

GITANJALI

GGL/S&L/ 2011/103

March 04, 2011

Listing Department
National Stock Exchange of India Limited
Bandra Kula Complex
Bandra (East)
Mumbai- 400 051

Dear Sir,

Sub : Intimation of Proceedings of Extraordinary General Meeting of the Company held on 3rd March, 2011

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

Apropos the captioned subject and reference quoted above, we furnish below the proceedings of the Extraordinary General Meeting of the Company held on Thursday, the 3rd day of March, 2011 at 3.00 p.m. at Novotel Hyderabad Airport, Rajiv Gandhi International Airport, Shamshabad, Ranga Reddy District, Hyderabad – 500409.

The Chairman welcomed the members to the meeting, ascertained the quorum and informed the members about proxies received by the Company.

As the requisite quorum was present, the Chairman started with the proceedings of the meeting. The Notice convening the Extraordinary General Meeting was taken as read.

The Chairman informed the members about the growth story of the Company and also apprised them of the future plans of the Company. The extract of his interactions with the members is reproduced herein below:

“We have significant achievements from growth, productivity, expansion, diversification and profitability compared to previous financial year. Speaking about the financial results of the nine months ended December 31, 2010, revenues stood at Rs.7,030 Crores registering a growth of 43% over the corresponding period of the last year. Net profit for nine months of FY 2011 was at Rs. 262 Crores as compared to Rs. 141 Crores in the nine months of FY 2010 registering a growth of 86%; EPS for the nine months of FY 2011 stood at Rs. 30.77 as compared to Rs. 16.45 in nine months of FY 2010.

Indian jewellery demand continues to drive the business for the group. With retail expansion we are able to reach directly to our customers and strengthen our brand portfolio.

Speaking about the major developments that took place in the interim -

1. Volume growth was driven primarily by the Indian branded jewellery.
 - The Indian branded jewellery sales were a major driver for the jewellery growth.
 - Gili, Asmi, Nakshatra, D'Damas are converting into retail chain stores. Further, these brands are penetrating into tier 2 and tier 3 towns through the franchise route.

Gitanjali Gems Limited

Registered Office	Administrative Office	Corporate Office
801/802, Prasad Chambers, Opera House, Mumbai -400 004. India Tel. : +91-22-2363 0272 / 2363 0710 / 2363 0319 Fax : +91-22-2363 0363 Website : www.gitanjaligroup.com	Bldg. No. 2 / 101, Jogani Complex, Behind Amar - Brass, Manipada Road, Kalina, Santacruz (E), Mumbai - 400 098. India. Tel.: +91-22-4276 9200 / 9100 Fax : +91-22-4276 9120	B/6, 1st Floor, Laxmi Tower, Bandra - Kurla Complex, Bandra (East), Mumbai 400 051. India Tel.: +91-22-4010 2000 / 4010 2001 Fax : +91-22-4010 2003

- In addition to diamond jewellery, the strategy is also to offer more choice to consumers by focusing on gold jewellery in the near term.
 - Gitanjali's share in modern retail format of jewellery is nearly 65% to 70%,. Going forward, the focus remains to tap multichannel expansion.
2. Enhancement of production facility
 - In case of diamond jewellery existing capacity of domestic diamond jewellery production of 60,000 pieces is going to double in the next six to eight months.
 - Likewise for gold jewellery products, the focus has been to expand capacity in Kolkata and Coimbatore factories.
 - In case of exports, the company plans to enhance the production capacity for overseas market from existing 100,000 pieces per month.
 3. Working capital efficiency
 - On an annualized basis the working capital cycle has reduced significantly.
 - Overall, the working capital has reduced to about 45% from 59% in the last year.
 4. In terms of developments with respect to our global operations, USA has experienced significant turnaround on the back of market recovery coupled with operational efficiency. Middle East has also clocked in significant revenues in the 9 months of FY11.

Other Growth Plans :

Gitanjali has undertaken inorganic pursuits to supplement its expansion plans in the branded luxury goods segment.

1. Acquisition of 90% stake in Giantti Italia S.R.L. – Giantti Italia is a luxury goods entity based in Milan, Italy. The objective of this acquisition is to capitalize on Italian designs and branding expertise and to expand in the branded jewellery segment overseas.
2. Acquisition of assets DIT Group – Italy – Gitanjali is acquiring the assets of Italy based DIT group which is primarily engaged in marketing of branded jewellery. Other than to leverage on the Italian group's branding and design concepts, the objective of the acquisition is to enhance its well established branded portfolio by bringing under its umbrella, strong brands such as Stephan Hafner, Io Si, Roberta Poratti and La Nouvelle Bague, etc. which belong to the DIT group.

For sustaining this overall growth of the Company, we would continually look for your support. We propose to raise funds by issuance of Convertible Bonds/ Equity Shares/ADRs/GDRs/FCCBs or any other form of convertible securities not exceeding USD 250 Mn."

Before putting the resolution to vote, the Chairman welcomed the members to interact with the management and enquire about the performance and future plans of the Company. The members exchanged their views / thoughts about the performance of the Company and expressed their strong confidence in the management and future plans of the Company.

GITANJALI GEMS LIMITED

The members passed the resolutions relating to the following business unanimously:

1. Increase in Authorized Share Capital:

The Members considered and approved increase in the authorized share capital of the Company from Rs. 120 Crores to Rs. 150 Crores.

The Resolution in connection with above said business was proposed by Mr. Kamal Kishor and seconded by Mr. Rahman Sufi.

2. Issue 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:

The Members considered and approved the issue 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 up to an aggregate amount not exceeding US\$ 250 million.

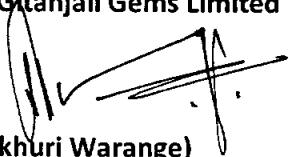
The Resolution in connection with above said business was proposed by Mr. Manish Ghia and seconded by Mr. Brij Gopal.

Kindly take the above in your record and acknowledge the receipt.

Thanking you,

Yours truly,

For Gitanjali Gems Limited


(Pankhuri Warange)
Company Secretary