



## Corporate Presentation

April 2015

**GITANJALI**  
GROUP

## Established in 1966, it is today one of the largest integrated jewellery players globally

Strong Manufacturing Base	<ul style="list-style-type: none"> <li>2 state of the art cutting &amp; polishing facilities with a capacity of nearly 2.4 million stones p.a</li> <li>8 Modern facilities spread across India, China &amp; Thailand with a manufacturing capacity of nearly <b>8.5 million pieces p.a</b></li> </ul>
Designs – Key Assets	<ul style="list-style-type: none"> <li>More than <b>200,000 active designs</b></li> <li>Team of designers chosen from top notch fashion and design institutes</li> </ul>
Well established portfolio of Indian & International Brands	<ul style="list-style-type: none"> <li><b>Pioneer in branded diamond jewellery</b> in India – Gili in 1994</li> <li>More than <b>75 brands</b></li> <li><b>8 out of top 10 Brands</b> in India are owned by the Group</li> </ul>
Extensive Retail Presence	<ul style="list-style-type: none"> <li>More than <b>4,000 points of Sale</b> across various channels and formats</li> <li><b>220 Own Stores, 300 Franchisees, 675 Shop-in-shops (SIS) and 3,000 retailers</b></li> <li>The group has also explored jewellery vending machines, television selling and e-commerce</li> </ul>
Strategically present in top global jewellery markets	<ul style="list-style-type: none"> <li>USA – <b>104 Stores</b> and distribution to <b>500 retailers</b></li> <li>UAE – <b>4 Stores</b> and over <b>50 SIS</b></li> <li>Japan – Supply to <b>110 Stores</b></li> <li>Europe – Portfolio of key Italian brands</li> <li>China – Distribution to <b>over 40 stores</b></li> </ul>
Organizational Strength	<ul style="list-style-type: none"> <li>Nearly <b>5,000 employees</b></li> <li><b>10 global offices with 6 regional offices in India</b></li> </ul>





**Mr. Mehul Choksi**  
Chairman and Managing  
Director



**Mr. Mehul Choksi** is the Chairman and Managing Director of the Gitanjali Group. Mr. Choksi is today one of the best known entrepreneurs in the gems and jewellery industry not only in India but also globally.

Driven by a keen sense of business excellence, exceptional vision and foresight, Mr. Choksi's initiative and charismatic leadership has led the transformation of a closely held family business into one of the largest, most professionally managed and publicly listed corporates in the gems and jewellery field.

Mr. Choksi assumed a leadership position in 1981. In 1986, under his stewardship, Gitanjali Gems Ltd, the flagship company of the Group was formed. He has since, steered the group's modernization, expansion and diversification through constant innovation and evolution. With every new step taken by the group, Mr. Choksi emerges a visionary and trendsetter, continuously providing a new thrust and direction to the industry.

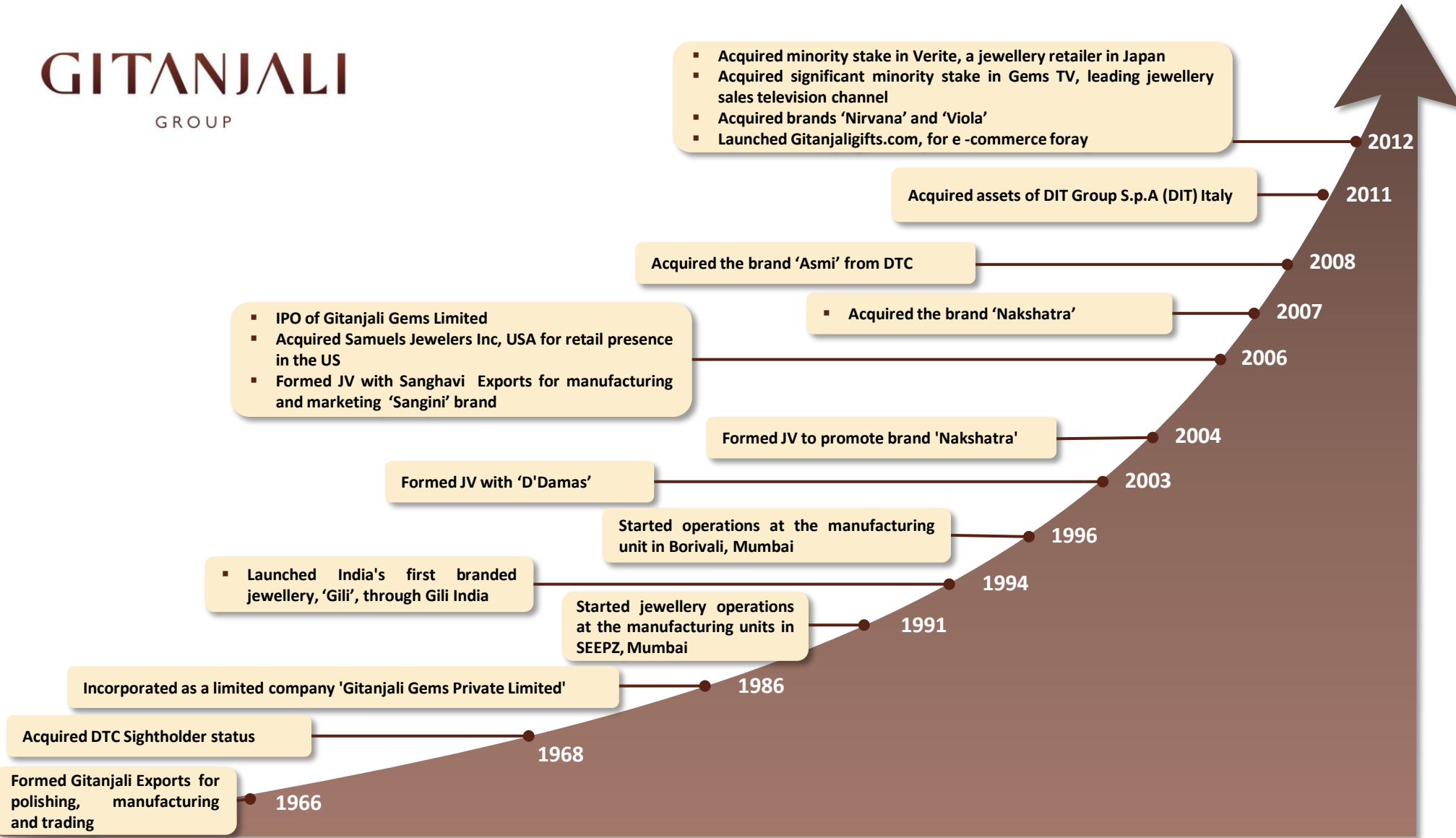
Mr. Choksi is also a key member of many industry bodies and associations. Over the years, Mr. Choksi and the Group have also received over 50 National and Council awards for retail excellence, brand building, and export performance.

Besides Mr. Choksi's passion for the industry, he also believes in upliftment of the society at large. His desire to "give back to the society" is what has resulted in the group receiving the national award from the Government of India as the best employer for the "empowerment of Persons with Disabilities" in 2009.

**The Group is backed by a strong second line of management with veterans from the jewellery, retail and luxury industries.**

# GITANJALI

GROUP







## USA



- 104 retail store chain of Samuels in the South West
- Samuels positioned as a top specialty retailer with focus on engagement rings and wedding bands

## Middle East



- Positioned as a leading branded jeweller from India
- Distribution of Indian branded jewellery to over 50 stores of Damas, Al-Haseena, Alukkas

## India



- Pioneers of branded jewellery and organized jewellery retailing in India
- Pan India presence with over 4,000 points of sale

## Europe



- 5 key Italian brands – Stefan Hafner, IoSi, Nouvelle Bague, Porрати and Valente
- Access to jewellery retailers in UK

## China



- 40 shop-in-shops in leading departmental stores under the brand 'Giantti'
- Launched Italian brands in China through 2 independent stores

## Japan



- Strategic stake in a leading jewellery retailer with 110 stores in Japan
- 20% stake in the largest jewellery selling TV channel

## Gitanjali Gems Ltd.

### Diamond & Jewellery Manufacturing

Gitanjali Gems Ltd.

Gitanjali Exports Corp Ltd.

Gitanjali Infratech Ltd.\*

Hyderabad Gems SEZ Ltd.

Branded Jewellery\*\*\*

### India Jewellery Branding & Retail

Gitanjali Brands Ltd.

Nakshatra Brands

D'Damas\*\*

Gili India

Asmi Jewellery India

Spectrum Jewellery

Retail

Gitanjali Lifestyle

Gitanjali Jewellery Retail

MMTC Gitanjali \*\*

**maya**  
G 238  
GITANJALI

**liya**  
BORN OF DREAMS

**RIVAAZ**  
18K Gold CZ Jewellery

**NAKSHATRA**  
DIAMOND JEWELLERY

**W**  
WORLD OF SOLITAIRE  
THE SOLITAIRE COLLECTION

**PARINEETA**  
WEDDING COLLECTION

**D'damas**  
Celebrate Always

**Gili**  
Diamond Jewellery

**asmi**  
Diamond Jewellery

**sangini**  
DIAMOND JEWELLERY

**GITANJALI**  
LIFESTYLE

**GITANJALI**  
JEWELLERY

**Shodhi**  
JEWELS

### Int'l Branded Jewellery Distribution & Retail

Aston Luxury Group Ltd

Samuels Jewelers Inc.

Gitanjali Ventures DMCC

Leading Italian Jewels Srl.

Leading Jewels of Japan KK

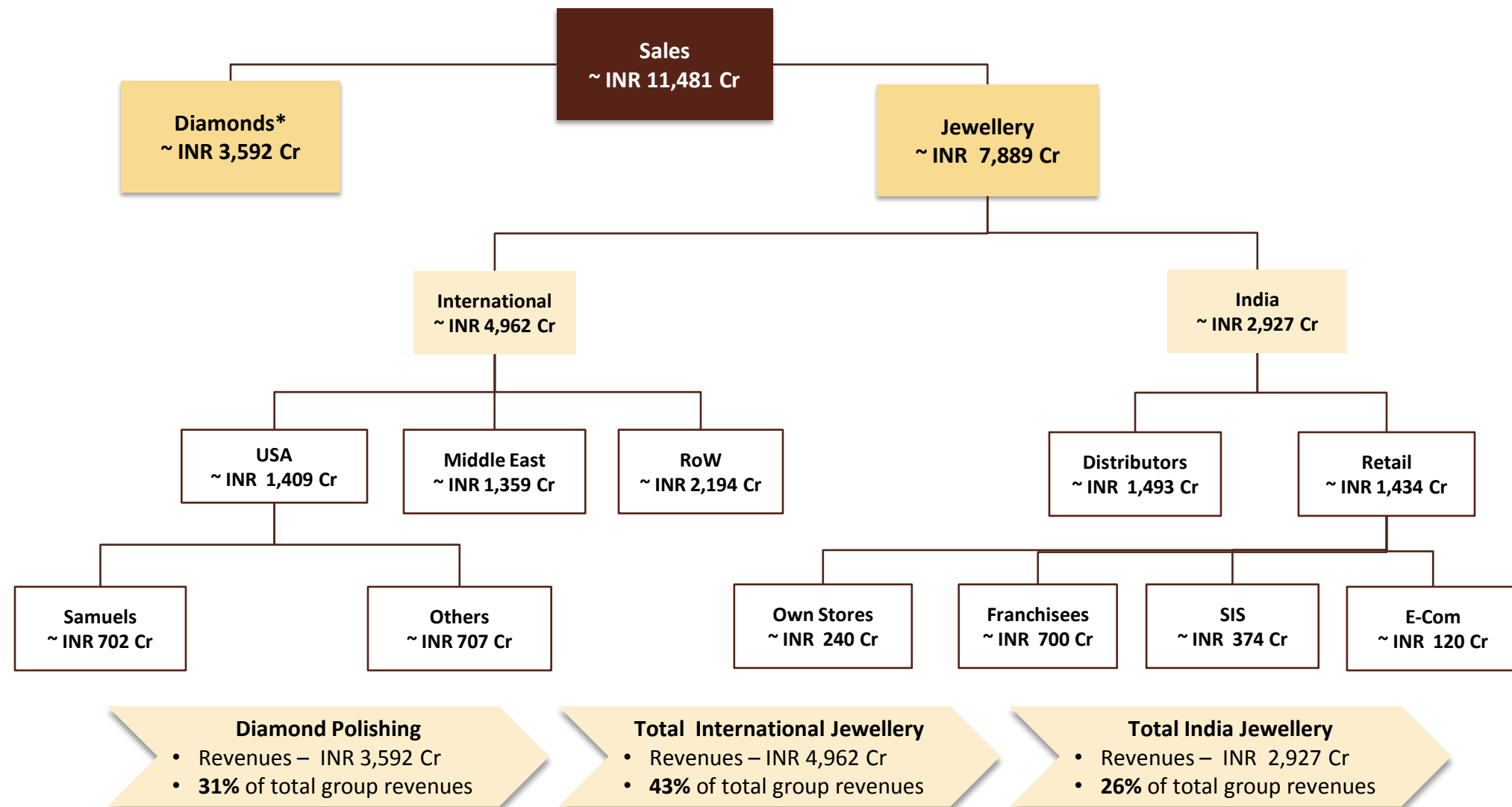
Leading Italian Jewels  
(Singapore) Pte. Ltd.

\*The company's Infratech business is only to unlock value of its surplus land in Borivali by developing a residential complex. This is essentially to monetize the company's surplus land bank.

\*\* MMTC Gitanjali is 74% owned by Gitanjali Gems Limited while D'Damas is 51% owned by Gitanjali Brands Limited.

\*\*\*All entities engaged in Indian branded jewellery are 100% subsidiaries of Gitanjali Brands Limited. All other entities are 100% owned by Gitanjali Gems

# Gitanjali Gems Ltd.



\* Diamond Revenues have been netted off



Indian Brands	
1.	Tanishq Jewellery
2.	Asmi Diamond Jewellery
3.	Nakshatra Diamond Jewellery
4.	Gili
5.	Diya Diamond Jewellery
6.	D'damas Jewellery
7.	Gitanjali Jewels
8.	TBZ
9.	Gitanjali Gems Jewellery
10.	Sangini Diamond Jewellery

Top 8 brands  
out of top 10  
brands

Brands  
valued  
c.US\$1bn by a  
leading  
independent  
agency

**Building Trust and  
Loyal Customer  
Base**

- High repeat sales with over 50% of the 2 mn pieces sold annually to existing customers
- Buyback and third party certification services to build trust among customers and shift customers from unorganized to organized retailing

**Consistent  
Investment in  
Brand Value**

- Top brand recall value through consistent association with leading Indian celebrities
- Largest print media advertiser in India across categories
- Spent over Rs 600 Cr (c. US\$110mn) in the past 5 years to create consumer desire for diamond jewellery

**Wide Product  
Range**

- Product offerings across price points and segments
- Design bank of 0.3mn SKUs, 10,000 active SKUs and 4,000 new active SKUs added every year
- Wide range providing competitive advantage over unorganized players

**Pan India Presence**

- Nationwide presence through multi channel distribution network creating brand visibility across India

**After Sales Service**

- After sales service offerings such as diamond replacement, repair, gold polishing etc. to ensure 100% customer satisfaction post sales
- Reputation of one of the most trusted and reliable brands in India

Source: ADEX Independent Report

**Key International Brands**

**\$H**  
STEFAN HAFNER

**SAMUELS  
DIAMONDS**

**io si**

**GIANTTI**  
ITALIA

**VALENTE**  
MILANO

**PORRATI**

## US

- Acquired in 2006 with an aim to convert the entire purchases in-house
- Turned around the retail chain in 2011, achieved synergies due to in-house sourcing and cost optimisation



## UK

- Acquired Alfred Terry in December 2011 which was producing innovative diamond jewellery for over 100 years
- Has distribution tie ups with most of the jewellery stores across Europe



## Japan

- Acquired a minority stake in Verite in 2012 to become a preferred supplier and gain access to a network of 110 jewellery retail stores
- Acquired 20% stake in the largest jewellery selling TV channel to become a preferred supplier to one of the largest jewellery markets in the world



## Italy

- Acquired assets of DIT group in a liquidation process in Italy in 2011
  - Ownership of popular brands like Stefan Hafner, IOSI, Porrati and Valente
- Rationale is to create a bouquet of international brands across RoW using the strength of the Italian brands and the distribution / fulfillment strength of the Indian parent
- Indian market also moving towards higher luxury brands where these brands are well positioned



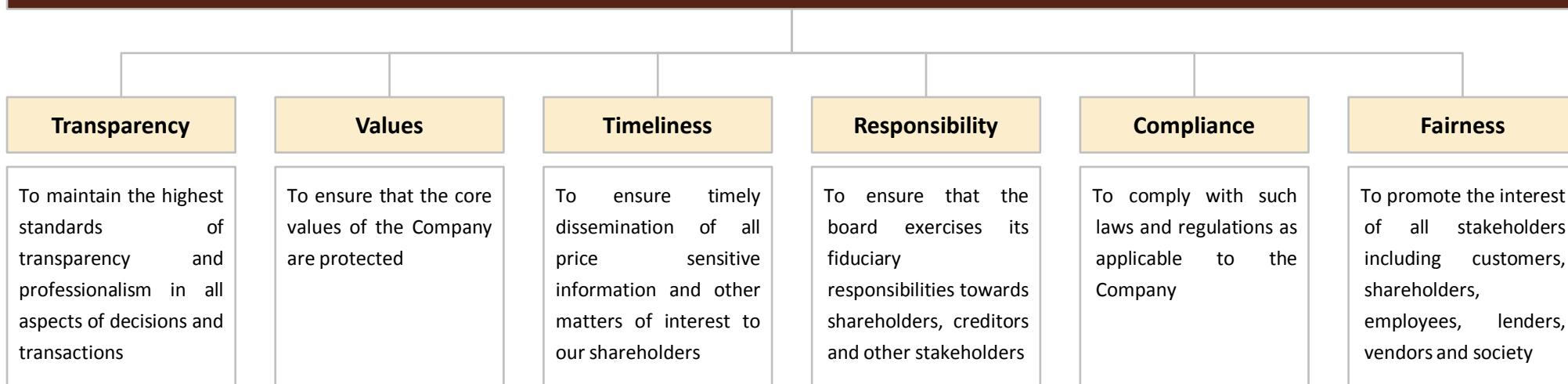
## India

- **Nakshatra and Asmi acquired in 2007 and 2008**
- Operations were smoothly integrated given that brands were already distributed by Gitanjali
- Post acquisition revenue of both the brands has grown from US\$35mn in FY08 to US\$450mn in FY15 by marketing the brands across own stores, franchisees and shop-in-shops
- **Acquired jewellery brands Nirvana and Viola in 2012** to expand its retail network and increase its market share in the organized retail space



Prudent acquisition track-record of making small ticket but strategically highly relevant acquisitions

## Gitanjali's Corporate Governance Framework is based on Six Key Principles



## Committee Details

### Audit Committee

- 3 members: All independent
  - Oversee financial reporting process and review of financial statements prior to board approvals
  - Review adequacy of internal audit function
  - Review related party transactions / management letters / letters of internal observations

### Shareholder / Investor Grievance Committee

- 2 members: 1 independent and 1 from Company
- Key terms of reference
  - Redressal of shareholder / investor complaints
  - Oversee and review all matters connected with transfer of securities of the Company and insider trading regulations

### Remuneration Committee

- 2 members: Both independent
  - Review of compensation of MD / Executive Directors / senior management personnel
  - Review of HR policies and initiatives

### Management Committee

- 3 members: 2 independent and 1 from Company
  - Evaluate business performance from time to time with regular MIS meetings, policy changes and structural changes
  - Oversee functional and operational issues on a regular basis

- Awarded the “Multi-Channel Retailer of the Year” at the Retailer Technology Awards 2013
- Awarded outstanding E-Retail performance in jewellery brand category at the Indian E-Retail Awards 2013
- Best jewellery brand at the 19th Lions Gold Awards in 2013
- Awarded “Niryat Shree Gold” Award 2012 by the President of India for being one of the top exporters in gems and jewellery sector in India
- Won the "PowerBrands Hall of Fame - Globally Emerging Jewellery Brand Conglomerate award" 2012
- Awarded the prestigious “Luxury eRetailer of the Year” award at the Indian eRetail Congress 2012 by Franchise India
- Received prestigious “Master Brand” award 2012–2013 by CMO Council and CMO Asia
- "Eclipse Bracelet" from Stefan Hafner won two awards at the Couture Show in Las Vegas. The bracelet won the second prize for two categories:
  - Diamonds over US\$20,000
  - People’s Choice award



***“Gitanjaligifts.com was awarded the Multi-Channel Retailer of the Year at the Retailer Technology Awards 2013”***

Feb-2013



***“Gitanjaligifts.com awarded Outstanding E-Retail Performance in jewellery brand category at the Indian E-Retail Awards 2013”***

Feb-2013



***“Best Jewellery Brand at the 19th Lions Gold Awards”***

Jan-2013



***“Gitanjali bags Niryat Shree Gold Award for Top Exporter in Gems & Jewellery Sector from the President of India”***

Oct-2012



***“Gitanjali Group wins the PowerBrands Hall of Fame - Globally Emerging Jewellery Brand Conglomerate award”***

Jun-2012



***“Gitanjali bags the prestigious Luxury eRetailer of the Year award at the Indian eRetail Congress 2012 by Franchise India”***

Mar-2012



In a short span of 4 years of commencement, the in-house CSR initiatives have been bestowed with several recognitions:

- Won CSR Award for Empowerment at Aaj Tak Care Awards
- Honoured with CSR Leadership Award at the “Institute of Public Enterprise (IPE) CSR Corporate Governance Award 2012” - recognised for the empowerment of persons with disabilities
- National Awards for “Best Employer” for the empowerment of persons with disabilities 2009 scheme conducted by the Ministry of Social Justice and Empowerment, Government of India, from the President of India
- NCPEDP – Shell Helen Keller Award for the employment of PwD's from the Home Minister
- Indya's award for Best CSR
- India Shining Star CSR Award for its Outstanding CSR in the Gems & Jewellery Sector from Hon'ble Union Minister for Water Resources and Minority Affairs



## सक्षम Empowerment through Training and Employment



### Saksham

- Have trained more than 2,000 rural youth in diamond and jewelry manufacturing in Hyderabad out of which close to 500 were persons with disabilities
- As on date nearly 250 people with disabilities are working with the Company

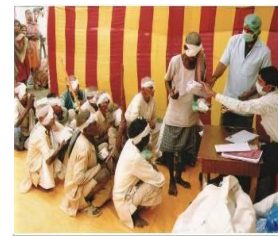
## साक्षर Empowerment through Education



### Saakshar

- Support educational institutes in Palanpur which provide education to 6,000 students a year
- Few institutions supported:
  - Smt. Geetaben Modi Vidya
  - K.M. Choksi Higher Secondary School
  - Shri Keshavlal Maneckchand Choksi Prathmik Shala 1 & 2
  - Mamtamandir

## सुज्योत Lighting up lives



### Sujyot

- Conduct and actively support and participate in the cataract eye camp in Bihar where c.10,000 people benefit from the services offered every year
- Also runs a medical van in Palanpur which has reached out to more than 5,000 needy people in a year's time

## सृष्टी Green Dream



### Srishti

- Organize drives for conserving energy and water resources, organizing tree plantation drives etc.
- Large scale tree plantation drive was organized at Hyderabad unit

## स्नेह Spreading Smiles



### Sneh

- Aim to build relationships with organizations and individuals who are active in the field and execute projects for the upliftment of society by partnering with them
- Currently Sneh is focusing on creating bonds with various NGOs in Mumbai, Ahmedabad and Hyderabad

1

## Strategic Shift from gold jewellery to studded jewellery

- Continuous shift from gold jewellery to studded jewellery which is more profitable
- Advantages of an integrated play, working capital efficiency and consequently higher return on capital employed

2

## International Expansion

- Tap international markets by leveraging low cost production and high quality international design capabilities to cater to global consumers
- Focus on capturing the growing demand in the top 5 largest jewellery markets globally by size as well as growth

3

## Comprehensive Mix of Channels and Categories

- Provide wide selection of jewellery across various categories including diamond, gold and other precious stones
- Build a wide distribution across various channels including own stores, 3<sup>rd</sup> party distribution, franchisee and shop-in-shops

4

## Capturing New Markets with an Efficient Distribution Model

- Extend presence in tier 2 and tier 3 urban and semi-urban regions to capture the growing demand and structural shift from unorganized to organized retailing
- Enter new markets through asset light franchisee route thereby de-risking capital and improving margins

5

## Innovative Concepts

- Growth via innovative selling channels such as E-commerce, T.V channels impulse purchase points
- Expansion via Brick & Click Model – SIS + E-Com





## Company Overview



GITANJALI  
GROUP

1

**An Integrated Player Across the Value Chain**

2

**Strong Portfolio of Well Established Brands**

3

**Strong PAN India Distribution Network**

4

**Innovative Selling Concepts**

5

**Significant Presence in World's Leading Jewellery Markets**

6

**Corporate Performance**

Designing

Manufacturing

Branding

Distribution &  
Retailing

## Key Facets Of Designing

- The Design department employs around 70 award winning designers across India, Italy, USA and ME. There are dedicated design teams for each brand
- The Company has established product designs and an extensive catalogue of SKUs; More than 4,000 new designs are launched annually
- The Company takes following measures for mitigating design risks:
  - Regularly gauging market trends and conceptualization of new designs based on discussion with each brand team
  - Designers continually attend exhibitions, seminars, jewellery shows, subscribe to various design magazines / journals to understand the pulse of the markets in India and the world
  - Indian designers continuously exchange ideas with international design team to understand global trends / customer preferences
  - Designers also collate feedback from distributors / retailers and the Company's sales team to understand consumer needs
  - Designs are pre-selected by channel partners thereby reducing risk of design failures
  - For B2C channel, display stock is manufactured post selective merchandising by the design, sales and management teams

## Designing

## Manufacturing

## Branding

## Distribution & Retailing

### Key Points

Leading designers have won several awards for their world class designs

- Our designer, Perna Dhawal, won the 1st prize in the Swarovski Elements Jewellery Design Awards
- Gili design team won the “Best Platinum Design of the Year” in 2007, 2009 and 2011 respectively at the Retail Jeweller Awards



Perna Dhawal, 1st prize: Swarovski Elements Jewellery Design Awards



Purva Kewlani (Asmi)–Solitaire Design Awards 2010 - Critics Awards in the formal wear category



Retail Jeweller Awards – Best Platinum Design of the Year – 2007/2009/2011. Designed by Gili Design Team



GJF – National Jewellery Awards – Platinum – 2013 Designed by Gili Design Team

Designing

Manufacturing

Branding

Distribution &  
Retailing

## Jaipur

- Specialises in Kundan, Jadau, Polki (flat diamond jewellery)
- Capacity of 10,000 pieces per month

## Surat

- C&P diamond cutting facility
- Capacity of 22,000 stones per month
- Jewellery manufacturing capacity of 43,500 pieces per month

## Mumbai

### Jewellery manufacturing

- 3 factories in Mumbai, 1 dedicated to exports and 2 for domestic brands
- Capacity of 55,000 pieces per month

## China

- Located in Panyu region primarily producing jewellery for the US and Japanese market
- Capacity of 25,000 pieces per month

## Hyderabad

- Focused on export market, factories located in SEZ catering to the Middle East and rest of the world
  - Capacity 60,000 pieces per month
- ### C&P diamond cutting facility
- Capacity of 175,000 stones per month

## Thailand

- Specialises in electrofoam jewellery,
- Capacity of 500,000 pieces per month

- Amongst the largest manufacturers of C&P diamonds globally
- One of the largest diamond jewellery companies globally
- All jewellery products sold to consumers are manufactured in-house to ensure all products meet high quality and design standards

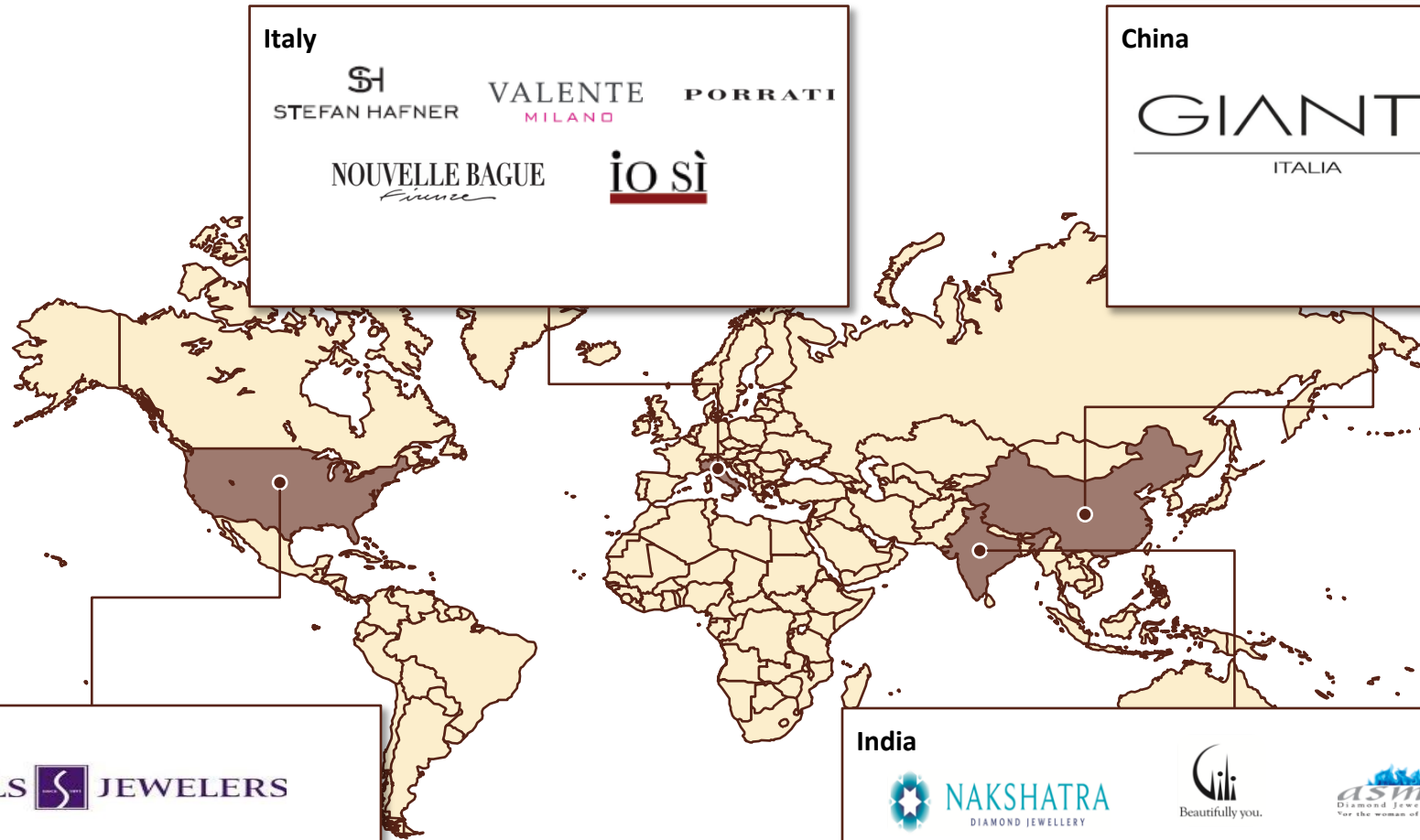


## Branding

- The two key focus areas of the Company's brand building strategy are:
  - Create high aspiration value
  - Achieve and maintain top of the mind recall
- The Company has been highly successful in creating strong aspiration value amongst purchasers through celebrity association
  - Consistent association with the most successful and well known celebrities to acquire a status of “desirable” and “must possess” brands
  - Choice of brand ambassadors such that celebrity image relates to brand personality and appeals to target customers
- Create a “top of the mind” brand recall
  - Annual advertisement with over 100,000 TV and 4,500 radio commercials and 3,500 press inserts
  - Advertising spend of over Rs 600 Cr in the last 5 years to build and promote brands

**High aspiration value and top of the mind recall creates a strong pull factor**





## Italy

SH  
STEFAN HAFNER

VALENTE  
MILANO

PORRATI

NOUVELLE BAGUE  
*France*

io sì

## China

GIANTTI

ITALIA

## USA

SAMUELS  JEWELERS

 CANADIA  
Diamonds

**Rogers**  
JEWELERS  
Trusted Jewelers since 1910

 PASSIONSTONE

## India

 NAKSHATRA  
DIAMOND JEWELLERY

 Gili  
Beautifully you.

 asmi  
Diamond Jewellery  
For the woman of spirit

D'damas  
Celebrate Always

PARINEETA

VIOLA  
ITALIA

 maya  
Gold  
GITANJALI

Nizam

 nirvana  
DIAMOND JEWELLERY

 diya  
DIAMOND JEWELLERY  
BORN OF DREAMS

sangini  
DIAMOND JEWELLERY

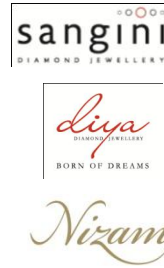
 Shoddhi  
Jewels  
— A MMTC-GITANJALI JV —  
SAMPURAN VISHNUS

High on  
Fashion

High on  
Tradition

## Key Characteristics of Brands

Fine  
(Diamond  
Jewellery)



Customized  
(Diamond  
&  
Gold  
Jewellery)

PARINEETA

Affordable  
(Gold,  
Silver,  
Diamonds,  
Natural  
coloured  
gemstones)



- Transformed key product brands into independent brand retail chains
- Specific design signature for each product brand catering to different consumer preferences
- Separate sales team for each brand category
- Product category positioned to compete with traditional jewellers
- Mix of diamond, gold, colored stones and pearls to offer wide variety of choice to customers
- Offers entry points to tier 2 and tier 3 regions with specific focus on gold jewellery to cater to local demand
- Has significant design, quality and price advantage compared to local jewellers
- Has cost plus selling models catering to the traditional method of selling that helps in acquiring customers from unorganized sector



Nakshatra

- **Design Concept:** Play of seven stone cluster, with or without color stones
- **Positioning:** Unique constellation designs that makes you look so enchanting and radiant, a perfect way to indulge yourself



Gili

- **Design Concept:** Low weight classic & contemporary designs
- **Positioning:** A brand that every girl would desire to own as her first diamond jewellery



Asmi

- **Design Concept:** Play of curves, which symbolizes the fire within, in more modern designs
- **Positioning:** Diamond jewellery that symbolises your accomplishments in life



D'damas

- **Design Concept:** Very western, very bold & fashionable
- **Positioning:** Jewellery that makes you dazzle the world



Parineeta

- **Design Concept:** Wedding jewellery
- **Positioning:** Jewellery that fulfills the dream of every bride to look like a princess on her wedding day



Sangini

- **Design Concept:** Mainly traditional designs
- **Positioning:** Jewellery that symbolises the special togetherness, no matter what the occasion



Diya

- **Design Concept:** Traditional designs which are heavier
- **Positioning:** Born of dreams

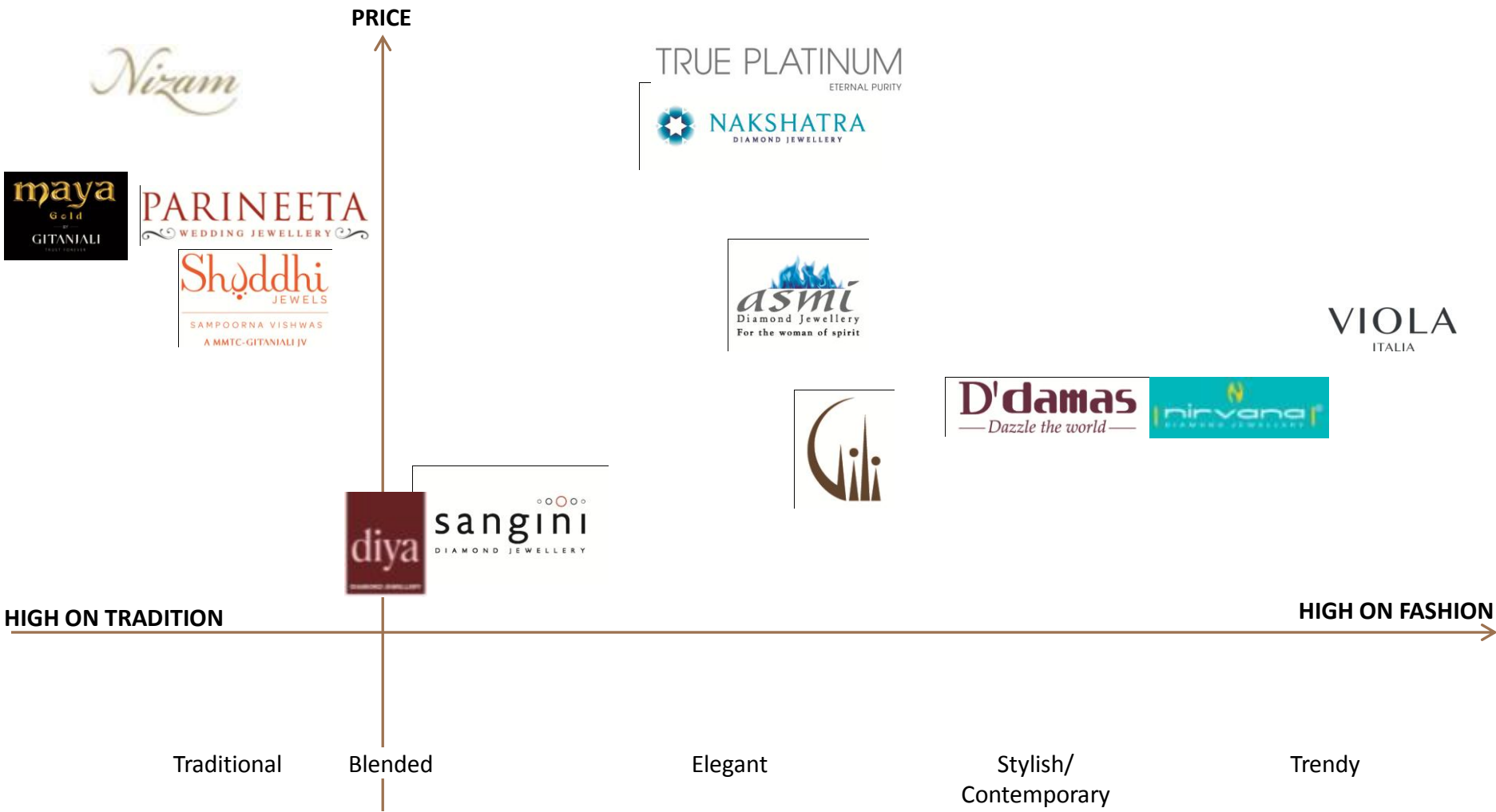


Nirvana

- **Design Concept:** Consists of pressure & illusion set designs that make the product look bigger
- **Positioning:** Diamond jewellery with stunning designs

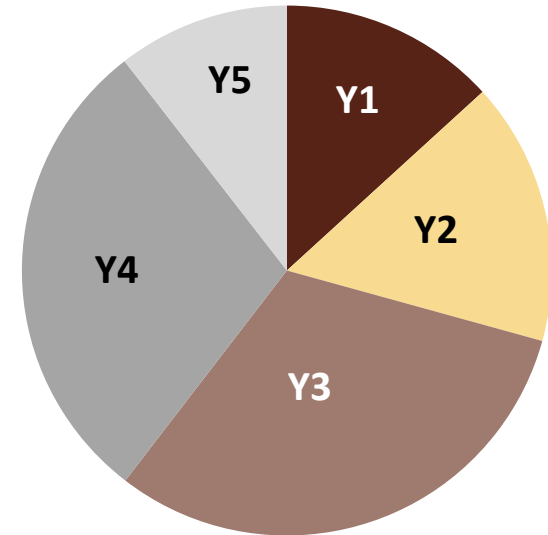
Viola Italia

- **Design Concept:** Fashion forward, experimenting with different jewelry techniques
- **Positioning:** Inimitable You. A brand that offers unique and stylish jewellery to suit every woman's distinct personality





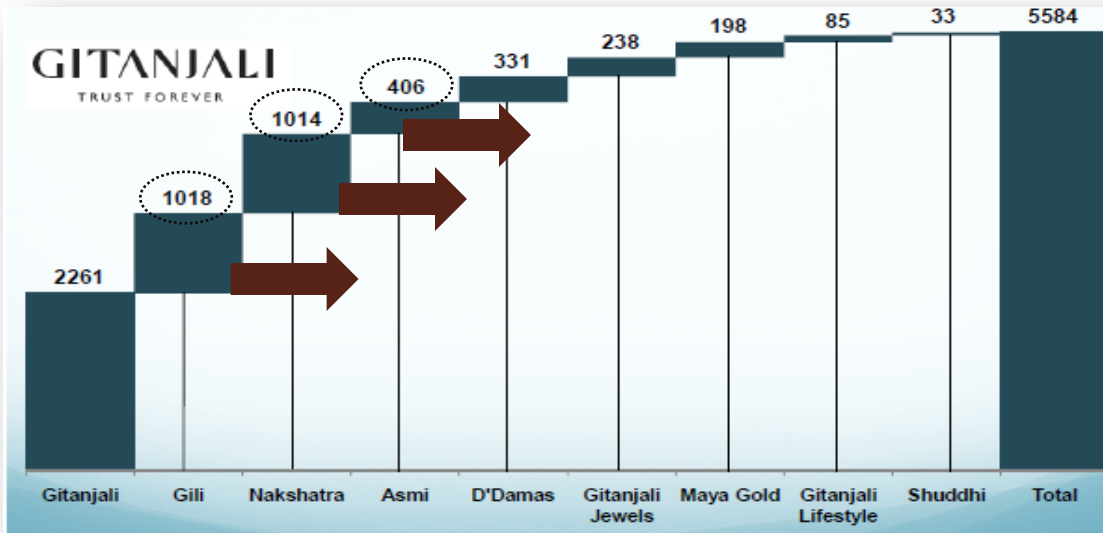
Marketing spend  
(in Rs Cr)  
Total = Rs. 781 Cr



- Pioneer in marketing of diamond jewellery brands in India which predominantly has been a gold jewellery market
- 360° marketing campaign with complete range of activities above and below the line across print, radio, TV and internet advertising campaigns to build strong brand awareness over the last 2 decades in the country
- **Spent over Rs 600 Cr over the last 5 years** in India and internationally to build strong brands
- Won several awards for innovative marketing and retailing of these brands

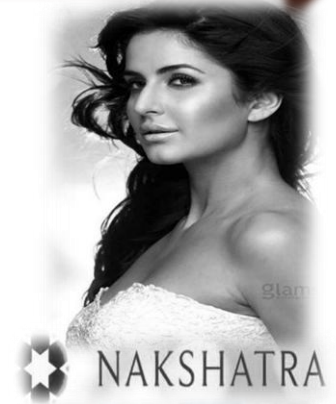


## Reputed Brand Valuation Company Brand Finance UK, valued Gitanjali's Indian Brands at INR 5,584 Cr in 2011



- Brands which have witnessed big multipliers since 2009 are **Gili & Nakshatra** which have both crossed the Rs. 1000 crore mark and **Asmi** which has almost doubled in its intrinsic potential
- Above results also are an indicator of the group's long standing vision to focus on branded portfolio in a market where store brands was the norm
- Gitanjali is the pioneer in developing a portfolio of super premium and premium brands which is a benchmark for the Indian jewellery and lifestyle business
- Core brands – Gili & Nakshatra – continue to make an impact in the branded jewellery market due to better focus and disciplines on product, experience and retail strategy

### Brand Extension – Foray into Apparels & Accessories



asmi  
For the woman of spirit

diya  
APPAREL



Designing

Manufacturing

Branding

Distribution & Retailing

## Distributors

- Opportunity to create a market for branded jewellery by converting the unorganized retailers into selling branded jewellery
- Appoint distributors at the national level, zonal level and at regional level with separate distribution network for each brand
- Helps to reduce payment risks associated with direct sales and enables the Company to deal directly with distributors rather than with numerous small retail outlets

## Franchisee

- Franchisee establishes and manages its own retail outlet with continued support from Gitanjali on branding and sales
- Low working capital requirement and higher margins as compared to third party distribution
- Franchisee formats assist in increasing geographical footprint particularly in tier 2 and tier 3 towns

## Shop-in Shops (SIS)

- One of the first jewellery companies to sell branded jewellery through SIS in retail stores in India
- SIS captures the fast growing modern retail platform in India and caters to the impulsive buying behaviour of young consumers
- The Company's long history and brand recognition helps in attaining favorable retail terms

## Company Owned

- Flagship stores in tier 1 cities for promoting brands and building other distribution channels
- Own stores provide better gross margins than other distribution channels and helps in providing better brand experience to consumers
- Have set up exclusive brand outlets for jewellery products sold under the "Gili", "Nakshatra", "Asmi", "D'Damas", "Diya", and "Sangini" brands and multi brand outlets such as Gitanjali Jewels, Gitanjali Lifestyle, Maya Jewels and Jewel Souk

- Gitanjali has a well established portfolio of Fine jewellery brands
- As part of its expansion strategy, Gitanjali has now forayed into **fashion/ affordable jewellery segment** to provide jewellery to suit every occasion
- Largely made of silver, steel, brass, cast iron, and stones; Price range of < Rs. 100 to > Rs. 5,000
- Estimated market size of India Fashion jewellery: Rs. 110 Billion in 2014; anticipated CAGR of ~ 23.5% during 2013-2017
- The company realises the evolving consumer trends and has embarked upon the digital platform in a big way. E-commerce and television selling being such initiatives.
- The company has added a wide range of new products and vibrant brands to its existing portfolio to distribute through modern and innovative channels such as E-Commerce, television selling & HORECA (Hotels/ Restaurants/ Cafeterias)
- **HORECA** is a concept which capitalises primarily on the emerging fashion jewellery market –
  - The company along with its channel partners will provide affordable jewellery to consumers at arms length with the objective of producing consumer delight through a wide range of stylish products (across price points) for various occasions
  - The concept plays on –
    - ✓ Transition of the category from planned purchase to Impulse purchase
    - ✓ Lowering the price point, highering the affordability and increasing the width
    - ✓ We intend to almost incrementally double our footprint on fashion jewellery over the next 3 years

Jewelsouk

GITANJALI GIFTS  
precious jewellery & gifts



HORECA

**Brick Business****Shop-in-shop**

Brick business will be of Shop-in-Shop network of jewellery with tie-ups with India's leading departmental stores

**E-Commerce and Modern Trade****Strategic Tie-Ups**

- Strategic tie-up with leading Indian jewellery brands in India and overseas
- Marketplace as well as license branded jewellery sales model

**Professional solution**

- Set of professional teams with Jewellery and E-Com background (Over 50 people currently)
- Complete end-to-end solutions for stake holders and strategic partners

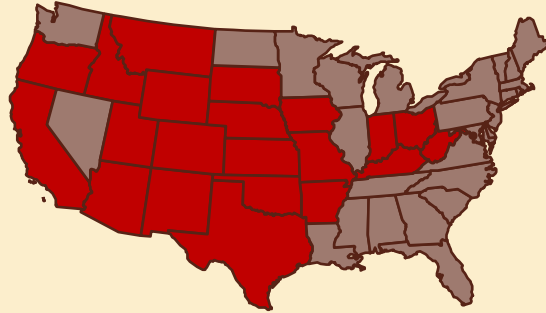
**Modern Trade**

Leveraging existing infrastructure with modern trade such as TV sales, catalogue business, B2B of jewellery to portals and other jewellers

**Financial Achievements****Strong Growth**

Launched in FY2013, the business is expected to grow over 100% CAGR in the coming years

## USA



Existing Gitanjali Presence

- US being the largest diamond jewellery market with superior margins, is one of the most ambitious markets for Gitanjali
- Existing presence under the brand name Samuels Jewellers Inc (leading retail jewellery chains) with focus on engagement and wedding bands (price band of US\$600)
- Integrated business model with strong sourcing, low cost manufacturing capabilities and well established retail presence has been contributing to increasing market share and profitability



## China



Existing Gitanjali Presence

- Giantti is currently focusing on extending its presence across China
- With 45 retail outlets already open across the country, Giantti has plans to become one of the leading jewellery retailers in China



GIANTTI  
ITALIA



## Middle East



Existing Gitanjali Presence

- Started operations in June 2012
- 6 major stores in Dubai: Dubai Mall, Burdubai, Rak Mall, Lamcy and Almas Tower
- 10 shop in shops with Paris Gallery
- 50+ points of sale with Liali, Damas



## Japan



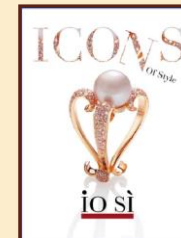
- Japan is one of the largest diamond jewellery market and provides excellent margins to integrated players
- Large existing proven distribution network in Japan through Gems TV and Verite combined with low cost manufacturing capabilities will enable the next phase of expansion for Gitanjali



## Italy

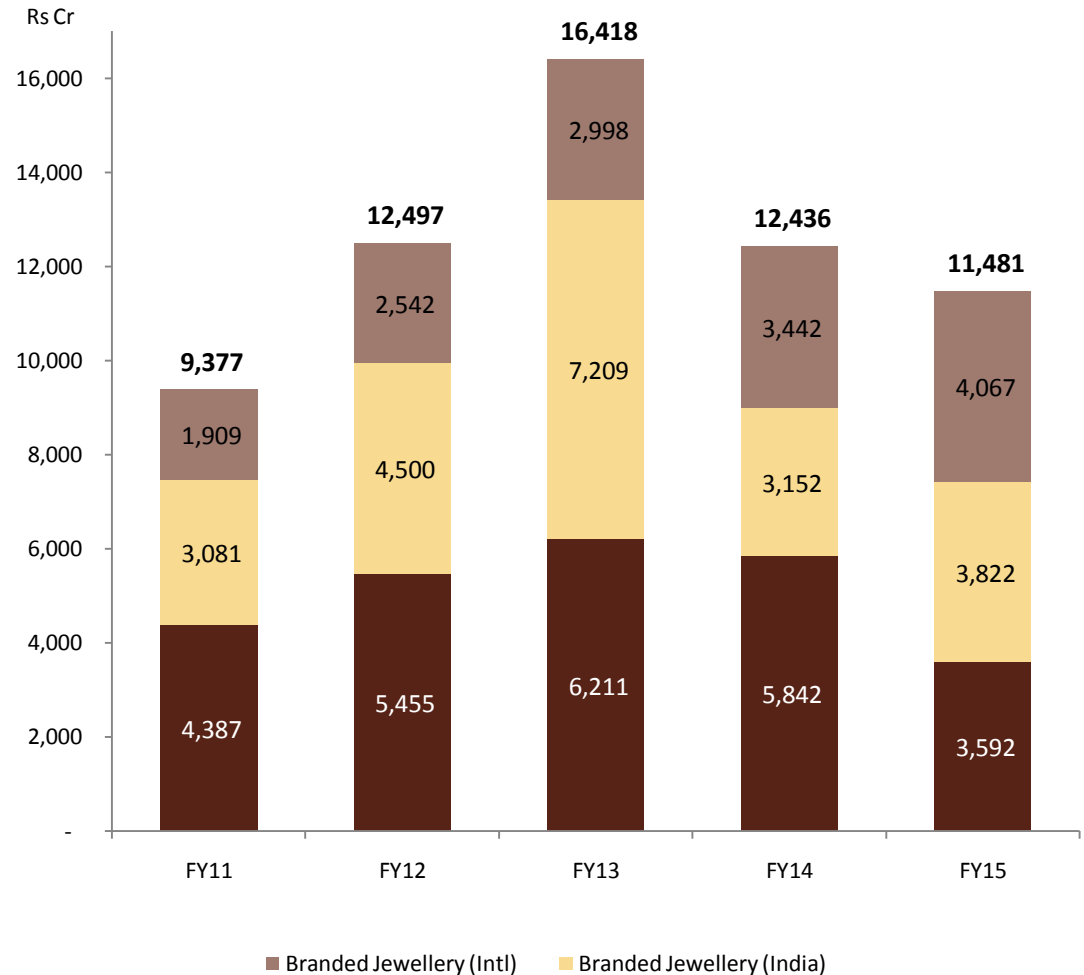


- Acquired Stefan Hafner, IO Si, Roberta Poratti, Valente and Nouvelle Bague, leading Italian Brands
- The Company leveraged its worldwide marketing and distribution strength to increase the footprint of these brands across its network in India, Russia, Italy, USA and Middle East
- Stefan Hafner
  - Founded in 1976 in Bologna, defined as "New Classic"
  - Awarded the Best Design in Diamond by the prestigious American Jewellery Awards Gala for three successive years and the Best Design in Show at the Couture Jewellery Collection in Las Vegas
- Nouvelle Bague
  - Florence in 1978 the brand represents the joyful liberation of imagination
  - Inspiration from interior design, art, culture melting pot, travels, tissues, multisensory and holistic approach
- IoSi
  - Founded in 2000 the brand has since then produced limited edition jewels with very strong contemporary designs
  - Limited edition pieces are identified by individual laser-engraved numbering



- Gitanjali has demonstrated a consistent track record of robust growth from FY09 to FY13, growing at a CAGR of 34%. However due to policy changes in FY 14 and due to non-availability of gold, the gold jewellery sales could not be achieved. Gitanjali had substantial sales of gold jewellery in FY13.
- Although gold jewellery contributed to a significant share in the overall revenues it had less margins and capital employed in business.
- FY15 however, witnessed the results of the company rebalancing its product portfolio to focus more the high-margin studded jewellery business, new product lines such as affordable jewellery and innovative selling concepts such as E-Com and T.V.

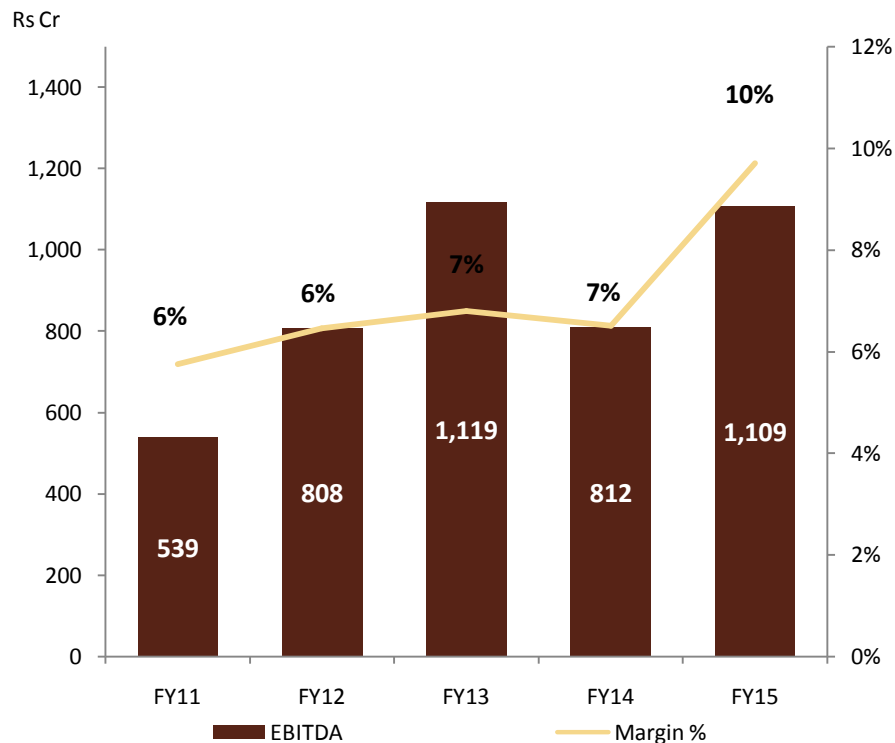
Historical Revenues



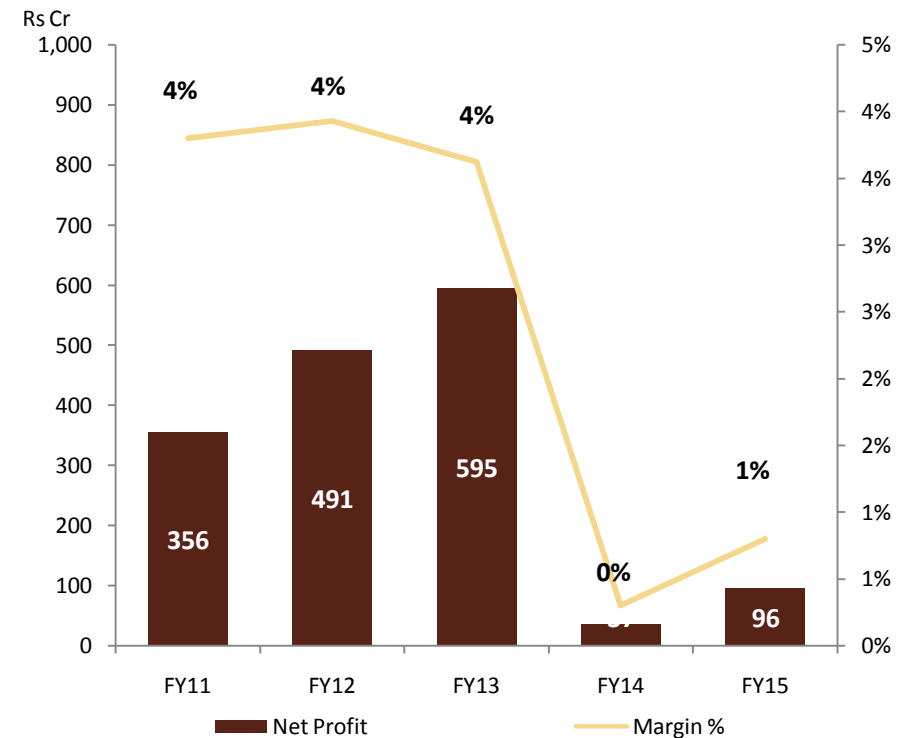


- Although sales declined by 8% from FY14 to FY15, EBITDA was more or less intact with slight dip of profits of gold jewellery
- Gitanjali had also suffered with converting its gold loans to CC loans whereby interest cost increased from 3% on gold loan to about 14% on CC, nearing doubling its interest cost and impacting the net profits in FY14.
- However, FY15 witnessed an upsurge in profitability on account of rationalization efforts undertaken by the company

EBITDA Trend

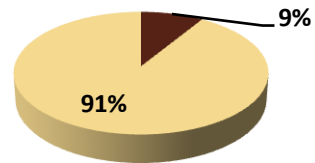


Net Profit Trend



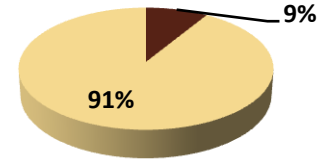
## Working Capital Intensive (INR Cr.)

**Debt Structure FY 2014**  
Total 100% = INR 8,375 Cr

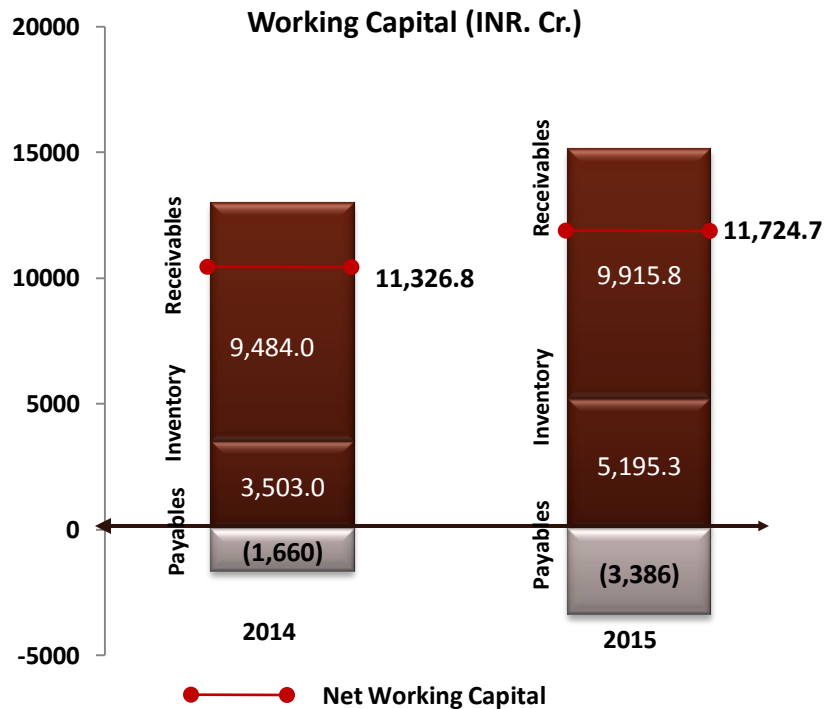


■ Long Term Borrowings  
■ Short Term Borrowings

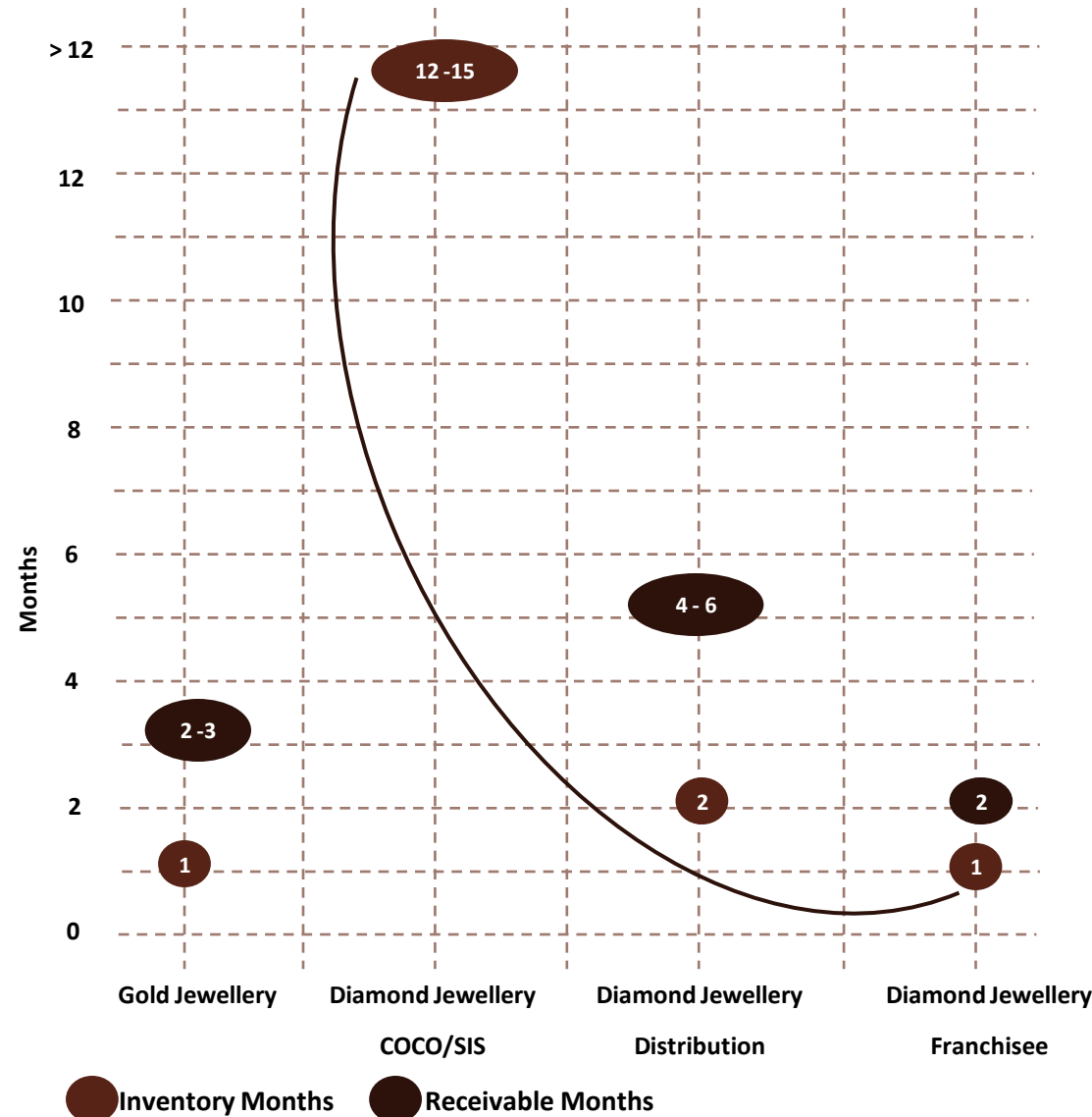
**Debt Structure FY 2015**  
Total 100% = INR 8,715 Cr



■ Long Term Borrowings  
■ Short Term Borrowings



## Working Capital Characteristics



## **Annexure : Historical Performance**

## Historical performance – Income Statement (Consolidated)

GITANJALI

Particulars (INR Cr.)	FY 15 (Audited)	FY 14 (Audited)	FY 13 (Audited)
	Total	Total	Total
Sales	<b>11,481.1</b>	12,436.0	16,418.5
Raw material cost	9,786.5	10,470.44	14,116.3
Gross Profit	<b>1,694.6</b>	1,965.55	2,302.2
Manpower costs	276	271.3	298.7
Other operating income	--	--	--
Operating expenses	407.9	990.2	955.7
Other Income	98.5	107.5	70.8
EBITDA	<b>1,109.2</b>	811.54	1,118.6
EBITDA margin (%)	<b>9.7%</b>	6.5%	6.8%
Depreciation	46.9	38.3	36.7
EBIT	<b>1,062.3</b>	773.3	1,082.0
EBIT margin (%)	<b>9.3%</b>	6.2%	6.6%
Finance Costs	904.2	736.3	461.3
Exceptional items	(69.8)	(0.7)	0.1
PBT	<b>88.4</b>	36.2	620.8
Tax	-(1.2)	0.3	25.5
PAT	<b>95.5</b>	33.5	591.7
Basic EPS (Rs.10 FV)	<b>9.84</b>	3.64	64.5
Diluted EPS	<b>9.73</b>	3.40	64.2

Particulars (INR Cr.)	FY 15 (Audited)	FY 14 (Audited)	FY 13 (Audited)
	Total	Total	Total
<u>Net operating working capital</u>			
Inventories	5,195.3	3,503.0	4,347.3
<i>Inventory Months</i>	6.4	4	3.7
Receivables	9,915.8	9,484.0	7,189.2
<i>Months Receivable</i>	10.3	9.1	5.2
Current liabilities	(3,386.4)	(1,660.2)	(4,338.2)
<i>Months Payable</i>	(4.1)	(1.9)	(3.7)
<u>Debt Facility</u>			
Long Term Borrowings	766.7	742.7	621.4
Short Term Borrowings	7,948.1	7,632	4,617.4
Gross debt (A)	8,714.8	8,374.7	5,238.8
Cash and cash equivalents (B)	260.9	355.4	970.3
Net debt (A-B)	8,454	8,019.3	4,268.5
Net worth	4,159.1	3,944.2	3,768.5
Net debt / Equity ratio	2.0	2.0	1.13

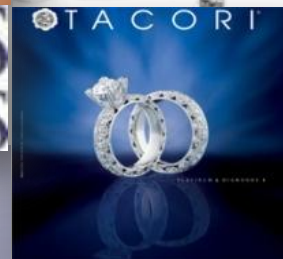
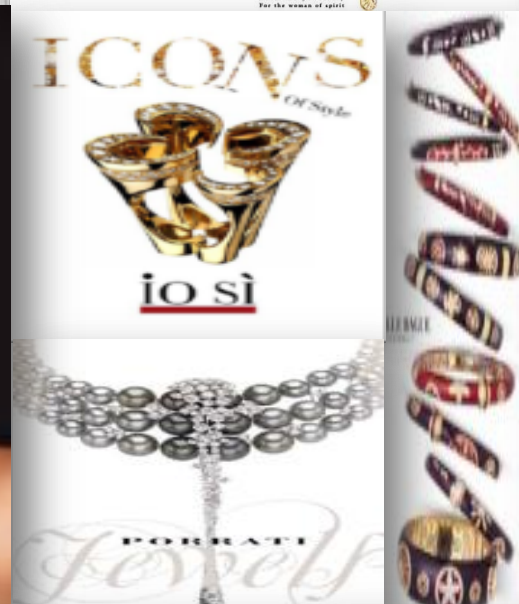
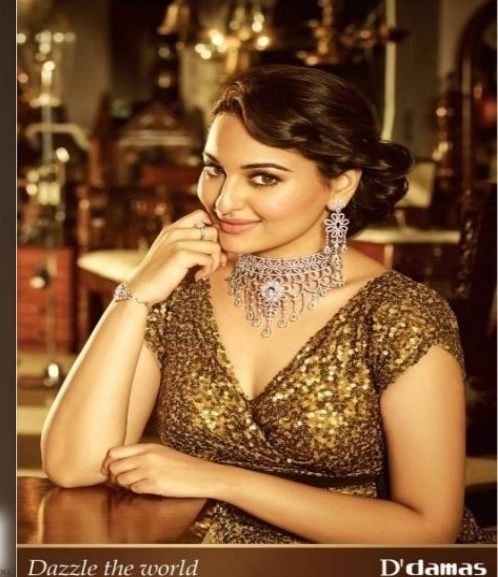
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