



G I T A N J A L I

GITANJALI GEMS LIMITED

Annual Report 2007 - 2008



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Board of Directors

Mr. Mehul C. Choksi	Chairman & Managing Director
Mr. G. K. Nair	Executive Director
Mr. Adrianus B. Voorn	Executive Director
Mr. Dhanesh V. Sheth	Non -Executive Director
Mr. Prakash D. Shah	Independent Director
Mr. Sujal A. Shah	Independent Director
Mr. S. Krishnan	Independent Director
Mr. Suresh Chukkapalli	Independent Director

Company Secretary & Compliance Officer

Ms. Pankhuri Warange

Audit Committee

Mr. Sujal A. Shah (Chairman)
Mr. S. Krishnan
Mr. Prakash D. Shah
Mr. G. K. Nair

Shareholders/Investors Grievance Committee

Mr. Prakash D. Shah (Chairman)
Mr. G .K. Nair
Mr. Dhanesh V. Sheth

Remuneration Committee

Mr. Sujal A. Shah (Chairman)
Mr. Prakash D. Shah

Allotment Committee

Mr. Adrianus B. Voorn (Chairman)
Mr. Suresh Chukkapalli
Mr. Mehul C. Choksi
Mr. G. K. Nair
Mr. Dhanesh V. Sheth

Borrowing Committee

Mr. Mehul C. Choksi (Chairman)
Mr. G. K. Nair
Mr. Dhanesh V. Sheth

Investment Committee

Mr. G. K. Nair (Chairman)
Mr. Mehul C. Choksi
Mr. Dhanesh V. Sheth

Auditors

M/s Ford, Rhodes, Parks & Co.
Sai Commercial Building,
312/313, 3rd Floor,
BKS Devshi Marg,
Govandi (East),
Mumbai - 400088.



Bankers

Allahabad Bank	Karnataka Bank Limited
Andhra Bank	Punjab National Bank
Bank of Baroda	Punjab & Sind Bank
Canara Bank	State Bank of Bikaner & Jaipur
Corporation Bank	State Bank of India
Dena Bank	State Bank of Indore
Development Credit Bank Limited	State Bank of Hyderabad
Export Import Bank of India	Syndicate Bank
ICICI Bank Limited	United Bank of India
Indian Overseas Bank	Yes Bank Limited
IndusInd Bank Limited	

Registered Office

801/802, Prasad Chambers, Opera House
Mumbai - 400004
Tel: +91-022-40362222
Fax: +91-022-23630363
e-mail: investors@gitanjaligroup.com

Corporate Office

B-10, 2nd Floor, Plot No. C/25, 'G' Block
Laxmi Towers, Bandra Kurla Complex,
Bandra (E), Mumbai- 400 051.
Tel: +91-022-40102000 / 01
Fax: +91-022-40102003
e-mail : investors@gitanjaligroup.com

Registrar & Transfer Agent

Karvy Computershare Private Limited
Karvy House, 46, Avenue 4, Street No.1
Banjara Hills, Hyderabad- 500 034.
Tel: +91-040-23420815-820
Fax: +91-040-23420814
e-mail: mailmanager@karvy.com
Website: www.karisma.karvy.com





"A unique model and a different approach – armed with these strengths your company has moved into the lifestyle business with the target of emerging as a one-stop destination for both international designer brands and elite customers. A target that a few global companies have come close to achieving so far."

FROM THE CHAIRMAN'S DESK

Dear Shareholders,

We meet at the end of a path-breaking year. A year which saw us move into a whole new direction. A year during which we further expanded our brand portfolio to create a brand capital that was brighter and bigger than any that the Indian jewellery market had ever seen before.

It gives me immense pleasure in reporting that your company is today on a different and higher level than a year ago. From scaling new heights at every stage of our value chain to showcasing new gems of success at every step; from processing & manufacturing to branding & retailing to infrastructure development, we have ended a year of success and marked the beginning of another.

Both financially and operationally, your company notched impressive results during the year gone by. While the following pages will give you detailed information on the initiatives and achievements of your company across the entire spectrum of its activities, I would like to give you a glimpse of our success.

Financial achievements

In terms of sheer numbers, it was a good year for your company. Consolidated revenue for the year has grown from Rs. 34,674.44 million to Rs. 48,317.36 million and even more spectacular is the profit which has grown from Rs. 917.51 million to Rs. 1,606.93 million.

To cap this growth story was the success of our GDR issue, which helped your company raise an impressive US \$180 million at US\$ 9.67 per GDR.

Operational achievements

Worldwide, the gems and jewellery industry is undergoing change. Change in attitude, change in the buying philosophy, change in the marketing & selling techniques, change even in the product profile. Your company not only succeeded in keeping pace with this change but in fact surged ahead of it.

Creating a brand capital

For your company, the bygone fiscal shall always stand out as a year of intensifying its branding initiatives. It was a year during which we further entrenched the Gitanjali brand and enhanced brand loyalty by expanding our brand portfolio to make it more price, customer and need specific.

As pioneers of branded jewellery in the Indian market, your company took the conscious next step to enhance its brand strength through key acquisitions. During the year, your company increased its stake in Gili India Limited to make it a wholly owned subsidiary of Gitanjali Gems Ltd and went in for acquisition of the high-end Nakshatra brand from DTC.

We expect both these moves to add considerably to your company's brand value and profitability margins in the coming year.

Retail expansion

The increasing shift in consumer preference to the organized branded jewellery market, and the creation of a new kind of brand loyalty, opened a huge market your company. It was a market waiting to be tapped and, with its impressive brand capital strength and its vast distribution network, it was but natural for your company to dig deeper into the jewellery retailing business. The strategy has paid off and today, your company possesses a distribution and marketing capital that is virtually unsurpassed in the Indian jewellery industry.

During the year, your company increased its retail outlets to about 1600, thus enhancing its retail network in India and the US to make it more responsive to the growing demand of these key jewellery markets.

With the US ranking as the biggest retail jewellery market in the world, your company strategically expanded its operations further there with the acquisition of Rogers Ltd. Inc., a retail jewellery chain which operates under the brand names 'Rogers Jewelers' and 'Andrews Jewelers'.

