

GITANJALI
GITANJALI GEMS LIMITED

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

NOTICE

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting of the Members of the Company will be held on Thursday, March 3, 2011 at 3.00 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 modification(s), if any, the following resolution, as an Ordinary Resolution:

"RESOLVED THAT pursuant to section 94 and any other applicable provisions, if any, of the Companies Act, 1956, the Authorised Share Capital of the Company be and is hereby increased from Rs. 120,00,00,000/- (Rupees One Hundred and Twenty Crores Only) divided into 12,00,00,000 (Twelve Crores) equity shares of Rs. 10/- (Rupees Ten Only) each to Rs. 150,00,00,000/- (Rupees One Hundred and Fifty Crores only) divided into 15,00,00,000 (Fifteen Crores) equity shares of Rs. 10/- (Rupees Ten only) each.

RESOLVED FURTHER THAT pursuant to section 16 and any other applicable provisions, if any, of the Companies Act, 1956, the existing Clause V(i) of the Memorandum of Association of the company as to Share Capital be and is hereby substituted by the following new Clause:

- V (i) The Authorised Share Capital of the Company is Rs. 150,00,00,000/- (Rupees One Hundred and Fifty Crores only) divided into 15,00,00,000 (Fifteen Crores) equity shares of Rs. 10/- (Rupees Ten only) each similar in all respect, with the power to increase or reduce the capital and to divide the share in the capital for the time being into several classes, to consolidate, divide the capital into shares of larger or smaller amount than its existing shares and to convert its paid up shares into stocks and attach thereto respectively such preferential, qualified or special rights, privileges or conditions as may be determined by or in accordance with the Articles of Association of the Company for the time being and to vary, modify or abrogate such rights, privileges or conditions in such manner as permitted by the Articles of Association of the Company or Legislative provisions for the time being in force in that behalf.

RESOLVED FURTHER THAT any Director or Company Secretary of the Company be and is hereby authorised to sign all necessary forms, documents as may be required in this connection."

2. To consider and, if thought fit, to pass with or without modification(s) the following resolution as a Special Resolution:

"RESOLVED THAT in accordance with and subject to the provisions of Section 81(1A) and all other applicable provisions, if any, of the Companies Act, 1956 and/or Foreign Exchange Management Act, 1999 (including any statutory modification(s) or re-enactment thereof for the time being in force), Issue of Foreign Currency Convertible Bonds and Ordinary Shares (through Depository Receipt Mechanism) Scheme, 1993, as amended, the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000, as amended and other applicable Rules, Regulations, Notifications, Circulars, Schemes, and Guidelines if any, of the Securities and Exchange Board of India (SEBI), the Reserve Bank of India (RBI), the Stock Exchanges where the securities of the Company are listed (including provisions of the listing agreement with them), and pursuant to various provisions of SEBI (Issue of Capital and Disclosure Requirements) Regulations 2009 including but not limited to Qualified Institutions Placement ("QIP") provisions mentioned in Chapter VIII of SEBI (Issue of Capital and Disclosure Requirements) Regulations 2009 and other concerned and relevant authorities, and other applicable laws, if any, and the relevant provisions of the Memorandum and Articles of Association of the Company; and subject to such approvals, consents, permissions, or sanctions of the Government of India (GOI), RBI, SEBI and any other

Indian/Overseas appropriate authorities, institutions or bodies as may be necessary and subject to such terms, conditions, stipulations, alterations, amendments, modifications, or variations as may be prescribed by any of them in granting any such approvals, consents, permissions, or sanctions; and which may be agreed to by the Board of Directors (hereinafter referred to as the "Board", which term shall be deemed to include any Committee of Directors for the time being authorized by the Board of Directors to exercise the powers conferred on the Board by this resolution), consent of the members of the company be and is hereby accorded to the Board to create, offer, issue and allot on behalf of the Company, in one or more tranches of public or private offerings in international markets, through prospectus and/or offer letter or other permissible/requisite offer document, Foreign Currency Convertible Bonds (FCCBs) and/or Global Depository Receipts (GDRs) and/ or American Depository Receipts (ADRs) convertible into Equity Shares at the option of the Company and/or holders of the security subscribed to in Foreign Currency(ies), by Non Resident Investors and/ or to create, place and allot on behalf of the Company, in one or more tranches of private placement or by public offering in domestic markets, on the basis of a placement document or prospectus or any other offer documents, Equity Shares/ fully convertible debentures (FCDs) / partly convertible debentures (PCDs) or any securities including bonds other than warrants, which are convertible into or exchangeable with Equity Shares at a later date, subscribed to in Indian Rupees pursuant to and in accordance with SEBI (Issue of Capital and Disclosure Requirements) Regulations 2009 as amended, (hereinafter collectively referred to as the "Securities") whether secured by way of creating charge on the assets of the company or unsecured as may be decided by the Board up to an aggregate amount not exceeding US\$ 250 Million (United States Dollars Two Hundred and Fifty Million Only) or equivalent amount in Indian or any other currency as the case may be and such offer, issue and allotment to be made, at such time or times, in Indian Rupees or any convertible foreign exchange or other currencies as may be permissible and/or required, at such price or prices, at a discount, par or premium to market price, in such form and manner, including through book building process, and on such other terms and conditions, as may be decided in consultation with the Lead Manager and Underwriter, and deemed appropriate by the Board at the time of such offer, issue and allotment, subject however, to the applicable guidelines, rules, regulations, notifications, circulars and applicable statutory provisions, if any.

RESOLVED FURTHER THAT the Board be and is hereby authorized to create, issue and allot from time to time, such number of equity shares/ securities as may be required to be issued and allotted upon conversion or issue of any Securities referred above or as may be necessary in accordance with the terms of the offering(s) at such price (including premium) that may be decided by the Board in its absolute discretion, as may be necessary in accordance with the terms of the offering of any of the aforesaid securities, including additional equity shares or securities, provided that the price of the resultant shares in relation to the placing and allotment of Equity Shares/ fully convertible debentures (FCDs) / partly convertible debentures (PCDs) or any securities including bonds other than warrants, which are convertible into or exchangeable with Equity Shares shall be determined in accordance with SEBI (Issue of Capital and Disclosure Requirements) Regulations 2009, all such shares/ securities ranking *pari-passu* in all respects, with the then existing respective fully paid up shares/securities, as the case may be, of the Company.

RESOLVED FURTHER THAT for the purpose of giving effect to any

offer, issue or allotment of securities or instruments or equity shares or securities representing the same, the Board be and is hereby authorized on behalf of the Company to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary or desirable for such purpose, including but without limitation, determining the type, form and manner of the issue/securities, the class of eligible investors to whom the securities are to be offered, issued and allotted in each tranche, issue price, face value, premium/discount amount on issue/conversion of securities / redemption of securities, rate of interest, conversion or redemption period, appointment of Managers, Merchant Bankers, Guarantors, Financial and/or Legal Advisors, Consultants, Depositories, Custodians, Registrars, Trustees, Bankers, and all other agencies or intermediaries, whether in India or abroad, and to remunerate them by way of commission, brokerage, fees or the like, entering into or execution of all such Agreements / Arrangements / Memorandum of Understandings / Documents with any authorities/agencies, listing of the shares/securities (including the resultant equity shares to be issued as per the terms of the issue of the said securities) on any Indian and/or Foreign Stock Exchange(s), as the Board may in its absolute discretion deem fit.

RESOLVED FURTHER THAT the Board be and is hereby authorized to settle all questions, difficulties, doubts or problems that may arise in regard to the offer, issue, or allotment of securities and utilization of the issue proceeds as it may in its absolute discretion deem fit, without being required to seek any further consent or approval of the members or otherwise, with the intent that the members shall be deemed to have given their approval thereto expressly by the authority of this resolution.

RESOLVED FURTHER THAT to give effect to the aforesaid resolution, the Board be and is hereby authorized to delegate all or any of the powers

herein conferred to any Committee of Directors or Managing Director or any Director or Directors or other Officer(s) of the Company, or to any intermediary or agent of the Company, or to such other person(s) as the Board may think fit and necessary at its absolute discretion."

Date: February 2, 2011

Place: Mumbai

By order of the Board of Directors

Pankhuri Warange
Company Secretary

Regd office:

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

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 Present Authorized Share Capital of the Company is Rs. 120,00,00,000/- (Rupees One Hundred and Twenty Crores Only) divided into 12,00,00,000 (Twelve Crores) equity shares of Rs. 10/- (Rupees Ten Only) each. In order to facilitate raising funds through issuance of securities, it is proposed to increase the authorised share capital of the Company to Rs. 150,00,00,000/- (Rupees One Hundred and Fifty Crores Only) divided into 15,00,00,000 (Fifteen Crores) equity shares of Rs. 10/- (Rupees Ten only) each.

The Alteration to the Capital Clause of Memorandum of Association is due to increase in Authorised Share Capital.

Pursuant to section 94 and any other applicable provisions, if any, of the Companies Act, 1956, an approval of members is required for increasing authorized share capital of the company.

The Board of Directors recommends the Resolution for approval of the shareholders as an Ordinary Resolution.

None of the Directors is in anyway concerned or interested in this resolution except as a member of the Company

ITEM NO. 2

Taking into account the improved performance and positive outlook of the company, the Board proposes to raise further capital to cater its long term fund requirements. The funds so raised may also be utilized for development of its brands, acquisition of new businesses, investment in SEZ Projects, expansion of activities, finance additional working capital requirements and general corporate purposes.

The Board of Directors of the Company has therefore, proposed that the said requirement of funds be met from International markets through issue of Foreign Currency Convertible Bonds (FCCBs), or Global Depositary Receipts (GDRs), or any other securities/ instrument(s) to be subscribed in foreign currency by non resident investors, and from the domestic market through the placing of Equity Shares / fully convertible debentures (FCDs) / partly convertible debentures (PCDs) or any securities including bonds other than warrants, which are convertible into or exchangeable with Equity Shares, as may be finalized by the Board or its duly authorized Committee, up to an aggregate amount not exceeding US\$ 250 Million (United States Dollars Two Hundred and Fifty Million Only) or equivalent sum in Indian Rupees in the manner as set out in detail in the accompanying notice, by a

special resolution. The said resolution is seeking approval of the members of the Company for proposed issue(s) of securities and is proposing to confer authority on the Board to do all acts and deeds which may be required to create, offer, issue and allot securities of appropriate nature at opportune time, including the size, structure, price, timing and other terms and conditions of the offer/issue.

The detailed terms and conditions for such domestic/ international offerings will be determined in consultation with the lead managers, consultants, advisors, underwriters and/or such other intermediaries that may be appointed for the issue/ offer. Wherever necessary and applicable, the pricing of the offer/ issue will be finalized in accordance with applicable guidelines in force of the GOI, RBI, SEBI and other appropriate authorities. Section 81(1A) of the Companies Act, 1956 inter-alia provides that whenever it is proposed to increase the subscribed capital of the Company by issue of further shares, such shares shall first be offered to the existing shareholders of the Company in the manner laid down in the said section; unless the shareholders decide otherwise by a special resolution. Accordingly, consent of the members of the Company is being sought pursuant to the provisions of Section 81(1A) and all other applicable provisions of the Companies Act, 1956 and in terms of the provisions of the listing agreements executed by the Company with the Stock Exchanges, and other applicable laws, rules, regulations and guidelines, authorizing the Board to create, offer, issue and allot securities as stated in the said resolution, which would result in issuance of further securities of the Company to persons other than the existing members, in accordance with the terms and nature of the securities.

Your Directors recommend the said special resolution for your approval, as they feel the same to be in interest of the Company.

None of the Directors of the Company is in any way concerned or interested in the proposed resolution except as a member of the Company.

Date: February 2, 2011

Place: Mumbai

By order of the Board of Directors

Pankhuri Warange
Company Secretary

Regd office:

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

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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 Thursday, March 3, 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.

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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 Thursday, March 3, 2011.

Signature of Member/Proxy

*Applicable for investors holding shares in electronic form.

GITANJALI

GITANJALI GEMS LIMITED

Regd. Office: 201/101, Jogani Complex, Behind Amar-Brass, Manipada Road, Kalina, Santacruz (E), Mumbai - 400 098.

PARTY FORM

Name of the Party	Date
Address of the Party	City

1. I/We, the undersigned, hereby certify that the above information is true and correct to the best of my/our knowledge and belief.

2. I/We, the undersigned, hereby certify that the above information is true and correct to the best of my/our knowledge and belief.

3. I/We, the undersigned, hereby certify that the above information is true and correct to the best of my/our knowledge and belief.

4. I/We, the undersigned, hereby certify that the above information is true and correct to the best of my/our knowledge and belief.

Name of the Party	Date
Address of the Party	City

5. I/We, the undersigned, hereby certify that the above information is true and correct to the best of my/our knowledge and belief.

6. I/We, the undersigned, hereby certify that the above information is true and correct to the best of my/our knowledge and belief.

BOOK-POST

GITANJALI

GITANJALI GEMS LIMITED

Regd. Office: 201/101, Jogani Complex, Behind Amar-Brass, Manipada Road, Kalina, Santacruz (E), Mumbai - 400 098.

ATTENDANCE SLIP

Name of the Party	Date
Address of the Party	City

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

For circulation and other additional facilities in the name of the company.

If undelivered, please return to:

GITANJALI GEMS LIMITED

Bldg No.2/101, Jogani Complex,
Behind Amar-Brass, Manipada Road,
Kalina, Santacruz (E), Mumbai - 400 098.