

The Issuer has prepared a Preliminary Offering Circular dated 15 November 2006 and will prepare a final Offering Circular for the offering to which this communication relates (the "Offering Circular"). The following is a summary only of certain pricing information and does not purport to be comprehensive or to contain all of the information relating to the offering or the Issuer. For more complete information you should read the Offering Circular which may be obtained from your sales contact at Jefferies International Limited, Bracken House, Floor 4, 1 Friday Street, London EC4M 9JA.

The information contained in this communication may not pertain to any securities that will actually be sold. This communication is for your information and is not to be construed as an offer to sell or the solicitation of any offer to buy any security in the United States or any jurisdiction where such an offer or solicitation would be illegal.

The distribution of this communication is restricted pursuant to section 21 (restrictions on financial promotion) of the Financial Services and Markets Act 2000, as amended. In relation to the United Kingdom, this communication is only directed at, and may only be distributed to, (i) persons who are "investment professionals" (being persons having professional experience in matters relating to investments) within the meaning of Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "Financial Promotion Order") or (ii) persons to whom any of paragraphs (2)(a) to (d) of Article 49 (high net worth companies, unincorporated associations, etc.) of the Financial Promotion Order apply or (iii) persons to whom distribution may otherwise lawfully be made. Any investment, investment activity or controlled activity, to which the Offering Circular relates is available only to such persons and will be engaged in only with such persons. Persons who receive this communication who do not fall within (i), (ii) or (iii) above should not rely or act upon this communication.

This communication is not an offer of securities for sale or solicitation of an offer to buy securities in the United States. The Bonds and the ordinary shares to be issued upon conversion of the Bonds have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "Securities Act") and, unless the Bonds and such shares are registered under the Securities Act or an exemption from the registration requirements of the Securities Act is available, neither the Bonds nor the shares may be offered or sold within the United States. The Bonds and the shares to be issued upon conversion of the Bonds are being offered and sold only outside the United States to non-U.S. persons in reliance on Regulation S under the Securities Act.

Jefferies International Limited, which is authorised and regulated in the United Kingdom by the Financial Services Authority, is advising the Issuer in relation to the offering to which this communication relates. Jefferies International Limited is acting exclusively for the Issuer and no one else and will not be responsible to anyone other than the Issuer for providing the protections afforded to the customers of Jefferies International Limited nor for providing any advice in relation to the offering or any other matter referred to herein.

NEW ISSUE TERM SHEET: US\$110,000,000 CONVERTIBLE BONDS DUE 2011 21 Nov 2006

Summary Terms & Conditions

Issuer	Gitanjali Gems Limited, a public company incorporated in and subsisting under the laws of the Republic of India with limited liability
Issue	US\$80,000,000 unsecured foreign currency convertible bonds due 2011 (the "Bonds").
Issue Price	The Bonds will be issued at 100% of their principal amount.
Issue Date	24 th November 2006
Maturity Date	25 th November 2011 (5 years and 1 day)
Option for Additional Bonds	The Issuer has granted to Jefferies International Limited an option exercisable in whole or in part and on one or more occasions at any time prior to the date which is 30 days from 24 November 2006, to purchase or procure purchasers for up to an additional US\$30,000,000 principal amount of the Bonds.
Interest Rate	The Bonds will bear interest at a rate of 1.0% per annum payable semi-annually in arrear on six months and 12 months of each year.
Yield-to-Maturity	The Bonds have a yield to maturity of 8.0% (compounded semi-annually)
Redemption at Maturity	Unless previously converted, redeemed or cancelled, the Issuer will redeem each Bond at 142.052% of its principal amount on the Maturity Date.
Status of the Bonds	The Bonds will constitute direct, unsubordinated, unconditional and unsecured obligations of the Issuer and will at all times rank <i>pari passu</i> and without any preference or priority among themselves. The payment obligations of the Issuer under the Bonds shall, save for such exceptions as may be provided by mandatory provisions of applicable law, at all times rank at least equally with all of its other present and future unsubordinated, unconditional and unsecured obligations
Conversion Right	Except during certain closed periods, the Bonds are convertible by holders of the Bonds (the "Bondholders") into fully paid equity shares of the Issuer with full voting rights with par value Rs.10 per share of the Issuer (the "Shares") or into cash as per the Terms and Conditions of the Bonds at any time on or after 24 December 2006 (or such earlier date as is notified to the Bondholders by the Issuer) and prior to the close of business on 25 November 2011, unless previously redeemed, converted or cancelled.
Conversion Price	The conversion price at which the Bonds may be converted into Shares (subject to adjustment in the manner provided in the "Terms and Conditions of the Bonds") (the "Conversion Price") will initially be Rs.275.00 per Share, with a fixed rate of exchange on conversion of Rs.44.865 = US\$1.00. The Conversion Price will be reset downwards, by up to 10% of the initial Conversion Price on 24 November 2007 and/or 24 November 2008 if the average closing price of the Shares in the 15 consecutive Trading Days immediately before the reset date is less than the Conversion Price. The Conversion Price may not be reset below 80% of the initial Conversion Price.
Adjustment to Conversion Price	The Conversion Price of the Bonds will be adjusted if certain events occur after the Issue Date, including upon (i) a/any bonus issues of shares, (ii) a/any free distribution of shares, (iii) a/any sub-division, consolidations and reclassification of shares, (iv) the issue of rights to acquire shares, (v) the issue of warrants at a discount to the prevailing market price, (vi) the issue of convertible bonds and exchangeable bonds at below market price and (vii) the issue of shares at below market price.

Trust Deed	The Bonds will be issued under the trust deed, to be dated as of on or about 24 November 2006 (the "Trust Deed") between the Issuer and The Bank of New York, London branch.
Redemption at the Option of the Issuer	The Bonds may be redeemed, in whole but not in part, at the option of the Issuer, at any time on or after 25 November 2009 and prior to 25 November 2011, subject to satisfaction of certain conditions, at the Early Redemption Amount (as defined in the Terms and Conditions) if the Closing Price for the 15 consecutive Trading Days immediately prior to the date on which notice of such redemption is published, is greater than 140% of the Early Redemption Amount then in effect converted into US dollars at the rate of Rs.44.865 = US\$1.00. The Bonds may be redeemed, in whole but not in part, at any time during such period at the option of the Issuer, subject to the satisfaction of certain conditions, at the Early Redemption Amount if 10% or less in aggregate principal amount of the Bonds issued (including such principal amount of the Bonds issued pursuant to the option for additional Bonds) remains outstanding.
Redemption for Taxation	The Bonds may be redeemed at the option of the Issuer, in whole but not in part, subject to the satisfaction of certain conditions, including obtaining Reserve Bank of India ("RBI") approval, at the Early Redemption Amount on the date fixed for redemption in the event of certain changes affecting taxes as specified in "Terms and Conditions of the Bonds — Redemption for Taxation Reasons", in the Offering Circular.
Redemption of Bonds in the Event of Delisting	To the extent permitted by applicable law, unless the Bonds have been previously redeemed, cancelled or converted, in the event that the Shares cease to be listed or admitted to trading on the BSE or the NSE (a "Delisting"), each Bondholder shall have the right, at such Bondholder's option, to require the Issuer to redeem all of such Bondholder's Bonds at the Early Redemption Amount. See "Terms and Conditions of the Bonds — Redemption, Purchase and Cancellation — Redemption of Bonds in the Event of Delisting", in the Offering Circular.
Redemption of Bonds in the Event of Change of Control	To the extent permitted by applicable law, unless the Bonds have been previously redeemed, cancelled or converted, each Bondholder shall have the right, at such Bondholder's option, upon the occurrence of certain Change of Control events to require the Issuer to redeem all of such Bondholder's Bonds at the Early Redemption Amount. See "Terms and Conditions of the Bonds — Redemption, Purchase and Cancellation — Redemption of Bonds in the Event of a Change of Control", in the Offering Circular.
RBI Approval Required for Redemption	Under current regulations of the RBI applicable to convertible bonds, the Issuer will require the prior approval of the RBI before providing notice for or effecting any redemption or repurchase of the Bonds prior to the Maturity Date.
Form and Denomination of Bonds	The Bonds will be issued in registered form in denominations of US\$10,000 each or integral multiples thereof. The Bonds will be represented by the Global Certificate which on the Issue Date will be deposited with, and registered in the name of a nominee of a common depository for, Euroclear Bank SA/NV and Clearstream, Luxembourg, société anonyme (collectively, the "Clearing Systems").
Share Ranking	Shares issued upon conversion of the Bonds will be fully paid with full voting rights and will rank pari passu with the Shares in issue on the relevant Conversion Date. Shares shall not be entitled to any rights the record date for which preceded the relevant Conversion Date. See "Description of the Shares — Dividends" and "Terms and Conditions of the Bonds— Conversion", in the Offering Circular.
Market for the Shares, Listing and Share Ownership Restrictions	The outstanding Shares of the Issuer are listed on the BSE and the NSE and an application has been made to list the Shares issuable on conversion of the Bonds on the BSE and the NSE. There are certain restrictions applicable to investments in shares and other securities of Indian companies, including the Shares, by persons who are not residents of India. See "Appendix B — Foreign Investment and Exchange Controls", in the Offering Circular.
Clearance	The Bonds will be cleared through the Clearing Systems. The Clearing Systems each hold securities for their customers and facilitate the clearance and settlement of securities

transactions by electronic book-entry transfer between their respective account holders.

Global Certificate	For as long as the Bonds are represented by the Global Certificate, the Global Certificate is held by a common depository for the Clearing Systems, payments of principal and premium in respect of the Bonds represented by the Global Certificate will be made against presentation for endorsement and, if no further payment falls to be made in respect of the Bonds, surrender of the Global Certificate to or to the order of the Paying Agent for such purpose. The Bonds which are represented by the Global Certificate will be transferable only in accordance with the rules and procedures for the time being of the relevant Clearing System.
Indian Taxation	Payments of premium and interest on the Bonds made by the Issuer will be made after deduction or withholding in respect of Indian taxation to the extent required by law. The Issuer will gross up the net taxable amount and will be required to account separately to the Indian tax authorities for any withholding taxes applicable to payments attributable to such tax except as provided in Condition 10 of the Terms and Conditions. The Bonds will have the benefit of the tax concessions available under the provisions of Section 115AC of the Income Tax Act, as amended, of India. Under current Indian laws, tax is not payable by the recipients of dividends on shares, including on the shares deliverable upon conversion of the Bonds.
Selling Restrictions	There are restrictions on the offer, sale and/or transfer of the Bonds in, among others, the United Kingdom, the United States, India, Switzerland, Singapore, France, Hong Kong and Germany. For a description of the selling restrictions on offers, sales and deliveries of the Bonds, see “Subscription and Sale”, in the Offering Circular.
Listing	Application has been made for the listing of the Bonds on the Singapore Stock Exchange. The Bonds will trade on the Singapore Stock Exchange in a minimum lot size of US\$200,000 so long as any of the Bonds remain listed on the Singapore Stock Exchange. The Company has applied for the in-principle approval for the Shares issuable upon conversion of the Bonds to be listed on the BSE and NSE.
Trustee	The Bank of New York, London branch.
Principal Paying and Conversion Agent	The Bank of New York, London branch.
Registrar	The Bank of New York
Governing Law	The Bonds will be governed by, and construed in accordance with, English law.
Use of Proceeds	The net proceeds of the issue of the Bonds (after the deduction of fees, commissions and expenses) are expected to be approximately US\$107.0 million and will be used by the Issuer as set out in “Use of Proceeds”, in the Offering Circular. The use of the net proceeds shall be in accordance with the end-use restrictions specified by the RBI and the Indian Government.
Bond Identifiers	ISIN: XS0275853454 Common Code: 027585345
Government of India Approvals	The Issue of Foreign Currency Convertible Bonds and Ordinary Shares (through the Depository Receipt Mechanism) Scheme, 1993, as amended, the Foreign Exchange Management (Transfer or Issue of any Foreign Security) Regulations, 2000, as amended and the RBI Master Circular on External Commercial Borrowings dated 1 July 2006 permit Indian companies to issue foreign currency convertible bonds up to US\$500 million under the “automatic route” (i.e. without the prior approval of the RBI), subject to compliance with certain conditions specified therein. The Issuer is undertaking the present issue of the Bonds in accordance with the guidelines and regulations described above.