting. The Proxy need not be a member of the Company.

GITANJALI

GITANJALI GEMS LIMITED

Regd. Office: 801/802, Prasad Chambers, Opera House, Mumbai - 400 004

ATTENDANCE SLIP

DP ID No.*	Folio No.
Client ID No.*	No. of Shares

PLEASE FILL ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING VENUE

Joint Shareholders may obtain additional Attendance Slip at the venue of the meeting.

Name : _____

Address : _____

I hereby record my presence at Extraordinary General Meeting of the Company at Novotel Hyderabad Airport, Rajiv Gandhi International Airport, Shamshabad, Ranga Reddy District, Hyderabad - 500409, Andhra Pradesh at 3.00 p.m. on Tuesday, December 13, 2011.

Signature of Member/Proxy

*Applicable for investors holding shares in electronic form.