



VAIBHAV GLOBAL LIMITED

Ref: VGL/CS/2017/88

Date: 13th September, 2017

**National Stock Exchange of
India Limited (NSE)**
Exchange Plaza, C-1, Block G,
Bandra Kurla Complex,
Bandra, Mumbai – 400051
Scrip Code: VAIBHAVGBL

BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai – 400001
Scrip Code: 532156

Subject: Annual Report 2016-17

Dear Sir / Madam,

Pursuant to regulation 34 of the SEBI (LODR) Regulations, 2015 please find enclosed herewith 28th Annual Report 2016-17 of the Company duly approved and adopted at 28th Annual General Meeting of the Company held on Thursday, 7th September, 2017.

Kindly take the same on record.

Thanking you,

Yours Truly,

For Vaibhav Global Limited

Sushil Sharma
Company Secretary & Compliance Officer
FCS: 6535





Purpose.
Passion.
Performance.

VAIBHAV GLOBAL LIMITED
28th Annual Report 2016-17

ANCHORED ON THE PHILOSOPHY OF ‘DELIVERING JOY’, VAIBHAV GLOBAL LIMITED HAS A VISION OF A WORLD WHERE PEOPLE ARE HAPPIER AND LIVE BETTER LIVES. INSPIRED BY OUR SENSE OF PURPOSE AND LED BY A PASSIONATE CULTURE, WE ARE DRIVEN TO OUTPERFORM EVERY DAY.

Our purpose

See more on page 2-3

Our passion

See more on page 4-5

Our performance

See more on page 6-7



Our business strategy

See more from page 18 onwards

Stronger financials

How our financial performance is influenced by expanding our product categories, by sustaining consumer excitement through engaging storytelling and by creating an omni-channel network to reach out to the widest number of households across our chosen markets.

Stronger teams

How we help our human resources realize their full potential and drive quality and safety in all that we do.

Stronger societies

How we support our communities and the external environment.

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HIGHLIGHTS

Introduction from the Chairman



The year 2016-17 was an important one for Vaibhav Global Limited as our business turned free cash flow positive to ₹58 crore compared to a negative ₹59 crore in 2015-16. The re-emergence of free cash flow is the outcome of the nearing completion of our expansionary capex cycle wherein our cash flows were invested in multiple business-strengthening initiatives including a ramp-up of our manufacturing facilities and e-commerce platforms, a more extended household coverage through television and initiatives like Budget Pay leading to deeper customer engagement. Today, our earnings model remains strong and I am confident that we have been able to construct a sustainable value creation platform for our shareholders.

Sunil Agrawal

Vaibhav Vision:

Be the value leader in electronic retailing of jewellery and lifestyle products.

Vaibhav Mission:

- Build a learning organisation with high performing people
- Offer low-priced, high-quality products
- Delight our customers every day

Stronger financials (page 18-21)

Revenues

₹1,440 crore

Growth over 2015-16: 12.8%

EBIDTA[@]

₹105 crore

Growth over 2015-16: 45.8%

@ Excluding exchange/gain loss

Gross profit[#]

₹867 crore

Growth over 2015-16: 7.8%

After material cost, job work charges and manufacturing costs

Net profit

₹58 crore

Growth over 2015-16: 45%

Net debt

₹6 crore

Decline over 2015-16: 90%

Stronger teams (page 22-24)

Revenue per employee*

₹38 lacs

Growth over 2015-16: 8%

** Including part-time employees*

Gender diversity

30.7%

female employees

No. of female employees: 566

Stronger societies (page 25-26)

CSR investments

₹1.52 crore

Growth over 2015-16: 9.8%

Mid-day meals

14,186 meals delivered every day

141 schools reached every day

CSR goals

- Promote education through schools and other organisations
- Contribute to eradicate hunger, poverty and malnutrition
- Promote healthcare, including preventive healthcare, to the society through recognized trusts, old age homes and hospitals



Our purpose

WE BELIEVE IN 'DELIVERING JOY' TO OUR CUSTOMERS. INSPIRED BY THIS PHILOSOPHY, WE FOCUS ON DELIVERING QUALITY PRODUCTS AT ATTRACTIVE PRICES AND A WORLD-CLASS SERVICE THAT TOGETHER ENHANCE THEIR SENSE OF ASSOCIATION WITH US. IN DOING SO, WE ALSO DELIVER JOY TO OUR COMMUNITIES, EMPLOYEES AND INVESTORS.



Our purpose of being customer obsessed

Our purpose is to make a difference by providing our customers with a vast range of high-quality fashion jewellery that possess heritage value and a captivating history of origination. To this mainstay bouquet of fashion jewellery, we have also added fashion accessories and lifestyle products. We constantly evaluate the performance of our in-house brands like GP, Lucy Q and Bali Legacy, among others, based on customer feedback so that we can give them exactly what they want.

Vertical integration enhances customer visibility

With an end-to-end business model that spans a global and continuously expanding supply chain capability with state-of-the-art manufacturing presence in India, we reach out to 110 million households (FTE basis) through proprietary television home-shopping and e-commerce platforms across the US and the UK. Creating a sizeable B2C franchisee in developed markets is a distinctive achievement by an Indian company and is a visible recognition of our deep value fashion and lifestyle products offering among a large and growing customer base.

Outcome of our purpose is reflected in strong retention rates and repeat purchases

As an enterprise that is anchored on customer excellence, we have strong service-driven platforms on offer including Budget Pay EMI and easy returns, strengthening our value proposition in highly competitive markets. In a major initiative,

we re-branded Liquidation Channel to ShopLC in the US with the brand gaining recognition in showcasing an ever-expanding range of fashion jewellery and lifestyle products. With a view to expand customer accessibility, we launched a mobile app for ShopLC in the US and The Jewellery Channel in the UK.

Financial showcase

Television sales

Revenue (₹ crore)

2015-16	2016-17
932	1,000
+7.3%	

Sales volumes ('000)

2015-16	2016-17
5,854	6,092
+4%	

Average selling price (US\$)

2015-16	2016-17
24.4	24.5
+0.4%	

Web sales

Revenue (₹ crore)

2015-16	2016-17
223	250
+12.1%	

Sales volumes ('000)

2015-16	2016-17
2,264	2,145
-5.3%	

Web sales volumes growth returned, growing 20% y-o-y in Q4FY17, validating our focus on deeper customer engagement.

Average selling price (US\$)

2015-16	2016-17
15.1	17.4
+15.2%	

B2B sales

Revenue (₹ crore)

2015-16	2016-17
122	190
+55.7%	





Our passion

FOSTERING A UNIQUE PERFORMANCE-DRIVEN CULTURE, WE HARNESS THE PASSION OF OUR PEOPLE TO STRIVE FOR EXCELLENCE IN ALL THAT WE DO. OUR PASSION IS TO ENSURE THAT OUR PURPOSE OF DELIVERING JOY TO OUR STAKEHOLDERS IS AT THE FOREFRONT OF ALL OUR ACTIONS. IT IS REPRESENTATIVE OF OUR CULTURE AND DNA. WE FOCUS ON MAKING OUR ENTERPRISE BETTER THAN YESTERDAY.

Our passion of creating an ownership-driven environment

With a distinct culture that nurtures high-achievers, we foster an environment in which our teams take ownership with a unanimous “It’s my Company!” With the passion, drive and optimism of entrepreneurs, we defy the status quo with a better way of doing things. This hunger drives us to be the very best and is manifest in our manufacturing teams who are focused on reducing wastages, in our hosts who are inspired to engage our customers with compelling storytelling, in our customer teams who are obsessed with excellence in warehousing, packaging and logistics and in our senior management who are enthused to navigate the business through their vision and passion.



Rich employee diversity!

6

Our global employee base comprises people across 6 countries

Our core values

- Team work
- Honesty
- Commitment
- Passion
- Positive attitude

Our values are very important to us

We believe in doing things right – with a high sense of honesty, transparency and meritocracy. We believe in the power of collaboration and together achieve newer products sourcing, improved craftsmanship, efficient technology incorporation and more accurate financial modelling and governance. We empower our teams through continual re-skilling opportunities so that they grow with the times and continue to remain relevant in a dynamic operating environment.

Passion in action

Gross profit per employee (₹ crore)

2015-16	2016-17
0.22	0.23
+3.5%	

Salary and incentives (₹ crore)

2015-16	2016-17
233.7	245.7
+5.1%	

Employee base#

2015-16	2016-17
3,673	3,824
+4.1%	

#Including part-time employees



“

Our human resource philosophy is all about encouraging our people to pursue ideas and projects they believe in and find innovative ways to achieve their goals. We create a culture of diversity so we benefit from different experiences and provide our teams outstanding career progression opportunities across roles and transfers to different parts of the world.

Jeff Allar, Senior Vice President, Group HR

”





Our performance

WE HAVE CREATED A PLATFORM THAT BRINGS TOGETHER SKILLED AND PASSIONATE PEOPLE. WE GIVE THESE TEAMS A CLEAR PURPOSE AND A FOCUSED DIRECTION WHICH HAS TODAY RESULTED IN OUR ABILITY TO ACT FAST, LEARN QUICKLY AND TAKE OWNERSHIP AND RESPONSIBILITY, HELPING US OUTPERFORM.



Delivering performance through capacity ramp-up

As a global fashion retailer with proprietary television home-shopping networks and growing visibility of e-commerce platforms (web and mobile app), we are committed to extend our unique deep value fashion and lifestyle products proposition to our customers. An important way in which we do so is by strengthening our global supply chain capabilities to map the latest fashion trends and facilitate better price discovery. During 2016-17, we fully operationalised our 100,000 sq. ft fully-integrated, LEED-certified ('Gold' level) facility at SEZ, Jaipur. We now possess an augmented annual capacity of 7 million pieces.



Embracing some foundation-building initiatives

We rebranded The Liquidation Channel in the US to ShopLC, a brand which is gaining even stronger recognition and customer affiliation for showcasing a vast range of jewellery products and fashion accessories. Through this rebranding initiative, we have also been able to disassociate from the sometimes negative connotation linked with The Liquidation Channel of liquidating old inventory. We also upgraded our technology infrastructure to the latest versions of SAP-Hybris and DemandWare - our major e-commerce operating platforms that have enabled us to create better customer engagement opportunities and provided exceptional operational flexibility and scalability.

Operating leverage

Our business turned free cash flow positive in 2016-17 with the nearing completion of our capex cycle with the funds invested in growing manufacturing capacities, extending household coverage and developing deeper customer engagement initiatives like Budget Pay EMI scheme and easy returns. With scalability that enables better fixed cost coverage, we have been able to derive the benefits of operating leverage, the full impact of which will play-out over the coming years.

Financial showcase – Operating leverage

Revenue (₹ crore)

2015-16	2016-17
1,277	1,440
+12.8%	

Net profit (₹ crore)

2015-16	2016-17
40	58
+45%	

Operating cash flow turnaround!

₹88 crore

Turnaround in our operating cash flow – from negative ₹10 crore in 2015-16 to positive ₹88 crore in 2016-17

Free cash flow generation!

₹58 crore

Turnaround in our free cash flow – from negative ₹59 crore in 2015-16 to positive ₹58 crore in 2016-17

Chairman's statement

OUR OUTSTANDING PERFORMANCE ON THE BACK OF BOLD INITIATIVES EMBRACED OVER THE PAST TWO YEARS HAVE VALIDATED THAT OUR STRATEGY IS WORKING AND WE ARE NOW AT THE CONFLUENCE OF SERVING A LARGE AND GROWING CUSTOMER BASE WITH AN EVER-EXPANDING JEWELLERY AND LIFESTYLE PRODUCT RANGE.



An important year

Enhancing customer convenience is fundamental to our business and one of our top priorities was a focus on execution, building over the initiatives that we boldly embraced over the last two years.

Our consumers look at affordability of high quality products as a primary driver of purchase. Within this context, consumers in moderate income groups prefer a staggered payment option compared to an upfront full payment and an interesting insight here is that they do not mind increasing their buying frequency if they can get an option to amortise the payment. With the availability of Budget Pay EMI option on our TV and web platforms in both the US and the UK markets, we now have an edge over competitors already offering EMI options as it makes our low-priced products even more attractive. As of now, Budget Pay comprises three installment options with the first installment to be paid on purchase and the rest at monthly intervals. As with our easy returns policy, this initiative was also well received, helping us drive increased sales.

Keeping in view the electronic retail landscape and the prevalent 'multi-screen' culture, we launched our mobile apps – ShopLC in the US and TJC in the UK, across both iOS and Android platforms, which received a positive response and have enhanced customer engagement. Our focus on moving with the markets was also evident when we developed SmartTV apps that facilitate live streaming of content via internet on these televisions. Additionally, we also upgraded our e-commerce platform SAP-Hybris to the latest version which strengthened responsiveness, elevated user experience and hence, customer stickiness.

The first part of our strategy – Expanding the global supply chain of jewellery and lifestyle products

We are a unique business having developed a sizeable business-to-consumer franchisee in the developed markets of the US and the UK. We have an efficient manufacturing presence in India and a large global sourcing chain that covers the markets of India, Indonesia, Thailand and China. Our low-cost production assets together with flexible and scalable worldwide procurement capabilities enable us to remain proactive in identifying current trends while offering products with compelling stories of value to a thriving customer base.

Having set up this distinctive and competitive network, we are now reinforcing our pipeline with newer ranges of lifestyle, fashion, beauty and home products. This potential product basket will allow us to deepen consumer engagement as well as open up the potential to drive higher margins. We also offer in-house brands and collections that have interesting background stories that resonate well with our customers.

The second part of our strategy – Focusing on customer acquisition across our retail markets of the US and the UK

Through our ShopLC and TJC brands that have become an integral part of our customers' lives, we are present in 110 million (FTE basis) households in the US and the UK.

Rebranding The Liquidation Channel to ShopLC in the US brought in encouraging customer response and we are now present in 85 million households (FTE) out of a potential market of 118 million households*, providing ample opportunity for growth. ShopLC

is available on most major television feed carriers including dishtv, Verizon FiOS, DIRECTV, Time Warner, etc. In line with the rebranding program, we also enhanced product presentation by investing in a new studio facility and operationalised a new warehouse for better customer service.

The Jewellery Channel (TJC) in the UK enjoys an entrenched presence in the full 25 million households (FTE) and the recent launch of Budget Pay on television has further enhanced opportunities to deepen customer engagement. TJC possesses longstanding relationships with television distributors like SKY, Virgin, Freeview, etc.

A focus to be where our customers are is evident with almost 20% of our revenues now being derived from non-television sales including our website – both desktop and mobile. We are also available on emerging internet-based streaming devices such as Roku, Apple TV, etc. that deliver our live video streams when the device is attached to a television. We have recently launched applications for mobile devices and Smart TVs to maximize reach. Yet another emerging opportunity comprises OTA (over-the-air) customers that include about 20 million households. These so-called 'cord-cutters' or 'cord-nevers' present a large potential market to tap into cost-effectively. We are already in over 9 million such homes.

Preparing for multi-year sustainable growth

With major capex already invested in the business, we are now focusing on maximising benefits from our operations. This was visible in our 2016-17 performance when profitability growth was substantially higher than growth in our revenues. We expect the embedded operating leverage to play out as we further scale our operations and this in itself will help create a sustainable long-term shareholder value creation platform.

Fostering a culture of outperformance

Our unique culture is one of the most important contributors to our success. It makes our people hungry to achieve more and frees their entrepreneurial instincts, while encouraging them to work collaboratively and act as entrepreneurs in thought and action. This drives us to do better for consumers and shareholders.

Our approach to reward and groom high performers is a fundamental part of this culture. We empower our people with the opportunity to earn long-term rewards for outstanding performance and this emphasis has created an organisation that is fixated on achieving long-term goals within the framework of our values.

Conclusion

The Company has the right strategy and is well-positioned for sustainable growth with robust long-term opportunities. Combined with our outstanding culture of achievement, we look forward to creating further value for all our stakeholders.

In conclusion, I would like to express my personal appreciation to my fellow Board members and to our worldwide teams for their substantial efforts in building a platform that will drive sustainable growth for many years to come.

Sunil Agrawal

Chairman and Managing Director

Sources:

<http://www.nielsen.com/us/en/insights/news/2016/nielsen-estimates-118-4-million-tv-homes-in-the-us--for-the-2016-17-season.html>

<http://www.gfk.com/en-us/insights/infographic/us-connected-tv-viewing/>

How our business works

1 WE ARE PASSIONATE ABOUT LEVERAGING THE FULL VALUE OF OUR OPERATING MODEL...

Our strengths

The passion of our people, dynamism of our culture, flexibility of our global sourcing capabilities, size of our product portfolio, depth of our customer engagement platforms and modern technology infrastructure help us differentiate in a competitive landscape.

Vertical integration

We are a unique vertically-integrated B2C business for fashion jewellery, accessories and lifestyle products across electronic retail platforms including proprietary TV home-shopping and e-commerce.

High customer visibility

Through our two retail brands ShopLC and TJC, we have a presence in 110 million (FTE) households on TV home-shopping, having established longstanding relationships with major carriers in these markets. We are also growing our online visibility through a presence on web and mobile.



Repeat purchases!

19x, 27
products

Our customers purchase an average of 27 products almost 19 times a year, a showcase of our recognition as a deep value electronic retailer of fashion and lifestyle products.

Global supply chain

In addition to our established manufacturing presence in India, we fully operationalised our world-class 'Gold' level LEED-certified SEZ in Jaipur during the year, which ramped-up our annual capacity to around 7 million pieces. We possess flexible and scalable global sourcing capabilities with a presence in China, Thailand, Indonesia and India, which translates into early recognition of trends.

High-quality infrastructural backbone

We have significantly invested in customer interface, studios and production, marketing and merchandising, warehousing and logistics and supply chain alongwith customer relationship management, creating a scalable model with limited capex requirements.



2 TO POWER OUR BUSINESS ACROSS TARGETED MARKETS AND EMERGING BROADCAST MEDIUMS...

Product portfolio and customer acquisition

Our products

Fashion jewellery

- Bracelets
- Bangles
- Earrings
- Studded jewellery, etc



Fashion accessories

- Watches
- Handbags
- Scarves, etc



Lifestyle

- Home décor
- Bed linen
- Pillow covers
- Beauty and wellness products



Our in-house brands collection (select list)

- LucyQ by Lucy Quartermaine
- Royal Jaipur
- Cougar Beauty
- Living Gold
- Rachel Galley
- Bali Legacy Connection
- Giuseppe Perez
- Homesmart
- Alicia Douvall
- NVY Beauty



Our consumption markets

- TV networks in the US and the UK
- E-commerce presence through www.ShopLC.com in the US and www.TjC.co.uk in the UK
- Expansion into OTA (over-the-air) that enables us to cover cord-cutters who can catch the feed directly via antenna
- Smart TV and streaming devices (IPTV) applications

3 AND RELENTLESSLY PURSUE OUR PURPOSE...

Business strategy

Our purpose

- Focus on 'Delivering joy'
- Doing so through providing deep value propositions to our customers who are as much interested in an immersive shopping experience as in quality product acquisition

Our customer-centricity

- Offer products through engaging story-telling and high production quality
- Win customers through relatable and likable hosts that engage viewers
- Provide relationship-deepening options like Budget Pay EMI and easy returns policy
- Deliver products to customers on time, every time through strong warehousing and logistical capabilities
- Ensure robust post-sales service through dedicated call centers and other on-demand interfaces

OUR OPERATING MODEL

Energize

Source and develop innovative products that appeal to customers and energize demand

Expand

Scale our operations so that our high quality products can be easily available and are able to meet demand spikes

Elevate

Drive consumer demand through deeper engagement on television and digital channels

4 TO CREATE VALUE FOR OUR STAKEHOLDER ECOSYSTEM

Our people

- Strong career progression opportunities with performance-oriented rewards and recognition and several non-monetary benefits
- 3,824 – Our employee base (including part-time employees)

Our customers

- Global jewellery and fashion products that enhance pride of ownership
- 110 million – Households reached in the US and the UK (FTE basis)

Our shareholders

- Strong operational and financial performance with a focus on generating consistent returns
- 20%# – TSR growth in 2016-17 YoY (TSR = Share price appreciation + Dividend declared)

#Based on closing price (NSE: VAIBHAVGBL) as on 31st March, 2017

Our communities

- Improve the quality of life through a focus on the basics including meals, education and health and hygiene
- Over 14,000 – Meals delivered every day to 141 schools

in and around Jaipur under the Government's mid-day meal program

Core developments, 2016-17

- Rebranded Liquidation Channel successfully as ShopLC in the US
- ShopLC made its debut on the Zang Toi runway at the New York Fashion Week in a unique initiative that took customers behind-the-scenes at one of fashion's top events that showcased the designer-wear range available at reasonable prices; Zang Toi is a world-renowned designer and the star performer for Saks Fifth Avenue
- Established Budget Pay on the website and app of www.ShopLC.com in the US
- Introduced mobile shopping app for ShopLC and TJC with good response from customers
- Enhanced exposure across global forums with increased sourcing of roughs
- Introduced select products on various online marketplaces (e-Bay, Amazon, etc.) through Channel Advisor
- Improved presentation through the establishment of a new studio
- Operationalised a new warehouse for ShopLC, thereby enhancing operational efficiency



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MOTHER'S DAY GIFT GUIDE FOR MOMS THAT ROCK!

DELIVERING JOY

Holiday Gift Guide

FIND THE JOY OF THE HOLIDAYS!

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Group Chief Financial Officer's review

RE-EMERGENCE OF POSITIVE FREE CASH FLOW, A 480 BPS GROWTH IN RETURN ON CAPITAL EMPLOYED AND 290 BPS INCREASE IN RETURN ON EQUITY DURING THE YEAR SHOWCASES THE PAY-OFF OF OUR OPERATIONAL AND FINANCIAL TRANSFORMATION STRATEGIES.



Puru Aggarwal
Group Chief Financial Officer



Q. Is the turnaround of free cash flow into a positive ₹58 crore a significant financial achievement?

A. It is and the year 2016-17 was all about revisiting our vision and purpose of being a value leader in electronic retailing of jewellery and lifestyle products. This vision is an enduring statement of our intent to 'Deliver joy' by providing our customers with compelling products at affordable prices such that they choose us as their destination for jewellery and lifestyle products. Hence, the initiatives of the past two years that we had boldly embraced to bring customer service excellence to the fore have resulted in the turnaround of free cash flow from a negative ₹59 crore in 2015-16 to a positive ₹58 crore for the year under review.

Q. What was the quantum of capex invested in these initiatives?

A. Over the past two years, we have invested about ₹90 crore in multiple business-strengthening initiatives that include capacity augmentation through our world-class 'Gold'-level LEED-certified SEZ in Jaipur and deepening customer engagement through Budget Pay EMI and easy returns policy that we progressively launched across both TV and web/mobile app. We successfully rolled-out major technology upgrades on our SAP-Hybris and DemandWare e-commerce platforms. We also invested in new studios and warehouses for better product presentation along with reinforcing customer service. With our major capex cycle now almost coming to an end, we foresee only maintenance capex going forward.

Q. How did profitability grow almost 4x vis-à-vis revenue growth for the year?

A. For a business model like ours where a significant proportion of the cost is fixed, any revenue growth provides a strong upward impetus to growth in profitability. This operating leverage helped profitability outperformance during the year with revenues growing by 12.8% while net profit leaping ahead by a faster 45%. With capacity ramp-up on one hand and improving customer experience on



The Company's financial ratios remain strong. Return on shareholders' funds was **14%**, a 290 bps growth over the previous year; return on capital employed was up 480 bps to **17%**.



the other, we will continue focusing on sharper profitability growth in the foreseeable future.

Q. How did the net debt reduce to just ₹6 crore, significantly down over the previous year?

A. Because of our consistent focus on using the cash generated in the Balance Sheet for debt repayment and building our cash reserves, our net debt has substantially declined by 90% in 2016-17 when compared with the previous year. Our interest costs have come down for the full year as the outcome of our aggressive focus on moderating bank spreads, thereby providing us with a perpetual benefit. Our bank charges rate has been reduced during the year due to better negotiations. Our insurance rates have also been down due to stronger negotiations.

Today, we are focusing on building structural advantages into the workings of the Company through prudent and sustainable fiscal management practices. We appraise all financial and business proposals in detail with a perpetual cost-benefit orientation.

Q. Can you provide some more examples of your focus on perpetual cost-benefit orientation?

A. Our emphasis on driving manpower productivity is a vibrant example of our intent in fostering a culture of high performance, weeding out inefficiencies from the system, incorporating cost effective automation to free-up manpower bandwidth and optimizing costs. We added a new production facility at SEZ, Jaipur and achieved a near 13% revenue growth through minimal manpower addition and the emphasis here is to clearly link higher rewards with higher performance. We mainstreamed our new facility at SEZ, Jaipur about 2-3 months



ahead of schedule, empowering us with strong time and cost benefits. This facility has scaled-up our global supply chain capabilities to 12 million units annually. Importantly, this building is a 'green' building that enhances competitiveness by optimizing our energy bills and other utility charges. In addition, the green building helps us be an environment-friendly and socially-responsible corporation.

Q. How do you see 60% gross margins for the year?

A. We were opportunistic to capitalize on the growth of the B2B business with our strong supply chain that turned in revenues of ₹190 crore for the year, up almost 56% over the previous year. The B2B business has a lower margin than B2C, which is our mainstay. In addition, the significant devaluation of GBP due to Brexit, against the INR, also resulted in lower gross margins while consolidating the UK entity numbers into Group numbers, although such conversions of GBP into INR at the time of consolidation are notional. Despite both the factors, gross margins have been very healthy at 60%.

Q. What is your focus as you move ahead?

A. The Company's financial ratios remain strong. Return on shareholders' funds is 14%, a 290 bps growth over the previous year; return on capital employed is up 480 bps to 17%. With our focus on a more efficient use of capital, empowering the Company with perpetual-structural fiscal advantages, strengthening a process-driven culture with a view to 'standardize operations' company-wide, increasing technology leverage to automate processes and energizing our teams to drive greater productivity levels, we are confident of reporting sustainable outperformance as we move into the future.

The megatrends driving our business

OUR WORLD IS CHANGING RAPIDLY

THE WORLD OF TODAY IS VERY DIFFERENT FROM THE WORLD OF YESTERDAY. THE WORLD OF TOMORROW IS GOING TO BE VERY DIFFERENT FROM THE WORLD OF TODAY. THIS IS BECAUSE POWERFUL TRENDS ARE CHANGING THE DEMANDS OF OUR CUSTOMERS, REGULATORS AND THE SOCIETY AT LARGE.

Incomes are rising

All major economic indicators suggest that with rising household network, there is bound to be increased spending in the near future as we embark upon the next growth cycle. Our retail businesses are well-positioned to benefit from the rising middle-class and also global disposable incomes.



We are becoming an increasingly 'online' world

Consumers the world over are leveraging an ever-greater use of online resources and e-commerce, interacting with brands through different touch-points and exchanging a greater amount of information. Consumers around the world are increasingly buying online and are 'multi-screening' as they become adept with laptops and mobile devices. A case in point is the growing contribution of online retail sales to total retail sales in the US and UK. We are confident that our digital sales contribution will greatly benefit from this trend in the coming years.

Television consumption is changing

With the advent of high-definition 4k technology and IPTV, emergence of smart TVs, proliferation of high-quality content delivery platforms and increasing preference for live streaming devices, the way television is consumed in the world is fast-changing. Our retail businesses, Shop LC and The Jewellery Channel, are already available on all digital platforms offering live video content. Moreover, we also service customers through our website across Canada and the European Union.

Cord-cutters

A potential opportunity is emerging from the 'cord-cutter' consumer base which does not prefer paying channel or satellite fees but would rather catch the feed directly via antenna. We are already present (part time) in some of these areas and estimate this population at about 20 million households in our target markets of the US and the UK.

Growing preference for sustainability and 'green'

Consumers are increasingly choosing to associate with companies who share their sense of responsibility in terms of transparent sourcing and fair employment practices while offering genuine products to their consumers. Awareness regarding environmental preservation and its long-term sustenance seem to be gaining traction globally.

Evolving regulations

Companies' license to operate now encompasses stakeholder expectations that go beyond the law and regulations. To be truly sustainable, companies have to continuously improve their environmental and social performance.



OUR RESPONSES TO A CHANGING WORLD

As an enterprise that is flexible and agile, we are responding to these changing dynamics with speed while concurrently keeping the long-term potential of the business in mind.

- We established a modern R&D lab helmed by well-qualified GIA gemologists for product ratification, providing strong customer assurance
- We launched such customer convenience initiatives as Budget Pay EMI and easy returns that have brought additional volumes and stickiness
- We possess an extended online presence under ShopLC and TJC across both web and mobile apps that enable us to enhance customer interface and accessibility
- We are developing our presence on smart TVs, IPTV and on live content streaming devices like Roku, thereby ensuring our availability where, when and how our customers want

- We are engaged in a mid-day meal program in association with Akshaya Patra that delivers over 14,000 meals to government schools in and around Jaipur every day. The credibility of our social performance initiatives have provided us with the license to operate even as we consider our societal responsibility as a part of our business

- We fully operationalised production at our state-of-the-art 'Gold' level LEED-certified green building in SEZ, Jaipur, which has a full-fledged rooftop solar plant



Green building, SEZ, Jaipur – Environment-friendly and credibility-enhancing!

10% energy requirement met through roof-top solar power

12% less electricity consumed for cooling and chilling

80% of water processed and reused for plantation, etc

Large-scale

use of natural light, substituting artificial light and saving energy

Our business strategy

STRONGER FINANCIALS THROUGH OUR ROBUST EARNINGS MODEL

WE ARE NOW AHEAD OF OUR CAPEX CYCLE THAT IS NEARING COMPLETION. THESE INVESTMENTS HAVE ENABLED US TO AUGMENT PRODUCTION CAPACITIES, STRENGTHEN TECHNOLOGICAL INFRASTRUCTURE AND DEVELOP DEEPER AND MORE MEANINGFUL CUSTOMER ENGAGEMENT PLATFORMS. HAVING THUS CREATED A ROBUST EARNINGS MODEL WITH MINIMUM CAPEX NEEDED GOING FORWARD, WE ARE WELL-POISED TO BE ABLE TO DRIVE REVENUE GROWTH, AUGMENT MARGINS AND ACHIEVE HIGHER PROFITABILITY.



Gross margin

Our virtuous earnings model starts at gross margins that create room to fund investment and deliver operating profit growth. We drive gross margin expansion through our focus on offering affordable, high quality products and cost-efficiency in our operations, which results in a superior sales mix and stronger and stable pricing. By continuing to optimise our overhead costs through bulk purchases, enhanced shopfloor efficiencies and rising manpower productivity, we have created an efficient, vertically-integrated business which generates free cash.

Fixed cost

We invest appropriately in our human resources, technological capabilities and back-end infrastructure. However, we keep our organisation lean, encouraging our people to avoid inefficiencies and replacing labour-intensive processes with automation, wherever possible. Our operations yield one of the lowest levels of wastages in the industry.

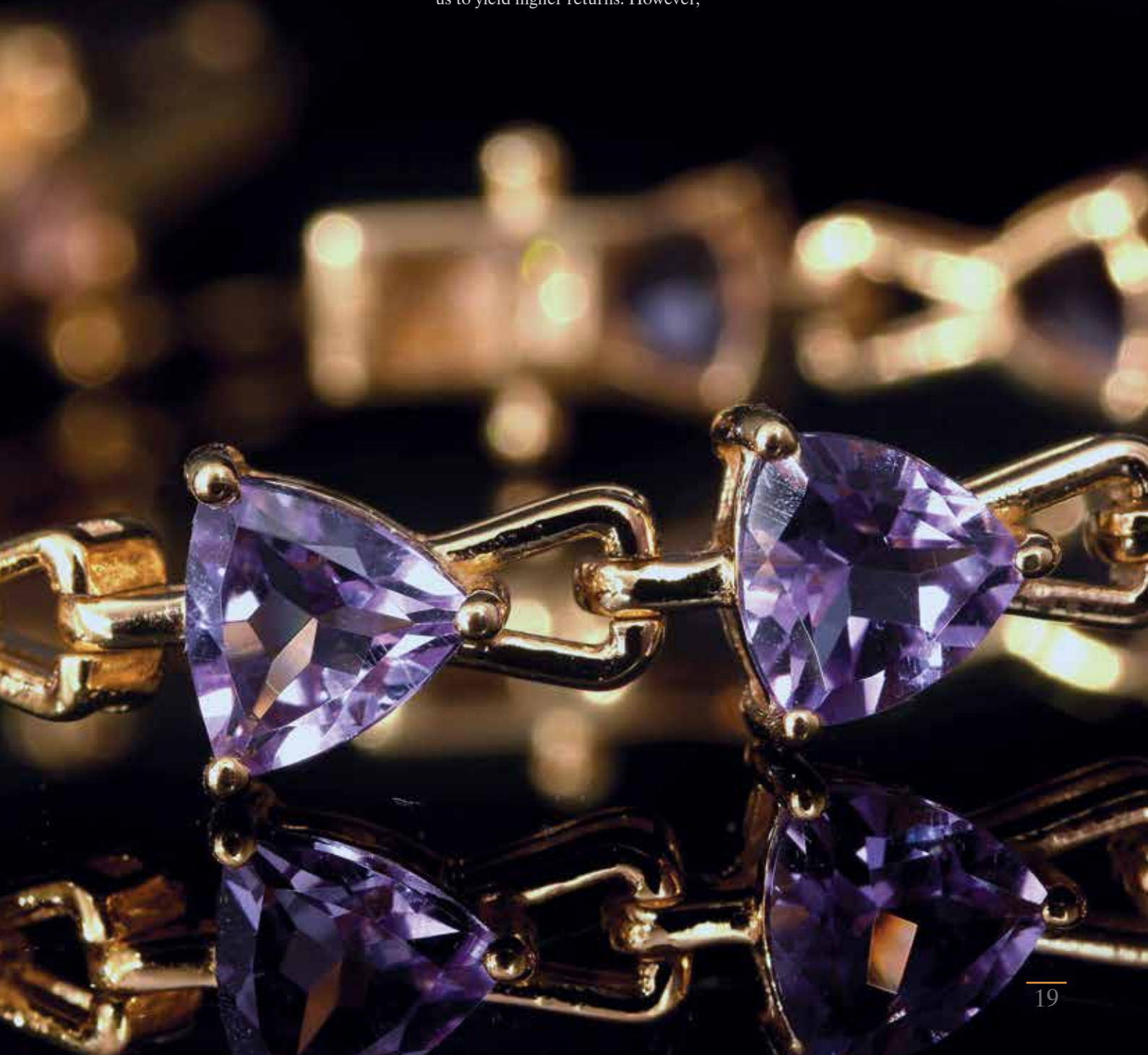
Market penetration

We focus our investments on market penetrating activities to build long-term brand equity. We also invest in digital and social media campaigns that enable us to yield higher returns. However,

there is still ample market opportunity for further customer acquisition and the Company is focused on growing its consumer base.

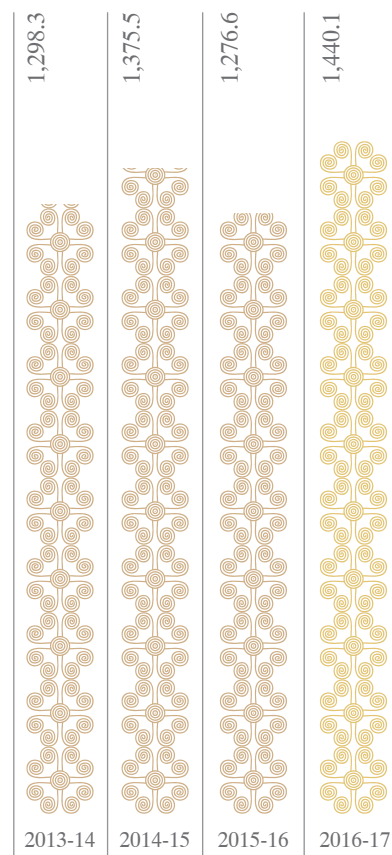
Operating margin

Our operating margin is steadily growing back to double-digits and our free cash generating earnings model means that we can continue to expand our margins. Our operating margins continue to be influenced by higher topline growth and better absorption of fixed costs.



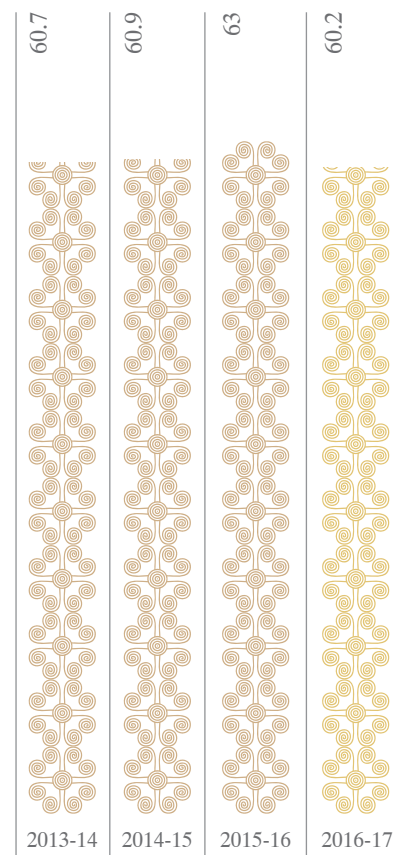
Key performance indicators

Revenues (₹ crore)



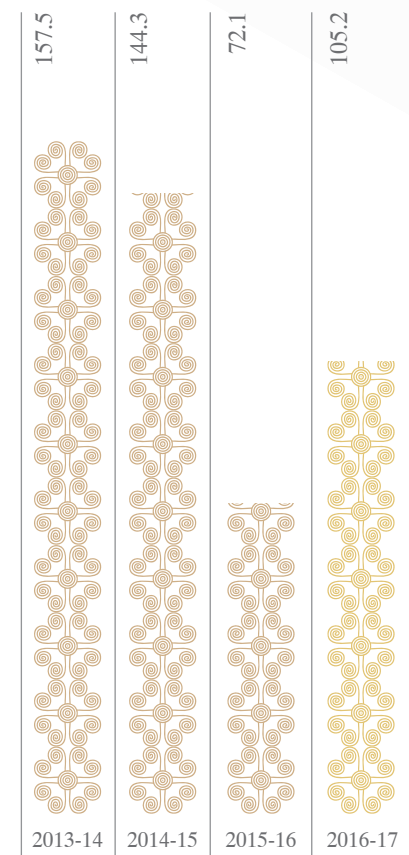
Commentary: The year 2016-17 was strong as we achieved broad-based growth across our television, web and B2B sales platforms. While television sales volume growth was strong (up 4%) and average selling price stable at US\$ 24.5, web sales volume declined (by 5.3%), which was offset by a 15.2% increase in average selling price to US\$ 17.4. Web volume growth returned in Q4FY17 owing to deeper consumer engagement through the launch of Budget Pay and easy returns policy.

Gross margin (%)



Commentary: Our gross margins stood at 60.2%, in line with expectations with the decline largely due to higher contributions from opportunistic B2B sales and devaluation of the GBP vis-à-vis INR due to Brexit. Gross profit increased by about 8% to ₹867 crore. With higher projected revenue growth paired with stable average selling prices across platforms, we expect sustained growth in our gross profit margins going forward.

EBIDTA (₹ crore)



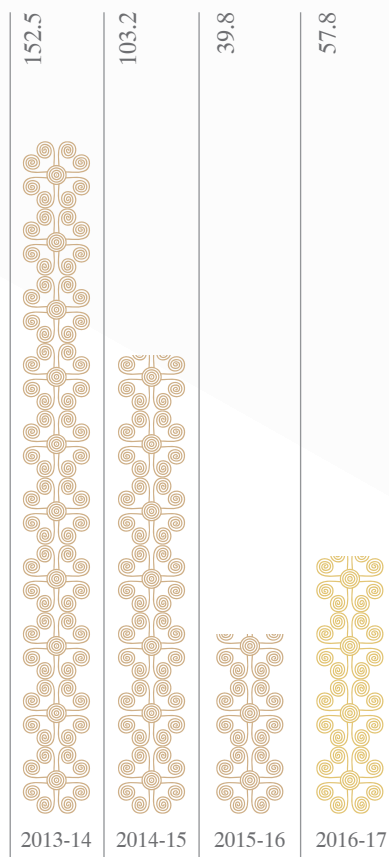
Commentary: A good double-digit growth in our revenues combined with better coverage of fixed costs led to a near 46% growth in our EBIDTA (excluding exchange gain/loss) to around ₹105 crore in 2016-17. Commensurate with this, EBIDTA margins also expanded 170 bps to 7.3% during the year. Importantly, EBIDTA margin stood at 8.3% during Q4FY17, sharply up from 4% in Q4FY16, a manifestation of our operating leverage coming into play.

Earnings growth!

₹17.8

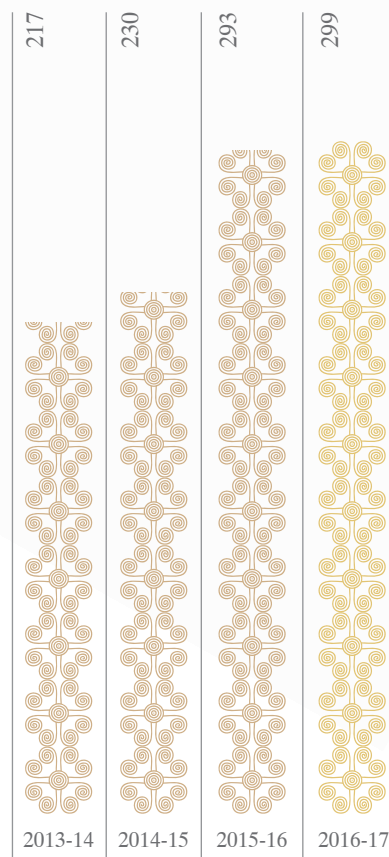
Our 2016-17 earnings per share increased about 45% to ₹17.8, up from ₹12.3 in the previous year.

Net profit (₹ crore)



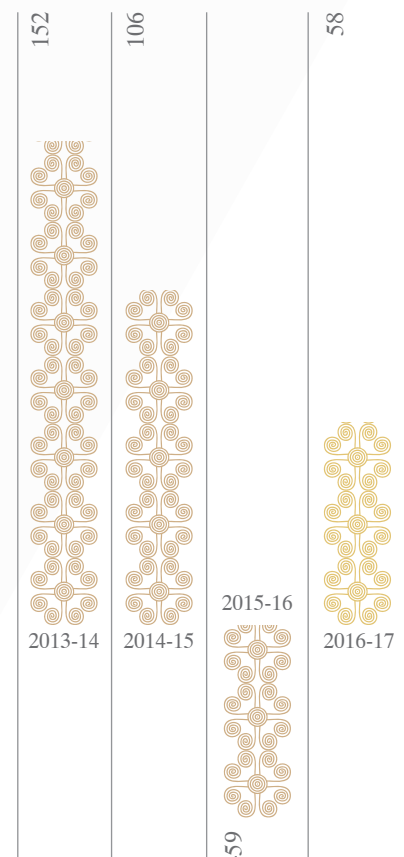
Commentary: Our net profit (with exchange gain/loss fluctuation) grew a substantial 45% to about ₹58 crore from ₹40 crore in 2015-16. Net profit margin improved from 3.1% in 2015-16 to 4% in 2016-17. Q4FY17 net profit margin saw a much sharper increase to 5.2% (compared with 2.5% in Q4FY16), a result of robust EBIDTA growth translating into profitability growth, which was also the case for the full year.

Net current assets (₹ crore)



Commentary: Net current assets growth of about 2% to ₹299 crore reflects good financial health even as the Company operates in a working capital-intensive business, especially after the launch of Budget Pay EMI option and returns policy, indicating potential operational expansion with low dependence on external capital.

Free cash flow (₹ crore)



Commentary: Free cash flow turned positive to ₹58 crore in 2016-17. The re-emergence of positive free cash flow is a demonstration of the Company's fiscal prudence and a result of the nearing completion of the capex cycle which has positively impacted most parts of the business including growth in production assets, extended household coverage, upgraded technology leverage and deeper customer engagement.

Our business strategy

STRONGER TEAMS, HELMED BY A RICHLY EXPERIENCED BOARD, HELP US DELIVER GROWTH AND OUTPERFORMANCE.

We are an entrepreneurial enterprise that rewards innovation and out-of-the-box thinking, encourages team suggestions and their implementation and fosters an open-door policy with an emphasis on meritocracy.

Our teams are led by a vibrant Board and navigated by experienced senior management who bring with them decades of insights into various aspects of the business.



Mr. Sunil Agrawal,
Chairman and Managing Director

MBA from Columbia University, New York. A first-generation entrepreneur. Widely travelled and a highly respected name in the global gems and jewellery trade.



Mr. Santiago Rocés Moran,
Director

Law graduate from Oviedo University School of Law, Spain. MBA graduate from Madrid Business School, University of Houston. Extensive turnaround strategy experience with Walmart, Yum!, Carrefour, etc. Achieved revenue and profit objectives through innovative strategic planning and sales/merchandising tactical programs. Vast experience in international markets, retail business models, operational excellence and business development. Major designations include ex-President and CEO, Save-A-Lot Food Stores and ex-Senior Vice President & General Manager, Walmart Stores Inc.



BOARD OF DIRECTORS



Mr. Rahimullah,
Whole Time Director

Started his career in emerald trading and exports. 43 years of rich experience. Deep vision backed by strong business acumen continues to drive Vaibhav Global's growth plans.



Mr. Nirmal Kumar Bardia, *Director*

Renowned jeweller of Jaipur with over 36 years of experience. Particular expertise in coloured gemstone manufacturing. Instrumental in Vaibhav Global's growth over the past several years.



Mrs. Sheela Agarwal,
Director

Active social worker and hands-on philanthropist. Significant business acumen and understanding. Mother of Mr. Sunil Agrawal.



Mr. Pulak Chandan Prasad, *Director*

Nalanda Capital founder. Worked with Warburg Pincus as Managing Director and co-head, India, and McKinsey. Holds an engineering degree from IIT, Delhi.



Mr. Harsh Bahadur,
Director

MA in History from St. Stephen's College, Delhi and MBA from Boston University, USA. 34 years of strong experience in jewellery, retail, FMCG, music, sportswear, business services, etc. Ex-Managing Director of Metro India, pioneering the launch of the international retailer in the country. Ex-President and CEO, Reliance Retail Initiative and ex-General Manager, Wholesale - India, Tesco. Currently on the Board of Indian Terrain Fashions Ltd. as an Independent Director. Also working as a senior advisor in PWC.



Mr. James Patrick Clarke, *Director*

Bachelor of Science from United States Military Academy, New York, and MBA from Harvard University, Boston. 26 years of rich experience in e-commerce, retail, business development, product planning, distribution, warehousing, quality assurance, market analysis, strategic analysis, supply chain and cost reduction, etc. Previously worked at Guardsmark Inc., Omni Computer Products, Ya Ya Interactive Media, etc. Also worked at QVC, a global video and e-commerce retailer of fashion and jewellery products, as ex-CEO, QVC, China.



Mr. Sunil Goyal, *Director*

Post Graduate in Commerce and Arts, Graduate in Law, Post Graduate Diploma in Taxation and Post Graduate Diploma in Labour Laws. Member of The Institute of Chartered Accountants of India, The Institute of Company Secretaries of India and The Institute of Cost & Works Accountants of India. Vast experience in the fields of finance, risk assessment, accounting standards, etc. Ex-President of the Institute of Chartered Accountants of India (2004-05) and a Council member for more than 12 years. Was deeply involved with the setting and implementation of Accounting and Auditing Standards in India.



Dr. Purushottam Agarwal, *Director*

Retired IAS officer and Gold Medalist in B.Com (Hons), LL.B. from Delhi University, MBA from University of HULL, UK, and Ph.D from University of Rajasthan. Rich experience of 34 years in finance and tax, industrial promotion and policy formulation and investment promotion, etc. Ex-Finance Secretary (Revenue). Also served on the Board of Rajasthan Industrial and Infrastructure Development Corporation (RICCO), Rajasthan Finance Corporation (RFC), Ganganagar Sugar Mills, Rajasthan Small Industries Corporation, etc.

KEY MANAGEMENT TEAM


Mr. Puru Aggarwal,
Group Chief Financial Officer
Chartered Accountant, Cost & Management Accountant and Company Secretary. Rich and strong 25 years experience in business modelling, financial strategy and planning, business development, procurement, supply chain and distribution, budgeting, taxation, etc. Previously worked at Teva Pharmaceuticals (as Director and Country CFO), Coca-Cola India and E&Y India.



Mr. Kevin Lyons,
President, ShopLC, USA
Graduate, Morehead State University and University of Kentucky. Over 20 years of retail experience at major US retailers, including Best Buy, Sears Holding and hhgreg. Focused on providing seamless shopping experiences through innovation, motivation and customer segmentation. Led the digital strategy at hhgregg.com, taking it to the JD Powers #1 Appliance Retailer Website for 2014.



Mr. Jeff Allar,
Group Senior Vice President, Human Resources
Over 32 years of experience. Worked at IBM, Unilever and as VP, HR, at the Stonyfield Farm unit of Group Danone. Led HR and organisational development for Affiliated Construction Services, catering to clients like John Deere, Caterpillar, Cummins, Harley Davidson, GE, etc. Enjoys the challenges of managing the expectations of a large global team at Vaibhav Global.



Mr. Vineet Vashist,
Chief Technology Officer
Graduate, Ohio State University. Led the efforts for e-commerce growth and product management discipline at Aritzia, a leader in women fashion in Canada. Excelled in various roles at Abercrombie & Fitch and as Director, IT, E-commerce, at the Company, he oversaw architecture, development and integration of e-commerce. Strong expertise and proven track record in leading transformation of traditional IT organisations.



Mr. Pushendra Singh,
Vice President, Human Resources, Asia
Started career at NTPC as management trainee after completing post-graduation in management. Also worked at Reliance Communication where he was widely acknowledged for his strategic thinking, solution orientation and logical aptitude. Awarded '20 Most Talented HR Leaders in Industry' by World HRD Congress in 2013. Currently dedicated to envision VGL as a 'Great Place to Work'.



Mr. Raj Singh,
Vice President, Supply Chain, VGL Group
Graduate in Chemistry and trained in Mechanical Maintenance. Rich career span of 22 years. Previously worked at Shrenuj & Co. Instrumental in the development of VGL's new SEZ 'Green Building' facility in Jaipur. Also credited with several path-breaking initiatives at VGL including gems-studded stainless steel jewellery, ion plating, etc, and pioneered several automation drives resulting in significant cost efficiencies.



Mr. Nitin Dugar,
Chief Operating Officer, ShopLC, USA
Science graduate and MBA from Mumbai. Worked with the marketing department of the prestigious Godrej Group. Joined the VGL Group at its Bangkok facility in 2003 and subsequently worked across its silver and gold operations. Relocated to USA in 2006 and is currently working as COO, ShopLC, where he oversees key strategic projects, new initiatives and process improvements.

Our business strategy

STRONGER COMMUNITIES THROUGH OUR FOCUSED CAPACITY-BUILDING, ECONOMIC UPLIFT AND ENVIRONMENTAL SUSTAINABILITY PROGRAMS

“We believe that our social responsibility is an integral part of our business. Our social responsibility initiatives extend to community development programs as well as ensure that our operations are sustainable and have a minimal impact on the environment.”

Sunil Agrawal

Chairman and Managing Director



Delivering joy – Through our mid-day meals program

In a distinctive social initiative, for every single item ordered by a customer, we donate a meal to a hungry child in India and the UK. We have partnered with Akshaya Patra Foundation, the world’s largest NGO that serves wholesome and nutritious meals to over 1.5 million children in over 10,000 government and non-government-aided schools in India every day. With the understanding that a nutritious meal is a strong draw for the child to attend school and continue with his/her education, we provide over 14,000 meals to 141 schools and 322 Aanganwadis around Jaipur every day. So far, we have delivered over 8.5 million meals since the launch of the program in January 2015. Going forward, our plan is to eventually extend our One for One initiative to all the communities within which we operate. With a view to extend the scope and coverage under this program, we

joined hands with Magic Breakfast, a UK charity partner for TJC One for One in December 2016. In 2016-17, under our UK charity commitment, we delivered 2,000 meals per month.



Magic Breakfast!



Magic Breakfast is a charity in the UK that provides wholesome meals to more than 31,000 children in 467 primary, secondary and special educational needs schools.



Other social initiatives

- Association with Sumedha NGO that provides scholarships for higher studies to underprivileged but bright children
- Association with Akshar Society that provides education in the slum areas of Jaipur
- Association with Manav Seva Sangh Prem Niketan Bal Mandir, a senior secondary school for upgrading the school facilities and providing mid-day meals
- Association with Manav Seva Sangh Hospital for helping spruce-up their medical facilities
- Association with Manav Seva Sangh Ashram for the welfare of senior citizens



Corporate information

Board of Directors

Sunil Agrawal (*Chairman & Managing Director*)

Rahimullah (*Whole Time Director*)

Nirmal Kumar Bardiya

Sheela Agarwal

Pulak Chandan Prasad

Santiago Roces Moran

Harsh Bahadur

James Patrick Clarke

Sunil Goyal

Purushottam Agarwal

Board Committees

Audit Committee

Sunil Goyal (*Chairman*)

Harsh Bahadur

Purushottam Agarwal

Nirmal Kumar Bardiya

Nomination, Remuneration & Compensation Committee

Sunil Goyal (*Chairman*)

Harsh Bahadur

Purushottam Agarwal

Nirmal Kumar Bardiya

Stakeholders Relationship Committee

Sunil Goyal (*Chairman*)

Harsh Bahadur

Purushottam Agarwal

Rahimullah

Corporate Social Responsibility Committee

Sunil Agrawal (*Chairman*)

Nirmal Kumar Bardiya

Harsh Bahadur

Purushottam Agarwal

Key Management Team

Puru Aggarwal, *Group Chief Financial Officer*

Kevin Lyons, *President, ShopLC, USA*

Jeff Allar, *Group Senior Vice President, Human Resources*

Vineet Vashist, *Chief Technology Officer*

Pushpendra Singh, *Vice President, Human Resources, Asia*

Raj Singh, *Vice President, Supply Chain, VGL Group*

Nitin Dugar, *Chief Operating Officer, ShopLC, USA*

Statutory Auditors

M/s Haribhakti & Co. LLP, Mumbai

M/s B. Khosla & Co., Jaipur

Secretarial Auditor

M/s JAKS & Associates, Jaipur

Internal Auditor

M/s S.S. Surana & Co., Jaipur

Principal Bankers

Punjab National Bank, Jaipur

State Bank of India, Jaipur

Union Bank of India, Jaipur

Registrar & Share Transfer Agent

M/s Kary Computershare Pvt. Ltd.

(Unit: Vaibhav Global Limited)

Kary Selenium Tower B,

Plot 31-32, Gachibowli Financial District,

Nanakramguda, Serlingampally, Hyderabad – 500 032

Tel: +91-040-67162222, Fax: +91-040-23001153

Stock Exchanges where Company's Securities are listed

BSE Limited

National Stock Exchange of India Limited

Registered Office

K- 6B, Fateh Tiba, Adarsh Nagar, Jaipur - 302004

Tel: +91-141-2601020, Fax: +91-141-2605077

Corporate Office

E-69, EPIP, Sitapura, Jaipur - 302022

Tel: +91-141-2771948, Fax: +91-141-2770510

Website

www.vaibhavglobal.com

Investor Relations Email ID

investor_relations@vaibhavglobal.com

Corporate Identity Number

L36911RJ1989PLC004945



VAIBHAV GLOBAL LIMITED

CIN: L36911RJ1989PLC004945

Registered Office: K-6B, Fateh Tiba, Adarsh Nagar, Jaipur – 302004

Tele No.: 91-141-2601020 • Fax No: 91-141-2605077

Email: investor_relations@vaibhavglobal.com • Website: www.vaibhavglobal.com

NOTICE

Notice is hereby given that the 28th Annual General Meeting (AGM) of the Members of **VAIBHAV GLOBAL LIMITED** will be held on Thursday, 7th September, 2017 at 10:00 A.M. (IST) at E-69, EPIP, Sitapura, Jaipur-302022 (Rajasthan) to transact the following business:

Ordinary Business:

1. Adoption of Financial Statements

To receive, consider and adopt the Audited Financial Statements of the Company along with Consolidated Financial Statements for the financial year ended 31st March, 2017 together with the Reports of the Board of Directors and Auditors thereon.

2. Re-appointment of Mrs. Sheela Agarwal as a Director, liable to retire by rotation

To appoint a Director in place of Mrs. Sheela Agarwal (DIN: 00178548) who retires by rotation at this Annual General Meeting and being eligible, offers herself for re-appointment.

3. To appoint Statutory Auditors and fix their remuneration

To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 and rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), M/s. B S R & Co. LLP, Chartered Accountants (ICAI Registration No.: 101248W/W-100022) be and are hereby appointed as the Statutory Auditors of the Company for a term of five years commencing from the conclusion of the 28th Annual General Meeting of the Company till the conclusion of the 33rd Annual General Meeting (subject to ratification of their appointment by the Members at every intervening Annual General Meeting held

after this Annual General Meeting) on such remuneration as may be mutually agreed upon by the Board of Directors and the Auditors.”

“RESOLVED FURTHER THAT the Board of Directors of the Company (including its Committee thereof) be and is hereby authorized to do all acts and take all such steps as may be considered necessary, proper or expedient to give effect to this Resolution.”

Special Business:

4. Re-appointment of Mr. Sunil Agrawal as Chairman and Managing Director of the Company

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

“RESOLVED THAT pursuant to the provisions of Sections 196, 197, 198 and 203 read with schedule V and other applicable provisions of the Companies Act, 2013 (the Act) and rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), and other laws rules, regulations as may be applicable, from time to time and subject to all other requisite approvals, permissions and sanctions and subject to such condition as may be prescribed by any of concerned authorities (if any), while granting such approvals, and pursuant to Articles of Association of the Company, the consent of the members be and is hereby accorded to the re-appointment of Mr. Sunil Agrawal (DIN: 00061142) as Chairman and Managing Director of the Company for a period of two years commencing from 1st February, 2017 to 31st January, 2019.”

“RESOLVED FURTHER THAT the remuneration payable to Mr. Sunil Agrawal shall not exceed the overall ceiling of the total Managerial Remuneration as provided under Section 197 of the Companies Act, 2013 or such other

limit as may be prescribed and determined by the Board of Directors.”

“RESOLVED FURTHER THAT in terms of Article 64 of the Articles of Association of the Company, as long as Mr. Sunil Agrawal continues to act as Chairman and Managing Director, his office shall not be liable to retire by rotation.”

“RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to vary/alter/amend at any time the terms and conditions of the said appointment and payment of remuneration in such manner as may be approved by the Board of Directors and acceptable to Mr. Sunil Agrawal.”

“RESOLVED FURTHER THAT the Board of Directors, Group CFO and Company Secretary/Asst. Company Secretary be and are hereby severally/ jointly authorized to settle any question, difficulty or doubt that may arise in giving effect to this resolution and to do all such acts, deeds, matters and things as may be necessary, expedient and desirable in this regard.”

5. Appointment of Mr. James Patrick Clarke as an Independent Director of the Company

To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 152, 160 and any other applicable provisions of the Companies Act, 2013 (the Act) and rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. James Patrick Clarke (DIN: 07725381) who was appointed as an Additional Director w.e.f. 7th February, 2017 pursuant to the provisions of Section 161(1) of the Act, in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as Director of the Company.”

“RESOLVED FURTHER THAT pursuant to the provisions of Sections 149 and any other applicable provisions of the Act and rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV of the Act, Mr. James Patrick Clarke (DIN: 07725381), be and is hereby appointed as an Independent Director for a term of two years commencing from 7th February, 2017 to 6th February, 2019 and whose office shall not be liable to retire by rotation.”

“RESOLVED FURTHER THAT the Board of Directors, Group CFO and Company Secretary/Asst. Company Secretary be and are hereby severally/ jointly authorized to settle any question, difficulty or doubt that may arise in giving effect to this resolution and to do all such acts,

deeds, matters and things as may be necessary, expedient and desirable in this regard.”

6. Appointment of Mr. Sunil Goyal as an Independent Director of the Company

To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 152, 160 and any other applicable provisions of the Companies Act, 2013 (the Act) and rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Sunil Goyal (DIN: 00110601) who was appointed as an Additional Director w.e.f. 8th March, 2017 pursuant to the provisions of Section 161(1) of the Act, in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as Director of the Company.”

“RESOLVED FURTHER THAT pursuant to the provisions of Sections 149 and any other applicable provisions of the Act and rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV of the Act, Mr. Sunil Goyal (DIN: 00110601), be and is hereby appointed as an Independent Director for a term of three years commencing from 8th March, 2017 to 7th March, 2020 and whose office shall not be liable to retire by rotation.”

“RESOLVED FURTHER THAT the Board of Directors and/or Group CFO and/or Company Secretary/Asst. Company Secretary be and are hereby severally/jointly authorized to settle any question, difficulty or doubt that may arise in giving effect to this resolution and to do all such acts, deeds, matters and things as may be necessary, expedient and desirable in this regard.”

7. Appointment of Dr. Purushottam Agarwal as an Independent Director of the Company

To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 152, 160 and any other applicable provisions of the Companies Act, 2013 (the Act) and rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), Dr. Purushottam Agarwal (DIN: 00272598) who was appointed as an Additional Director w.e.f. 15th May, 2017 pursuant to the provisions of Section 161(1) of the Act, in respect of whom the Company has received a notice in writing under Section

160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as Director of the Company.”

“**RESOLVED FURTHER THAT** pursuant to the provisions of Section 149 and any other applicable provisions of the Act and rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule IV of the Act, Dr. Purushottam Agarwal (DIN: 00272598), be and is hereby appointed as an Independent Director for a term of one year commencing from 15th May, 2017 to 14th May, 2018 and whose office shall not be liable to retire by rotation.”

“**RESOLVED FURTHER THAT** the Board of Directors and/or Group CFO and/or Company Secretary/Asst. Company Secretary be and are hereby severally/jointly authorized to settle any question, difficulty or doubt that may arise in giving effect to this resolution and to do all such acts, deeds, matters and things as may be necessary, expedient and desirable in this regard.”

8. Re-appointment of Mr. Santiago Rocés Moran as an Independent Director of the Company

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

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 152, 160 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 (the Act) and rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Santiago Rocés Moran (DIN: 07246975), in respect of whom the Company has received a notice in writing under Section 160 of the Act, from a member proposing his candidature for the office of Director, be and is hereby re-appointed as an Independent Director of the Company, to hold office for a term of five years i.e. from 28th July, 2017 to 27th July, 2022 and whose office shall not be liable to retire by rotation.”

“**RESOLVED FURTHER THAT** the Board of Directors, Group CFO and Company Secretary/Asst. Company

Secretary be and are hereby severally/jointly authorized to settle any question, difficulty or doubt that may arise in giving effect to this resolution and to do all such acts, deeds, matters and things as may be necessary, expedient and desirable in this regard.”

9. Re-appointment of Mr. Harsh Bahadur as an Independent Director of the Company

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

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 152, 160 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 (the Act) and rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Harsh Bahadur (DIN: 00724826), in respect of whom the Company has received a notice in writing under Section 160 of the Act, from a member proposing his candidature for the office of Director, be and is hereby re-appointed as an Independent Director of the Company, to hold office for a term of five years i.e. from 26th September, 2017 to 25th September, 2022 and whose office shall not be liable to retire by rotation.”

“**RESOLVED FURTHER THAT** the Board of Directors, Group CFO and Company Secretary/Asst. Company Secretary be and are hereby severally/jointly authorized to settle any question, difficulty or doubt that may arise in giving effect to this resolution and to do all such acts, deeds, matters and things as may be necessary, expedient and desirable in this regard.”

By order of the Board of Directors

Sd/-
Sunil Agrawal
Chairman & Managing Director
(DIN: 00061142)

Place: Jaipur
Date: 15th May, 2017

NOTES:

1. Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 in respect of item number 3 to 9 and the information required pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, regarding the Directors seeking appointment/re-appointment in the Annual General Meeting are annexed hereto and both forms part of the Notice.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT TO BE A MEMBER OF THE COMPANY. The instrument appointing a proxy, duly completed must be deposited at the Company's registered office not less than 48 hours before the commencement of the meeting. A proxy form for the AGM is enclosed.

A person can act as proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder.
3. Members/proxies should bring the duly filled attendance slip enclosed herewith to attend the meeting.
4. Corporate members intending to send their authorized representative to attend the meeting are requested to send to the Company, a certified copy of the Board Resolution authorising their representative to attend and vote at the meeting on their behalf.
5. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
6. The Register of Members and Share Transfer Books of the Company will remain closed from **Thursday, 31st August, 2017 to Thursday, 7th September, 2017 (both days inclusive)**.
7. The Register of Directors and KMP and their shareholding and Register of contracts or arrangements in which Directors are interested maintained under Sections 170 and 189 of the Companies Act, 2013 respectively will be available for inspection by the members at the AGM.
8. The copies of relevant documents are open for inspection at the Registered Office of the Company on all working days between 10.30 A.M. to 12.30 P.M. (IST) upto the date of the Annual General Meeting.
9. Members are requested to send their demat/remat applications, request for share transfers, intimation of change of address and other correspondence to the Company's Registrar and Share Transfer Agent, M/s Karvy Computershare Pvt. Ltd., Karvy Selenium Tower B, Plot 31-32, Gachibowli Financial District, Nanakramguda, Hyderabad - 500 032.
10. Members who hold shares in physical form are requested to notify immediately, any change in their addresses to the Registrar and Share Transfer Agent of the Company at the above address and to their respective depository participants, in case shares are held in electronic form.
11. Non-Resident Indian Members are requested to inform Registrar and Share Transfer Agent of the Company in any change in their residential status on return to India for permanent settlement, particulars of their bank account maintained in India with complete name, branch account type, account number and address of the bank with pin code number, if not furnished earlier.
12. The Securities Exchange Board of India (SEBI) mandates the submission of Permanent Account Number (PAN) by every participant in the securities market. The Companies Act, 2013 and rules made thereunder also require the further details to be submitted to the Company like PAN, email address, Father's/Mother's/ Spouse's name. Members holding shares in electronic form are, therefore requested to submit PAN and other details to their Depository Participants with whom they are maintaining demat accounts. Members holding shares in physical form can submit their PAN and other details to the Company's Registrar and Share Transfer Agent.
13. Members desirous of making a nomination in respect of their shareholding in the Company, as permitted under the Section 72 of the Companies Act, 2013 may do so.
14. Members wishing to claim their unpaid or unclaimed interim dividend for the financial year 2014-15 are requested to claim the same.

15. The Notice of AGM along with the Annual Report 2016-17 is being sent to all the Members whose name appear in the Register of Members/List of Beneficial Owners received from National Securities Depository Limited (NSDL) and Central Depository Services Limited (CDSL) as on 4th August, 2017 by electronic mode to those members whose email address is registered with the Company/Depositories, unless any member has requested for a physical copy of the same. For Members who have not registered their email address, physical copies are being sent by the permitted mode.
16. As a measure of austerity, copies of the Annual Report will not be distributed at the Annual General Meeting. Members are therefore requested to bring their copies of the Annual Report in the meeting.
17. The Annual Report of the Company circulated to the Members of the Company will be made available on the Company's website at www.vaibhavglobal.com.
18. We urge members to support our commitment to environmental protection by choosing their shareholding communication through email. You can do this by updating your email address with your depository participants/RTA.
19. The instruction for remote e-voting is being sent separately through permitted mode, shall form part of the Notice.
20. The route map showing direction to reach the venue of the 28th AGM is annexed at the end of the Report.

Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013

Item No. 3

This Explanatory Statement is provided though strictly not required as per Section 102 of the Act.

Pursuant to the provisions of Section 139 of the Companies Act, 2013 read with applicable Rules framed thereunder, M/s Haribhakti & Co. LLP and M/s B. Khosla & Co., Chartered Accountants, the present Joint Statutory Auditors of the Company shall complete their term as Statutory Auditors at the ensuing Annual General Meeting.

In view of the above, M/s B S R & Co. LLP, Chartered Accountants, (ICAI Registration No.: 101248W/W-100022) have been recommended by the Board for the appointment as Statutory Auditors of the Company for a term of five years commencing from the Company's financial year 2017- 2018 to hold office from the conclusion of the 28th Annual General Meeting till the conclusion of the 33rd Annual General Meeting, subject to ratification of their appointment by the Members at every intervening Annual General Meeting on a remuneration plus applicable taxes out-of-pocket expenses etc., as may be mutually agreed upon by the Board of Directors and the Auditors.

The Board recommends the given resolution for approval of the Members.

None of the Directors or Key Managerial Personnel and their relatives are concerned or interested in the Resolution.

Item No. 4

The Board of Director at its meeting held on 23rd January, 2014, approved the appointment of Mr. Sunil Agrawal as Chairman & Managing Director for a period of five years commencing

from 1st February, 2014 and shareholders' approval for the same was obtained by way of Postal Ballot on 26th March, 2014. The Company also filed an application to the Central Government seeking approval for the appointment of Mr. Sunil Agrawal as Chairman and Managing Director for a period of five years commencing from 1st February, 2014.

However, in line with newly notified Companies Act, 2013 and as a matter of abundant precaution, the Company sought approval from shareholders at their 25th Annual General Meeting held on 25th July, 2014 for the said appointment, for a period of three years commencing from 1st February, 2014. The Central Government, vide letter dated 26th December, 2014, accorded its approval for the appointment of Mr. Sunil Agrawal for a period of five years commencing from 1st February, 2014 to 31st January, 2019.

The Nomination, Remuneration and Compensation Committee at its meeting held on 30th January, 2017 evaluated the performance of Mr. Sunil Agrawal and reached to the conclusion that in view of global economic challenges and other factors, the Company is on a strong footing and Mr. Sunil Agrawal's performance as CMD is appreciable and to the satisfaction of the Committee and recommended to the Board to extend the term of appointment, as per Central Government approval, by reappointing Mr. Sunil Agrawal as Chairman & Managing Director for a further period of two years commencing from 1st February, 2017 to 31st January, 2019. Accordingly, the Board has approved the extension in the terms of appointment by reappointing him for a further period of two years and recommends the same for approval of shareholders of the Company.

The remuneration payable to Mr. Sunil Agrawal shall not exceed the overall ceiling of the total Managerial Remuneration as provided under Section 197 of the Companies Act, 2013 or such other limit as may be prescribed from time to time.

The profile and specific areas of his expertise as required under SEBI (LODR) Regulations, 2015, is provided at the end of this notice.

No Director, Key Managerial Personnel and their relatives, except Mr. Sunil Agrawal and Mrs. Sheela Agarwal being appointee and his relative, is in any way, concerned or interested in the resolution.

Item No. 5

The Board of Directors at its meeting held on 7th February, 2017 appointed Mr. James Patrick Clarke as an Additional Director in the category of Independent Director under Section 161 and 149 of the Companies Act, 2013 (the Act). In terms of Section 161(1) of the Act, an Additional Director shall hold office upto the date of next Annual General Meeting. Pursuant to Section 150(2) read with 152(2) of the Act, the appointment of the Independent Director shall be approved by the Company in the general meeting.

The Company has received a notice in writing under the provisions of Section 160(1) of the Act from a member along with a deposit of ₹1,00,000/- (One Lac only) proposing the candidature of Mr. James Patrick Clarke as an Independent Director of the Company. The Company has received the consent in writing from him to act as Director of the Company and a declaration that he is not disqualified to act as Director under Section 164(2) of the Act and meet the criteria of independence as provided in Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI (LODR) Regulations, 2015. In the opinion of the Board, Mr. James Patrick Clarke fulfils the conditions specified in the Act and he is independent of the management. The profile and specific areas of his expertise as required under SEBI (LODR) Regulations, 2015, is provided at the end of this notice. The Board has proposed to appoint him for a term of two years from 7th February, 2017 to 6th February, 2019 and recommends the given resolution for your approval.

No Director, Key Managerial Personnel and their relatives, except Mr. James Patrick Clarke being appointee, is in any way, concerned or interested in the resolution.

Item No. 6

The Board of Directors appointed Mr. Sunil Goyal as an Additional Director in the category of Independent Director under Sections 161 and 149 of the Companies Act, 2013 (the Act)

by a resolution passed by circulation on 8th March, 2017. In terms of Section 161(1) of the Act, an Additional Director shall hold office upto the date of next Annual General Meeting. Pursuant to Section 150(2) read with 152(2) of the Act, the appointment of Independent Director shall be approved by the Company in the general meeting.

The Company has received a notice in writing under the provisions of Section 160(1) of the Act from a member along with a deposit of ₹1,00,000/- (One Lac only) proposing the candidature of Mr. Sunil Goyal as an Independent Director of the Company. The Company has received the consent in writing from him to act as Director of the Company and a declaration that he is not disqualified to act as Director under Section 164(2) of the Act and meet the criteria of independence as provided in Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI (LODR) Regulations, 2015. In the opinion of the Board, Mr. Sunil Goyal fulfils the conditions specified in the Act and he is independent of the management. The profile and specific areas of his expertise as required under SEBI (LODR) Regulations, 2015, is provided at the end of this notice. The Board has proposed to appoint him for a term of three years from 8th March, 2017 to 7th March, 2020 and recommends the given resolution for your approval.

No Director, Key Managerial Personnel and their relatives, except Mr. Sunil Goyal being appointee, is in any way, concerned or interested in the resolution.

Item No. 7

The Board of Directors at its meeting held on 15th May, 2017 appointed Dr. Purushottam Agarwal as an Additional Director in the category of Independent Director under Section 161 and 149 of the Companies Act, 2013 (the Act). In terms of Section 161(1) of the Act, an Additional Director shall hold office upto the date of the next Annual General Meeting. Pursuant to Section 150(2) read with 152(2) of the Act, the appointment of Independent Director shall be approved by the Company in the general meeting.

The Company has received a notice in writing under the provisions of Section 160(1) of the Act from a member along with a deposit of ₹1,00,000/- (One Lac only) proposing the candidature of Dr. Purushottam Agarwal as an Independent Director of the Company. The Company has received the consent in writing from him to act as Director of the Company and a declaration that he is not disqualified to act as Director under Section 164(2) of the Act and meet the criteria of independence as provided in Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI (LODR) Regulations, 2015. In the opinion of the Board, Dr. Purushottam Agarwal fulfils the conditions specified in the

Act and he is independent of the management. The profile and specific areas of his expertise as required under SEBI (LODR) Regulations, 2015, is provided at the end of this notice. The Board has proposed to appoint him for a term of one year from 15th May, 2017 to 14th May, 2018 and recommends the given resolution for your approval.

No Director, Key Managerial Personnel and their relatives, except Dr. Purushottam Agarwal being appointee, is in any way, concerned or interested in the resolution.

Item No. 8

Mr. Santiago Rocés Moran is acting as an Independent Director of the Company. His current term will expire on 27th July, 2017. The Company has received a notice in writing under the provisions of Section 160(1) of the Companies Act, 2013 (the Act) from a member along with a deposit of ₹1,00,000/- (One Lac only) proposing the candidature of Mr. Santiago Rocés Moran as an Independent Director of the Company.

As per Section 149(10) of the Act an Independent Director shall hold office for a term of upto five consecutive years on the Board of a Company, but shall be eligible for re-appointment for further term of five years on passing a special resolution by the Company.

In line with the aforesaid provisions of the Companies Act, 2013 and in view of the long and rich experience and continued valuable guidance to the management and strong Board performance of Mr. Santiago Rocés Moran and on the recommendation of the Nomination, Remuneration and Compensation Committee and Board, it is proposed to re-appoint him as an Independent Director on the Board for a further term of five years commencing from 28th July, 2017 to 27th July, 2022. The Company has received the consent in writing from him to act as Director of the Company and a declaration that he is not disqualified to act as Director under Section 164(2) of the Act and meet the criteria of independence as provided in Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI (LODR) Regulations, 2015. In the opinion of the Board, Mr. Santiago Rocés Moran fulfils the conditions specified in the Act and he is independent of the management. The profile and specific areas of his expertise as required under SEBI (LODR) Regulations, 2015, is provided at the end of this notice. The Board recommends the given resolution for approval of the Members.

No Director, Key Managerial Personnel and their relatives, except Mr. Santiago Rocés Moran being appointee, is in any way, concerned or interested in the resolution.

Item No. 9

Mr. Harsh Bahadur is acting as an Independent Director of the Company. His current term will expire on 25th September, 2017. The Company has received a notice in writing under the provisions of Section 160(1) of the Companies Act, 2013 (the Act) from a member along with a deposit of ₹1,00,000/- (One Lac only) proposing the candidature of Mr. Harsh Bahadur as an Independent Director of the Company.

As per Section 149(10) of the Act an Independent Director shall hold office for a term of upto five consecutive years on the Board of a Company, but shall be eligible for re-appointment for further term of five years on passing a special resolution by the Company.

In line with the aforesaid provisions of the Companies Act, 2013 and in view of long, rich experience, continued valuable guidance to the management and strong Board performance of Mr. Harsh Bahadur and on the recommendation of the Nomination, Remuneration and Compensation Committee and Board, it is proposed to re-appoint him as an independent Director on the Board for a further term of five years commencing from 26th September, 2017 to 25th September, 2022. The Company has received the consent in writing from him to act as Director of the Company and a declaration that he is not disqualified to act as Director under Section 164(2) of the Act and meet the criteria of independence as provided in Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI (LODR) Regulations, 2015. In the opinion of the Board, Mr. Harsh Bahadur fulfils the conditions specified in the Act and he is independent of the management. The profile and specific areas of his expertise as required under SEBI (LODR) Regulations, 2015, is provided at the end of this notice. The Board recommends the given resolution for approval of the Members.

No Director, Key Managerial Personnel and their relatives, except Mr. Harsh Bahadur being appointee, is in any way, concerned or interested in the resolution.

By order of the Board of Directors

Sd/-
Sunil Agrawal
Chairman & Managing Director
(DIN: 00061142)

Place: Jaipur

Date: 15th May, 2017

Details of Directors seeking appointment/re-appointment at 28th Annual General Meeting

S. No	Name of the Director	Date of the Appointment	Brief Profile / Expertise in Specific field	Directorship held in other Listed Entities as on 31.03.2017	Membership/ Chairmanship of Committees of other Listed Entities as on 31.03.2017) ²	Number of shares held in the Company
1.	Mrs. Sheela Agarwal (DIN: 00178548)	10-11-2008	Mrs. Sheela Agarwal is an active social worker. She possesses great acumen and business understanding. She is a religious lady and is the mother of Mr. Sunil Agrawal, Chairman and Managing Director.	Nil	Nil	21,826
2.	Mr. Sunil Agrawal (DIN: 00061142)	08-05-1989	Mr. Sunil Agarwal is a commerce graduate with an MBA from Columbia University, New York (USA). A first generation entrepreneur, he established Vaibhav Enterprises in 1980 with an objective to professionalize the Gems and Jewelry Trade. He has travelled widely and garnered immense knowledge of gemstones and jewellery. He has brought this expertise to bear on the success of the company. He has represented the company at all major international trade shows and jewellery fairs and is also credited with the pioneering commercialization of popular gemstones like Tanzanite.	Nil	Nil	28,140
3.	Mr. James Patrick Clarke (DIN: 07725381)	07-02-2017	Mr. James Patrick Clarke is a Bachelor of Science from United States Military Academy, West Point, New York and MBA from Harvard University Graduate School of Business Administration, Boston. He has 26 years of rich experience in e-commerce, retail, business development, product planning, distribution warehouse, quality assurance, market analysis, process analysis & engineering, strategic analysis, distribution, supply chain and cost reduction. Mr. James has worked in Guardsmark Inc., Omni Computer Products, Employer Benefit Services, YaYa Interactive Media, American Vantage Media, Affinity Media and QVC. His last assignment was with QVC, the world's leading video and e-commerce retailer of fashion, jewelry and home products, as Chief Executive Officer, QVC China.	Nil	Nil	Nil
4.	Mr. Sunil Goyal (DIN: 00110601)	08-03-2017	Mr. Sunil Goyal has vast experience in the fields of Finance, Internal Control, Risk Assessment and Risk Management, Corporate Governance, Accounting Standards, Assurance, Banking and Insurance as well as Judicial process being member of various disciplinary committees. He has been deeply involved with setting and implementation of Accounting and Auditing Standards in India. He has authored various books and articles in leading journals. Mr. Goyal has been President of the Institute of Chartered Accountants of India in the year 2004-05 and a Council member for more than 12 years. He has been a member of the Board of Directors and/or various Committee of International Federation of Accountants, New York, an apex body of the accounting profession during 2004-08. He has also been the President of South Asian Federation of Accountants, an official accredited body of SAARC. He has also been Ex. Committee member of Confederation of Asia and Pacific Accountants, Malaysia. He is an independent director on various listed and non-listed entities. He served as independent director of United Bank of India also. He has been a member of various committee set up by Government of India relating to Accounting, Finance, Banking and Insurance in India. Mr. Goyal is a Post Graduate in Commerce and Arts, Graduate in Law, Post Graduate Diploma in Taxation and Post Graduate Diploma in Labour Laws. He is also a member of The Institute of Chartered Accountants of India, The Institute of Company Secretaries of India and The Institute of Cost & Works Accountants of India.	1. Shree Rajasthan Syntex Ltd.	1. Member Audit Committee - Shree Rajasthan Syntex Ltd.	Nil

S. No	Name of the Director	Date of the Appointment	Brief Profile / Expertise in Specific field	Directorship held in other Listed Entities as on 31.03.2017	Membership/ Chairmanship of Committees of other Listed Entities as on 31.03.2017 ²	Number of shares held in the Company
5.	Dr. Purushottam Agarwal (DIN: 00272598)	15-05-2017	<p>Dr. Purushottam Agarwal is a retired IAS officer. He comes with a rich experience of 34 years in Government Service in various capacities including general administration, finance & tax functions, industrial promotion & policy formulation, investment promotion, discharging administrative and regulatory functions including pollution control etc.</p> <p>He has been Finance Secretary (Revenue) and has served on the Board of several Public Sector Undertaking and Cooperative units as Government Nominee including Rajasthan Industrial and Infrastructure Development Corporation (RICCO), Rajasthan Finance Corporation (RFC), Ganganagar Sugar Mills, Rajasthan Small Industries Corporation, Hanumangarh Co-Operative Spinning Mills, Shriganganagar Co-Operative Cotton Complex and Jaipur Metals Limited, etc.</p> <p>Dr. Agarwal is a Gold Medalist in B.Com (Hons) from A.C. College of Commerce, Jalpaiguri. He has done his LL.B. from Delhi University, MBA from University of HULL, UK, and has also attained a Ph.D from the University of Rajasthan.</p>	1. Transcorp International Ltd	1. Member Audit Committee – Transcorp International Ltd.	Nil
6.	Mr. Santiago Rocés Moran (DIN : 07246975)	28-07-2015	<p>Mr. Santiago Rocés Moran is a Law graduate from Oviedo University School of Law, Spain and an MBA graduate from Madrid Business School, University of Houston. He has extensive turnaround strategy and start-up experience with Walmart, SUPERVALU / Save-A-Lot, Yum! Brands and Carrefour. He achieved revenue and profit objectives that required innovative strategic planning and sales/merchandising tactical programs in highly complex organizational structures. Mr. Moran has vast experience in International Market, Retail Business Models, Operational Excellence and Business Development. He has served as President and CEO – SAVE-A-LOT FOOD STORES, St. Louis, MO; Senior Vice President & General Manager – Walmart Stores Inc.; President and CEO – Walmart Korea; Chief Merchandising Officer – Walmart Argentina; and General Manager Food – Walmart Argentina and Germany.</p>	Nil	Nil	Nil

S. No	Name of the Director	Date of the Appointment	Brief Profile / Expertise in Specific field	Directorship held in other Listed Entities as on 31.03.2017	Membership/ Chairmanship of Committees of other Listed Entities as on 31.03.2017) ²	Number of shares held in the Company
7.	Mr. Harsh Bahadur (DIN: 00724826)	26-09-2015	Mr. Harsh Bahadur is MA in History from St. Stephen's College, Delhi University and MBA from Boston University, U.S.A. in 1979. He has 33 years of rich experience in the Retail, Branded FMCG, Music, Sportswear, Business services and Jewelry industries. He is currently on the Board of Indian Terrain Fashions Ltd. as an Independent Director and is also working as a senior advisor in PriceWaterhouseCoopers (PWC). Mr. Bahadur also advises Private Equity Funds and has evaluated Companies in the automobile servicing, branded food and e-commerce sectors. In past, he has worked with Hindustan Unilever for 11 years and has held the office of CEO for the RP G Music International – a group Company that owned over 80% of Indian music catalogue, focusing on marketing Indian music to the diaspora across the world for two years. In 1997, he joined the US based Sara Lee Corporation as the CEO for their food foray into India. In October 2000, he was appointed as Managing Director – India by the Dusseldorf-based Metro Group, the fourth largest retail and wholesale Company in the world, to lead the launch of this International retailer into the Indian Market. After serving Metro India as the MD for six and half years, he joined a division of Reliance Retail Initiative as the President and CEO. He also worked as General Manager, Wholesale – India for Tesco, the world's 3rd largest retailer.	1. Indian Terrain Fashions Ltd.	1. Member Audit Committee – Indian Terrain Fashions Ltd.	Nil

Note:

1. There is no inter-se relationship between board members except Mrs. Sheela Agarwal, who is the mother of Mr. Sunil Agrawal, Chairman and Managing Director.
2. Membership/Chairmanship of Committee includes Audit Committee and Stakeholders' Relationship Committee.



Board's Report

Dear Members,

The Directors have pleasure in presenting the 28th Annual Report on the affairs of the Company together with the Audited Financial Statements for the financial year ended 31st March, 2017.

Financial Performance and Highlights

The Standalone and Consolidated Audited Financial Results of the Company for the financial year ended 31st March, 2017 are as follows:

₹ in crore

Particulars	Standalone (FY.)		Consolidated (FY.)	
	2016-17	2015-16	2016-17	2015-16
Revenue from Operations and Other Income	485.03	367.99	1,452.25	1,293.57
Less: Operating Cost	442.40	329.78	1,350.53	1,218.31
Operating Profit / PBDIT	42.63	38.21	101.72	75.26
Less: Interest & Finance Charge	4.83	4.42	6.41	6.82
Less: Depreciation & Amortization Expenses	8.34	5.50	29.41	23.65
Profit Before Tax and Exceptional Items	29.46	28.29	65.90	44.79
Add: Exceptional Items	-	-	-	-
Profit Before Tax (PBT)	29.46	28.29	65.90	44.79
Less: Tax Expenses	5.82	10.14	8.14	4.97
Less: Minority Interest	-	-	0.03	-
Profit After Tax (PAT)	23.64	18.15	57.73	39.82
Less: Transfer to General Reserve	-	-	-	-
Add: Impact on inter transfer of shares & Minority Interest	-	-	-	-
Surplus	23.64	18.15	57.73	39.82

*Previous year figures have been regrouped and rearranged wherever necessary.

Business Review

Vaibhav Global Limited is an electronic retailer of fashion and lifestyle products in the US and UK markets sold on our proprietary TV shopping and web platforms with direct access to over 110 million TV households. The Company delivers deep value propositions to discount-seeking customers and has developed organically a robust B2C franchise in its focus markets. This is an achievement very few Indian companies have been able to accomplish.

The Company has expanded its portfolio, focusing on adjacent product categories that target similar market segments. While fashion jewelry forms a large part of the portfolio, the Company also sells lifestyle accessories, home textiles and cosmetics, all of which are targeted at the same customer and enables access to a larger part of the customer's shopping value pie. For more details, please refer to the Business Overview section in the Management discussion and analysis report, which forms a part of the Board's Report.

Consolidated Financial Statements

The consolidated financial statements of the Company and all the subsidiaries form a part of this Annual Report and have been prepared in accordance with Section 129(3) of the Companies Act, 2013. Also, in accordance with Section 136 of the Companies Act, 2013, the audited financial statements for the financial year ended 31st March, 2017 in respect of each subsidiary are available on the website of the Company i.e. www.vaibhavglobal.com. A copy of the said audited accounts shall be provided to shareholders upon request. A separate statement containing salient features of the financial statements in prescribed format AOC-1 is annexed as **Annexure 1** to this report. The statement also provides the details of performance and financial positions of each of the subsidiary company.

Dividend

The Board of Directors has not recommended any dividend for the financial year 2016 -17.

Transfer to Reserve

The Board of Directors does not propose to transfer any sum to the general reserve.

Particular of Loans, Guarantees and Investment

The details of loans, guarantees and investments covered under the provisions of Section 186 of the Companies Act, 2013, are given in the respective notes to the Standalone Financial Statements of the Company.

Details of Subsidiaries

The Company has the following subsidiaries and step-down subsidiaries:

Wholly-owned subsidiaries:-

- a) Genoa Jewelers Limited, British Virgin Islands, a 100% subsidiary of the Company, which in turn holds 100% in Shop LC (formerly: The Liquidation Channel) USA, The Jewellery Channel, UK and Jewel Gems USA Inc.
- b) STS Jewels Inc., USA, a 100% subsidiary of the Company, engaged in selling jewelry to departmental stores, TV channels and others in USA on a wholesale basis.
- c) STS Gems Limited, Hong Kong, a 100% subsidiary of the Company, engaged in outsourcing jewelry and lifestyle products for the group from China and Hong Kong.
- d) STS Gems Thai Limited, a 100% subsidiary of the Company, engaged in outsourcing products for the group from Thailand.
- e) STS Gems Japan Limited, a 100% subsidiary of the Company, engaged in outsourcing products for the group from Japan.

Step-down subsidiaries:-

- a) Jewel Gems USA Inc., a wholly-owned step-down subsidiary of the Company, engaged in providing call center and other support services to the VGL Group companies.
- b) The Jewellery Channel Ltd., UK (TJC UK), a wholly-owned step-down subsidiary of the Company, engaged in the sale and marketing of fashion jewelry and lifestyle accessories through electronic media and operates a dedicated 24x7 TV shopping channel and internet shopping website (www.tjc.co.uk) in the UK.
- c) Shop LC, USA (TJC USA), a wholly-owned step-down subsidiary of the Company, engaged in marketing of fashion jewelry and lifestyle accessories through electronic media and operates a dedicated 24x7 TV shopping channel and internet shopping website (www.shoplc.com) in USA.
- d) PT STS BALI, a step-down subsidiary of the Company, engaged in outsourcing products for the Group from Indonesia.

There is no associate company within the meaning of Section 2(6) of the Companies Act, 2013. There has been no material change in the nature of the business of the subsidiaries.



Change in Capital Structure

a) Conversion of Global Depository Receipts (GDRs)

During the year under review, Sonymike's Holdings Limited, a Promoter Group Company and GDR holder, has converted 3,95,000 (Three lac ninety five thousand) GDRs, convertible into 39,50,000 (Thirty nine lac fifty thousand) equity shares of ₹10/- each. Pursuant to conversion of GDRs, the aggregate shareholding of Promoter and Promoter Group increased to 2,22,21,983 (Two crore twenty two lac twenty one thousand nine hundred eighty three) equity shares as on 31st March, 2017.

b) Allotment of equity shares

During the year, the Company has allotted 30,486 equity shares of ₹10/- each to eligible employees under VGL ESOP (As Amended) 2006, through Vaibhav Global Employee Stock Option Welfare Trust, pursuant to the exercise of stock options and consequently, the paid-up equity share capital of the Company increased from ₹32,51,51,310/- (Rupees thirty two crores fifty one lac fifty one thousand three hundred and ten only) to ₹32,54,56,170/- (Rupees thirty two crores fifty four lac fifty six thousand one hundred and seventy only). Further, the Company has not issued shares with differential voting rights.

c) Reduction of Capital

During the year, the Company has set-off the accumulated losses amounting to ₹2,64,27,18,509/- (Rupees two hundred and sixty four crores twenty seven lacs eighteen thousand five hundred nine only) shown in the Surplus/(Deficit) head of Reserves & Surplus of the Company as on 31st March, 2015 against the Securities Premium Account amounting to ₹5,89,72,28,735/- (Rupees five hundred eighty nine crores seventy two lacs twenty eight thousand seven hundred thirty five only) and thereby leaving a balance amounting to ₹3,25,45,10,226/- (Rupees three hundred twenty five crores forty five lacs ten thousand two hundred twenty six only) in the Securities Premium Account in pursuance of order of the Hon'ble Rajasthan High Court, (Jaipur Bench) dated 18th November 2016 for sanctioning the Scheme of Reduction of Capital under Section 100 to 104 of the Companies Act, 1956, read with Section 52 of the Companies Act, 2013.

Employee Stock Options Under VGL ESOP (As Amended) – 2006

During the year, 5,45,178 (Five lac forty five thousand one hundred seventy eight) stock options convertible into 5,45,178 (Five lac forty five thousand one hundred seventy eight) equity shares of ₹10/- each have been granted to the eligible employees of the Company and its subsidiaries. The ESOP Scheme is in compliance with SEBI (Share Based Employee Benefits) Regulations, 2014. The detail is available on the Company's website: <http://www.vaibhavglobal.com/esop>.

Credit Rating

During the year, credit rating of the Company has been reaffirmed as CARE BBB+ (Triple B Plus) for the long-term bank facilities and CARE A2 (A Two) for short-term bank facilities.

Directors and Key Managerial Personnel (KMP)

During the financial year, the Board of Directors at its meeting held on 7th February, 2017 appointed Mr. James Patrick Clarke as an Additional Director under the category of Non-Executive Independent Director of the Company. It is proposed to appoint him as an Independent Director for a period of two years at the ensuing Annual General Meeting. The Board also appointed Mr. Sunil Goyal as an Additional Director w.e.f. 8th March, 2017 under the category of Non-Executive Independent Director of the Company by a resolution passed by circulation. It is proposed to appoint him as an Independent Director for a period of three years at the ensuing Annual General Meeting.

During the financial year, Mr. Hemant Sultania, Non-Executive Non-Independent Director and Mr. Vikram Kaushik, Independent Director on the Board of the Company have resigned w.e.f. 12th May, 2016 and 19th May, 2016, respectively. Further, Mr. Surendra Singh Bhandari, Mr. P. N. Bhandari and Mr. Mahendra Kumar Doogar, Non-Executive Independent Directors of the Company, have completed their tenure as Independent Directors on the Board of the Company on 31st March, 2017. The Board of Directors has placed on record its warm appreciation of the rich contribution made by the above Directors. Mr. Brahm Prakash, Company Secretary and Compliance officer of the Company has resigned w.e.f. 14th February, 2017.

The Board of Directors appointed Dr. Purushottam Agarwal



as an Additional Director under category of Non-Executive Independent Director on 15th May, 2017. It is proposed to appoint him as an Independent Director for a period of one year at the ensuing Annual General Meeting.

a) Board Evaluation and Remuneration Policy

Pursuant to the provisions of the Companies Act, 2013, the Board has carried out an annual performance evaluation of its own performance, that of its Committees and individual Directors. The criteria of evaluation is described in the "Report on Corporate Governance", a part of this Annual Report.

The Nomination and Remuneration Policy of the Company, containing criteria of performance evaluation of Directors and payment of remuneration, has been designed to keep pace with the dynamic business environment and market-linked positioning. The policy has been duly approved and adopted by the Board pursuant to the recommendations of the Nomination, Remuneration and Compensation Committee of the Board and forms part of this report as **Annexure 2**.

b) Board meetings

The Board of Directors met five times during the financial year 2016-17 on 19th May, 2016, 28th July, 2016, 28th October, 2016, 30th January, 2017 and 7th February, 2017. The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013 and SEBI (LODR) Regulations, 2015.

c) Declaration by Independent Directors

All Independent Directors of the Company have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013, and Regulation 16(1)(b) of SEBI (LODR), Regulations, 2015. The terms and conditions for the appointment of the Independent Directors are given on the website of the Company.

Committees of the Board

There are four committees of the Board which are as follows:

- Audit Committee
- Nomination, Remuneration & Compensation Committee
- Corporate Social Responsibility (CSR) Committee
- Stakeholders' Relationship Committee

Details of all the committees along with their composition, charters and meetings held during the year, are provided in the "Report on Corporate Governance", a part of this Annual Report.

Directors' Responsibility Statement

The Board of Directors acknowledge the responsibility for ensuring compliances with the provisions of Section 134(3)(c) read with Section 134(5) of the Companies Act, 2013, in preparation of annual accounts for the financial year ended 31st March, 2017 and state that :

- in the preparation of the annual accounts for the financial year ended 31st March, 2017, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2017 and profit of the Company for that period;
- the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- the annual accounts have been prepared on a going concern basis;
- proper internal financial controls have been laid down which are adequate and were operating effectively; and
- proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Related Party Transactions

All related party transactions entered into during the financial year were on an arm's length basis and in the ordinary course of business. There are no material significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons and their relatives which may have a potential conflict with the interest of the Company at large. Particulars of contracts or arrangements with related parties referred to Section 188(1)



of the Companies Act, 2013, in the prescribed form AOC-2 is annexed herewith as **Annexure 3**.

A list of all related party transactions is placed before the Audit Committee as well as the Board of Directors. The Audit Committee has granted omnibus approval for related party transactions as per the provisions of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015. The Board has also framed a policy on related party transactions and the same is available on the Company's website i.e. <http://www.vaibhavglobal.com/vgl-policies>.

Pursuant to the provision of SEBI (LODR) Regulations, 2015, the Board has framed a policy on Material Subsidiaries and the same is available on the Company's website i.e. <http://www.vaibhavglobal.com/vgl-policies>.

Vigil Mechanism / Whistle Blower Policy

The Company has established a Vigil Mechanism/Whistle Blower Policy to deal with instances of fraud and mismanagement, if any. The policy has a systematic mechanism for directors and employees to report concerns about unethical behavior, actual or suspected fraud or violation of the Company's code of conduct or policy. The policy is available on the Company's website at the link: <http://www.vaibhavglobal.com/vgl-policies>.

Internal Control Systems and their Adequacy

The internal control framework is designed to ensure proper safeguarding of assets, maintaining proper accounting records and providing reliable financial information and other data. This system is supplemented by internal audit, reviews by the management and documented policies, guidelines and procedures. The Company has a well-defined organizational structure, authority levels, internal rules and guidelines for conducting business transactions. The Company intends to undertake further measures as necessary in line with its intent to adhere to procedures, guidelines and regulations as applicable in a transparent manner.

M/s S.S. Surana & Co., Chartered Accountants, an external independent firm carries out the internal audit of the Company's operations and reports its findings to the Audit Committee. Internal audit also evaluates the functioning and quality of internal controls and provides assurance of its adequacy and effectiveness through periodic reporting. Internal audit is carried out as per risk-based internal audit plan which is reviewed by the Audit Committee of the Company. The Committee periodically reviews the findings and suggestions

for improvement and is apprised on the implementation status in respect of the actionable items.

Listing of Shares

The shares of the Company are listed on BSE Limited and National Stock Exchange of India Limited and the listing fee for the year 2017-18 has been duly paid.

Deposits

During the year under review, your Company has not accepted any deposit within the meaning of Section 73 and 74 of the Companies Act, 2013, read with the Companies (Acceptance of Deposits) Rule, 2014. There are no outstanding deposits as on 31st March, 2017.

Awards and Recognitions

During the year under review, your Company has received the following awards:

- a) Secured first rank for 'India Gem & Jewellery Awards 2016' in the category of 'Silver Jewellery' continuously for the fourth time by the Gems & Jewellery Export Promotion Council (GJEPC).
- b) Secured first rank for 'India Gem and Jewellery Award 2016' in the category of 'Highest CSR' for the financial year 2015-16 by the Gem & Jewellery Export Promotion Council (GJEPC).
- c) "Gold Trophy" under Northern Region Export Excellence Award for outstanding 'Export Performance' in the category of 'Top Exporter Rajasthan – Non-MSME' by Federation of Indian Export Organizations (FIEO), set up by the Ministry of Commerce, Government of India.

Extract of Annual Return

Pursuant to the provisions of Section 92(3) of the Companies Act, 2013, read with Companies (Management & Administration) Rules, 2014, an extract of the annual return in the prescribed form MGT-9 is annexed herewith as **Annexure 4**.

Auditors and Auditors' Report

A. Statutory Auditors

As per the provisions of Section 139 of the Companies Act, 2013, the term of office of M/s Haribhakti & Co. LLP, Chartered Accountants, and M/s B. Khosla & Co., Chartered Accountants, as statutory auditors of the Company will be accomplished at the conclusion of the



28th Annual General Meeting of the Company. The Board of Directors places on record its appreciation for the services rendered by M/s Haribhakti & Co. LLP and M/s B. Khosla & Co. as joint statutory auditors of the Company.

The Company has received a consent letter and eligibility certificate from M/s B S R & Co. LLP, Chartered Accountants, for the appointment as statutory auditors of the Company from the conclusion of the ensuing Annual General Meeting. Subject to the approval of the Members, the Board of Directors of the Company has recommended the appointment of M/s B S R & Co. LLP, Chartered Accountants, (ICAI Firm Registration Number 101248W/W-100022) as the statutory auditors of the Company for a period of five years from the conclusion of 28th Annual General Meeting till the conclusion of 33rd Annual General Meeting.

The statutory auditors of the Company have submitted Auditors' Report on the financial statements (standalone and consolidated) of the Company for the financial year ended 31st March, 2017. The reports do not contain any reservation, qualification or adverse remark. Information referred in the Auditors' Report are self-explanatory and do not call for any further comments.

B. Secretarial Auditor

Pursuant to the provisions of Section 204 of Companies Act, 2013, and rules made thereunder, M/s JAKS & Associates, Company Secretaries, was appointed as secretarial auditor to conduct the secretarial audit of the Company for the financial year 2016-17. The Secretarial Audit Report for the financial year 2016-17 is attached herewith as **Annexure 5**. The report does not contain any reservation, qualification or adverse remark. Information referred to in the Secretarial Auditor Report are self-explanatory and do not call for any further comments.

Investor Relations

Your Company interacted with numerous Indian and overseas investors and analysts in many ways, including one-on-one meetings, attendance at investor conferences, regular quarterly meetings and annual analyst meet, during the year. Earnings call transcripts thereof are posted on the website of the Company.

Prevention of Insider Trading

In compliance with the provisions of Securities Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, the

Board has adopted a code of conduct and code of practices and procedures for fair disclosure of unpublished price sensitive information to preserve the confidentiality of price sensitive information to prevent misuse thereof and regulate trading by insiders. The code of practices and procedures for fair disclosure of unpublished price sensitive information is also available on the Company's website i.e. www.vaibhavglobal.com

Corporate Social Responsibility (CSR)

As required under Section 135 of the Companies Act, 2013, the Board of Directors has constituted a Corporate Social Responsibility (CSR) Committee to formulate and recommend to the Board a Corporate Social Responsibility (CSR) policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013, to recommend the amount of expenditure to be incurred on the activities and to monitor the Corporate Social Responsibility policy of the Company from time to time. The composition of the CSR committee has been given in the Annual Report on CSR activities.

Your Company has contributed a sum of ₹152.25 lacs to various social institutions in the field of mid-day meals, education, health and scholarships. A report on CSR activities conducted during the year is annexed herewith as **Annexure 6**.

Particulars of Employees

The information required pursuant to Section 197(12) of the Companies Act, 2013, read with rules made thereunder as amended from time to time has been given as **Annexure 7**.

Risk Management

The Company has framed and implemented a Risk Management policy to identify the various business risks. This framework seeks to create transparency, minimize adverse impact on business objectives and enhance the Company's competitive advantage. The risk management policy defines the risk management approach across the enterprise at various levels including documentation and reporting.

Prevention of Sexual Harassment at Workplace

Your Company is fully committed to uphold and maintain the dignity of women working in the Company. Pursuant to the provisions of Section 21 of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition, Redressal) Act, 2013, the Company formulated an Anti-Sexual Harassment policy. All employees (permanent, contractual, temporary and trainees) are covered under this policy. An Internal Complaints



Committee (ICC) was set up which is responsible for redressal of complaints related to sexual harassment at the workplace. During the year under review, the Company has not received any complaint pertaining to sexual harassment.

Trade Relations

The Company maintained healthy, cordial and harmonious industrial relations at all levels. The Directors wish to place on record their appreciation for the valuable contribution by the employees of the Company.

Management Discussion and Analysis Report

The Management discussion and analysis report of the financial condition and results of operations of the Company for the year under review, as required under regulation 34(2)(e) of SEBI (LODR) Regulations, 2015, is being given separately and forms a part of this Annual Report.

Corporate Governance

A report on Corporate Governance and Certificate from the statutory auditors of the Company confirming compliance of conditions as stipulated under SEBI (LODR) Regulations, 2015, forms an integral part of this Annual Report. The Chairman & Managing Director has confirmed and declared that all the members of the Board and the senior management have affirmed compliance with the code of conduct.

Significant and Material Orders passed by the Regulators or Courts or Tribunals

There are no significant and material orders passed by the regulators or courts or tribunals which would impact the going concern status of the Company.

Significant changes occurred during the Current Year

There are no material/significant changes have occurred between the end of the financial year 2016-17 and the date of this report which may impact the financial position of the Company.

Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo

The disclosures to be made under Section 134(3)(m) of the Companies Act, 2013, read with Rule 8(3) of the Companies (Accounts) Rules, 2014, are as under:

A. Conservation of energy

The operations of the Company are not energy intensive. The Company has taken significant measures to reduce the energy consumption through the following means:

1. Installation of a 200-KW solar plant at its SEZ unit, which is synchronized with the electrical panel and reduces the Company's electricity demand from external sources. The plant meets upto 15% of the electricity needs of the Company.

2. Installation of on load tap charger (OLTC) transformer.
3. Installation of solar tubes that provide sunlight in key departments after diffusing it, thereby reducing electricity consumption.
4. Installation of efficient LEDs which provide proper lux level in low wattage and also reduce heat generation, lowering HVAC loads.
5. Installation of a 100-KLD STP plant by which the Company recycles water which is used in flushing, gardening and in the cooling tower.

B. Technology Absorption

Your Company possesses an in-house research and development wing, which is continuously working towards more efficient jewellery production, improved processes and better designs. Your Company constantly strives for the latest technology for its manufacturing processes.

The Company has taken the following initiatives:

1. The installation of an OTEC tumbler that reduce 50% work of polishing and filing for non-linking pieces.
2. The installation of an automatic die storage machine which can store around 70,000 dies, thereby reducing the time for searching the proper die & design.
3. The installation of thermal storage for HVAC in which ice is formed during the night for use during the day.

C. Foreign Exchange Earnings and Outgo

The information on foreign exchange earnings and outgo is furnished in the notes to accounts to the Standalone Financial Statements of the Company.

Acknowledgement

Your Directors acknowledge with gratitude and wish to place on record its appreciation for the dedication and commitment of the Company's employees at all levels which has continued to be our major strength.

We also take this opportunity to express our deep sense of gratitude to all government and non-government agencies, bankers and vendors for their continued support and look forward to have the same in the future too. We also express gratitude to the shareholders for reposing their unstinted trust and confidence in the management of the Company.

For and on behalf of the Board of Directors

Sd/-

Sunil Agrawal

Chairman & Managing Director

DIN: 00061142

Place: Jaipur

Date: 15th May, 2017

FORM NO. AOC - 1

(Pursuant to First Proviso to sub-section (3) of section 129 read with Rule 5 of Companies (Accounts) Rules, 2014)
Statement containing salient features of the Financial Statement of Subsidiaries/Associate Companies/Joint Ventures

Part "A": Subsidiaries

Particulars	Subsidiaries									(Amount in ₹)
	1	2	3	4	5	6	7	8	9	
Sl. No.	1	2	3	4	5	6	7	8	9	
Name of Subsidiary	STS Jewels Inc., USA	STS Gems Thai Limited, Thailand	STS Gems Hong Kong	STS Gems Japan Limited	Genoa Jewellers Limited, BVI	Pt. STS Bali	Jewel Gem USA Inc.	The Jewellery Channel limited, UK	The Jewellery Channel Inc. USA	
The date since when subsidiary was acquired	27th January, 2006	24th January, 2006	24th January, 2006	24th January, 2006	4th August, 2005	24th March, 2014 (Date of Incorporation)	31st March, 2005	15th December, 2005	30th January, 2007	
Reporting Period for the Subsidiary Concerned, if different from the holding Company's reporting period	1st April 2016 to 31st March 2017	1st April 2016 to 31st March 2017	1st April 2016 to 31st March 2017	1st April 2016 to 31st March 2017	1st April 2016 to 31st March 2017	1st April 2016 to 31st March 2017	1st April 2016 to 31st March 2017	1st April 2016 to 31st March 2017	1st April 2016 to 31st March 2017	
Reporting Currency and exchange rate as on the last date of the relevant Financial Year in the case of Foreign Subsidiaries	USD 1 = ₹64.7236	THB 1 = ₹1.8781	HKD 1 = ₹8.3290	JPY 1 = ₹0.5791	USD 1 = ₹64.7236	Rupiah 1 = ₹0.0049	USD 1 = ₹64.7236	GBP 1 = ₹80.8177	USD 1 = ₹64.7236	
Share Capital	3,23,61,780.00	6,57,34,340.00	7,28,78,452.50	4,34,33,325.00	3,03,04,62,772.77	64,71,983.82	2,13,58,774.80	58,59,28,473.11	19,41,70,680.00	
Reserves & Surplus	11,17,15,005.52	(2,94,40,138.56)	26,84,50,657.27	(4,38,56,276.98)	(1,10,19,20,328.92)	1,48,91,638.49	(16,05,46,321.33)	(49,17,28,386.39)	33,85,70,690.86	
Total Assets	60,15,73,383.33	24,55,40,828.26	73,36,97,762.55	8,339.78	1,00,84,29,496.18	4,01,34,700.55	65,43,34,121.49	89,61,99,763.89	1,74,17,14,137.06	
Total Liabilities	45,74,96,597.82	20,92,46,626.82	39,23,68,652.78	4,60,247.31	13,92,88,646.03	1,87,71,078.25	79,35,21,668.03	80,19,99,677.16	1,20,89,72,766.14	
Investments	-	-	-	28,955.55	1,05,94,01,593.70	-	-	-	-	
Turnover	1,39,46,11,771.95	47,32,15,249.28	1,68,16,49,742.09	-	-	6,70,15,825.66	1,13,36,09,318.63	3,05,94,35,442.07	9,47,57,55,022.06	
Profit Before Taxation	4,46,95,545.54	2,23,49,790.21	3,30,76,822.28	(70,780.73)	37,71,39,712.96	74,04,097.38	8,48,23,507.27	10,94,11,714.13	7,56,86,561.53	
Provision for Taxation	4,10,717.95	44,92,035.49	-	-	-	6,87,578.48	11,62,716.85	2,14,894.37	1,62,12,476.46	
Profit after Taxation	4,42,84,827.60	1,78,57,754.71	3,30,76,822.28	(70,780.73)	37,71,39,712.96	67,16,518.90	8,36,60,790.42	10,91,96,819.76	5,94,74,085.07	
Proposed Dividend	-	-	-	-	-	-	-	-	-	
% of shareholding	100%	100%	100%	100%	100%	98%	100%	100%	100%	

Note:

1. Name of Subsidiaries which are yet to commence operations: NA
2. Name of Subsidiaries which have been liquidated or sold during the year: NIL

Part "B": Associates and Joint Ventures

Statement pursuant to Section 129(3) of the companies Act, 2013 related to Associate Companies and Joint Ventures
There is no Associate company / Joint venture as on 31st March 2017

For and on behalf of the Board

PURU AGGARWAL
Group CFO

SUNIL AGRAWAL
Chairman & Managing Director
DIN: 00061142

RAHIMULLAH
Whole Time Director
DIN :00043791

Jaipur, 15th May 2017



ANNEXURE - 2

NOMINATION AND REMUNERATION POLICY

1. Introduction

In terms of Section 178 of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015, as amended from time to time, this policy on Nomination and Remuneration of Directors, Key Managerial Personnel (KMP), Senior Management and other employees of the Company has been formulated by the Nomination, Remuneration and Compensation Committee of the Company and approved by the Board of Directors vide its resolution dated 14th May, 2014 and as amended from time to time.

This policy shall act as a guideline for determining, inter-alia, qualifications, positive attributes and independence of a Director, matters relating to the remuneration, appointment, removal and evaluation of performance of the Directors, Key Managerial Personnel, Senior Management and other employees.

1.1 Objectives of the policy:

The Nomination, Remuneration and Compensation Committee shall formulate the policy:-

- i. To lay down the criteria for determining qualifications, positive attributes and independence of a director (s).
- ii. To ensure that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully. To ensure that the relationship of remuneration to performance is clear and meets appropriate performance benchmarks. To ensure that the remuneration to Directors, Key Managerial Personnel (KMP) and other employees of the Company involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals. To lay down the criteria and terms and conditions with regard to identifying persons who are qualified to become Directors (Executive and non-Executive) and persons who may be appointed in the Senior Management, Key Managerial positions and to determine their remuneration.

- iii. To determine remuneration based on the Company's size and financial position and trends and practices on remuneration prevailing in peer companies in the industry.
- iv. To lay down the criteria for performance evaluation of Independent Directors.
- v. To carry out evaluation of the performance of Individual Directors;
- vi. To retain, motivate and promote talent and to ensure long-term sustainability of talented managerial persons and create competitive advantage;
- vii. To lay down the criteria for appointment, removal of directors, Key Managerial Personnel and Senior Management Personnel; and
- viii. To devise a policy on Board diversity.

1.2 Definitions

- i. 'Act' means the Companies Act, 2013, and rules thereunder, as amended from time to time.
- ii. 'Board of Directors' or 'Board', in relation to the Company, means the collective body of the Directors of the Company.
- iii. 'Committee' means Nomination, Remuneration and Compensation Committee of the Company as constituted or reconstituted by the Board.
- iv. 'Company' means Vaibhav Global Limited.
- v. 'Directors' means Directors of the Company.
- vi. 'Independent Director' means a Director referred to in Section 149(6) of the Companies Act, 2013 read with SEBI (LODR) Regulations, 2015.
- vii. 'Key Managerial Personnel' (KMP) means:
 - a. Chief Executive Officer or Managing Director or Manager
 - b. Whole-Time Director
 - c. Chief Financial Officer
 - d. Company Secretary
 - e. Such other officer as may be prescribed



- viii. 'Ministry' means the Ministry of Corporate Affairs
- ix. 'Regulations' refers to and comprises of Companies Act, 2013, the Companies (Meeting of Board and its Powers) Rules, 2014, the Companies (Appointment and Qualification of Directors) Rules, 2014, the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 and such other rules as amended from time to time and provisions as applicable to the matters dealt in by this policy.
- x. 'Senior Management Personnel' for this purpose shall mean employees of the Company who are members of its core management team, excluding Board of Directors. It would include all members of management one level below the Executive Director(s), including the functional heads.

Words and expressions used and not defined in this policy but defined in the Companies Act, 2013 and rules made thereunder, as amended from time to time, shall have the same meaning respectively assigned to them therein.

2. Nomination, Remuneration and Compensation Committee (NRC Committee)

2.1 Constitution of NRC Committee

- (1) The Board of Directors shall constitute the NRC Committee as follows:
 - (a) the committee shall comprise of at least three Directors;
 - (b) all Directors of the committee shall be Non-Executive Directors; and
 - (c) at least fifty percent of the Directors shall be Independent Directors.
- (2) The Chairperson of the NRC Committee shall be an Independent Director.
- (3) The Chairperson of the Company, whether Executive or Non-Executive, may be appointed as a member of the NRC Committee and shall not chair such a Committee.
- (4) The Chairperson of the NRC Committee or any other member of the Committee authorised by him shall be present at the Annual General Meeting to answer shareholders' queries; however, it shall be up to the Chairperson to decide who shall answer the queries.
- (5) The committee will meet at such intervals as it deems fit to carry out the objectives set out in the policy. A minimum

of Two (2) members shall constitute a quorum for the Committee meeting.

- (6) The Company Secretary shall act as Secretary to the Committee.

2.2 Role of the NRC Committee

The role of the Committee, inter-alia, will be the following:

- (1) formulation of the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board of Directors a policy relating to the remuneration of the Directors, Key Managerial Personnel and other employees;
- (2) formulation of criteria for evaluation of performance of Independent Directors and the Board of Directors;
- (3) devising a policy on diversity of the Board of Directors;
- (4) identifying persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board of Directors their appointment and removal.
- (5) whether to extend or continue the term of appointment of the Independent Director on the basis of the report of performance evaluation of Independent Directors.

3. Applicability

This policy is applicable to:

- i. Directors viz. Executive, Non-Executive and Independent
- ii. Key Managerial Personnel
- iii. Senior Management Personnel
- iv. Other employees of the Company, as may be decided by the Board of Directors of the Company

4. Appointment of Director, KMP and Senior Management

- i. The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at the Senior Management level and recommend to the Board his/her appointment.
- ii. A person should possess adequate qualification, expertise and experience for the position he/she is considered for appointment. The Committee has the discretion to decide whether qualifications, expertise and experience possessed by a person are sufficient/satisfactory for the concerned position.



iii. Appointment of Independent Directors is subject to the compliance of provisions of Section 149 of the Companies Act, 2013 read with schedule IV and rules made thereunder and SEBI (LODR) Regulations, 2015.

5. Term / Tenure

5.1 Managing Director / Whole-Time Director

The Company shall appoint or re-appoint any person as its Executive Director, Managing Director or Whole-Time Director for a term not exceeding five years at a time.

5.2 Independent Director

Subject to the provisions of the applicable regulations, an Independent Director shall hold office for a term of up to five consecutive years on the Board of the Company.

No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after the expiry of three years of ceasing to become an Independent Director.

6. Evaluation

The Committee shall carry out evaluation of performance of every Director annually.

The Committee shall identify the evaluation criteria which will evaluate Directors based on knowledge, to perform the role, time and level of participation, performance of duties, level of oversight, professional conduct and independence.

The appointment/re-appointment/continuation of Directors on the Board shall be subject to the outcome of the yearly evaluation process.

Framework for performance evaluation of Independent Directors and the Board is as per 'Annexure A' to this policy.

7. Removal

Due to reasons for any disqualification mentioned in the Companies Act, 2013, rules made thereunder or under any other applicable Act, rules and regulations, the Committee may recommend to the Board with reasons for removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the said Act, rules and regulations.

8. Retirement

The Directors, KMP and Senior Management Personnel shall retire as per the applicable provisions of the

Companies Act, 2013 and/or prevailing policy of the Company. The Board will have the discretion to retain the Directors, KMP, Senior Management Personnel in the same position/remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

9. Matters relating to remuneration, perquisites for the Managing / Whole-time Director, KMP and Senior Management Personnel

1. The remuneration/compensation/profit related commission etc. to the Managing Director, Whole-Time Directors, Non-Executive Directors (including Independent Directors) will be determined by the committee and recommended to the Board for approval up to the limit specified under the Companies Act, 2013 and/or as approved by shareholders as may be applicable.
2. With respect to the remuneration of KMP, Senior Management Personnel and other employees, the determination shall be effected by way of presentation before the Chairman of the Board by HR Head and/or by the Chief Financial Officer, which would have the requisite details. The Chairman of the Board shall peruse the same and approve accordingly.
3. Where any insurance is taken by the Company on behalf of its Managing Director, Whole-Time Director, Director, Chief Executive Officer, Chief Financial Officer, the Company Secretary and any other employees for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel.

10. Remuneration to Whole-Time / Executive / Managing Director

10.1. Remuneration

The Managing Director/Whole-Time Director shall be eligible for remuneration as may be approved by the shareholders of the Company on the recommendation of the committee and the Board of Directors. The break-up of the pay scale, performance bonus and quantum of perquisites including employer's contribution to PF, pension scheme, medical expenses, club fees, etc. shall be decided and approved by the Board on the recommendation of the committee and shall be within the overall remuneration approved by the shareholders and central government, wherever required.



10.2. Minimum remuneration

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Managing Director and Whole-Time Directors in accordance with the provisions of the Companies Act, 2013.

10.3. Provisions for excess remuneration

If the Managing Director and any Whole-Time Director draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Companies Act, 2013, he/she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by the central government.

11. Remuneration to non-Executive/Independent Director

11.1. Sitting fees

The non-Executive/Independent Directors of the Company may receive remuneration by way of sitting fees for attending the meeting of the Board of Directors or Committee thereof, provided that the amount of such fees shall not exceed the maximum amount as provided in the Companies Act, 2013 and rules framed or such amount as may be prescribed by the central government.

11.2. Profit-linked commission

The profit-linked commission may be paid within the monetary limit approved by the shareholders of the Company as a percentage of the net profits of the Company computed as per the applicable provisions of the Companies Act, 2013 and rules framed thereunder.

11.3. Stock options

An Independent Director shall not be entitled to any stock options of the Company.

12. Remuneration to KMP, Senior Management Personnel and Other Employees

The KMP except Managing Director and Whole-Time Director, Senior Management Personnel and other employees of the Company shall be paid monthly remuneration as

per the Company's HR policies and/or as approved by the Board/Chairman of the Board on the recommendation of the committee. The break-up of the pay scale and quantum of perquisites including, employer's contribution to PF, pension scheme, medical expenses, club fees, etc. shall be as per the Company's HR policies.

The HR Head and/or the Chief Financial Officer of the Company will make presentation(s) before the Chairman of the Board which would have requisite details setting out the proposed performance bonus payouts for the current financial year as well as the proposed increments for the next financial year. The Chairman of the Board shall peruse and approve the same unless required under relevant regulations to refer the same to the Board of Directors and/or shareholders of the Company.

This Remuneration policy shall apply to all future/continuing employment/engagement(s) with the Company. In other respects, the Remuneration policy shall be of guidance for the Board. Any departure from the policy shall be recorded and reasoned in the Committee and Board meeting minutes.

The remuneration for KMP and Senior Managerial Personnel and other employees of the Company shall be approved by the Chairman of the Board based on the recommendation/presentation by the HR Head and/or the Chief Financial Officer of the Company. In case any of the relevant regulations require that remuneration of KMPs or any other officer is to be specifically approved by the Committee and/or the Board of Directors then such approval will be accordingly procured.

13. Amendments to the policy

The Board of Directors on its own and /or as per the recommendations of NRC committee can amend this policy as and when it deems fit.

In case of any amendment(s), clarification(s), circular(s), etc. issued by the relevant authorities not being consistent with the provisions laid down under this policy, then such amendment(s), clarification(s), circular(s), etc. shall prevail upon the provisions hereunder and this policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s), etc.

**ANNEXURE - 3****FORM NO. AOC – 2**

(Pursuant to Clause (h) of Sub-Section (3) of Section 134 of the Companies Act, 2013, and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangement entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto

1. Details of Contracts or Arrangements or transaction not at arm's length basis:

a	b	c	d	e	f	g	h
Name(s) of Related Party and Nature of relationship	Nature of Contracts / Arrangements/ Transactions	Duration of Contracts/ Arrangements/ Transactions	Salient term of Contracts/ Arrangements/ Transactions, including value, if any	Justification for entering into such contracts or arrangements or transactions	Date(s) of approval by the Board	Amount paid as advances, if any	Date on which special resolution was passed in general meeting as required under first proviso to section 188
N.A							

2. Details of Material Contracts or Arrangements or Transactions at arm's length basis:

a	b	c	d	e	f
Name(s) of Related Party and Nature of relationship	Nature of Contracts / Arrangements/ Transactions	Duration of Contracts/ Arrangements/ Transactions	Salient term of Contracts/ Arrangements/ Transactions, including value, if any	Date of approval by the Board, if any	Amount paid as advances, if any
The Jewellery Channel Inc. (100% step down Subsidiary)	Purchase	Ongoing	120 Days for Payment from the Date of Invoice ₹95,64,078	N.A	N.A
	Sales	Ongoing	180 Days for Payment from the Date of Invoice ₹1,27,09,56,533	N.A	N.A
STS Gems Ltd. (100% Subsidiary)	Purchase	Ongoing	120 Days for Payment from the Date of Invoice ₹26,05,75,394	N.A	N.A
	Sales	Ongoing	180 Days for Payment from the Date of Invoice ₹25,68,43,763	N.A	N.A
STS Gems Thai Ltd. (100% Subsidiary)	Purchase	Ongoing	120 Days for Payment from the Date of Invoice ₹12,57,49,528	N.A	N.A
	Sales	Ongoing	180 Days for Payment from the Date of Invoice ₹1,38,56,634	N.A	N.A
STS Jewels Inc. (100% Subsidiary)	Purchase	Ongoing	120 Days for Payment from the Date of Invoice ₹22,49,22,770	N.A	N.A
	Sales	Ongoing	180 Days for Payment from the Date of Invoice ₹74,76,77,997	N.A	N.A
The Jewellery Channel Limited (100% step down Subsidiary)	Purchase	Ongoing	120 Days for Payment from the Date of Invoice ₹15,917,810	N.A	N.A
	Sales	Ongoing	180 Days for Payment from the Date of Invoice ₹64,55,09,724	N.A	N.A
Jewel Gem USA Inc. (100% step down Subsidiary)	Sales	Ongoing	180 Days for Payment from the Date of Invoice ₹1,04,76,84,600	N.A	N.A

Sd/-

Sunil Agrawal

Chairman & Managing Director

DIN:00061142

Place: Jaipur

Date: 15th May, 2017

ANNEXURE - 4

FORM NO. MGT-9
EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31st March, 2017

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies
(Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

i	CIN	L36911RJ1989PLC004945
ii	Registration date	8th May, 1989
iii	Name of the Company	Vaibhav Global Limited
iv	Category/sub-category of the Company	Company Limited by Shares
v	Address of the Registered Office and contact details	K-6B, Fateh Tiba, Adarsh Nagar, Jaipur – 302004 Tel. No.: 91-141-2601020; Fax No.: 91-141-2605077 Email: investor_relations@vaibhavglobal.com Website: www.vaibhavglobal.com
vi	Whether listed Company	Yes
vii	Name, address and contact details of the Registrar and Share Transfer Agent	Karvy Computershare Pvt. Ltd. Karvy Selenium Tower B, Plot No. 31–32, Gachibowli Financial District, Nanakramguda, Hyderabad – 500 032 Tel No.: 91-40-67162222; Fax No.: 91-40-23001153 Email: einward.ris@karvy.com Website: www.karvycomputershare.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

All the business activities contributing 10% or more of the total turnover of the Company shall be stated:-

Sl. No.	Name and description of the main products/services	NIC code of the product/service	% of the total turnover of the company
1	Manufacturing and exports of all kinds of jewellery, coloured gemstones, precious and semi-precious stones and studded jewellery.	321	97.00

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

Sl. No.	Name and address of the Company	CIN/GLN	Holding/Subsidiary/Associate	% of shares held	Applicable Section
1.	Genoa Jewelers Limited Drake Chambers, Road Town, Tortola, BVI	Foreign Company	Wholly-owned subsidiary	100%	2(87)
2.	STS Jewels Inc. 100 Michael Angelo Way, Suite 400 D, Austin Texas-78728, USA	Foreign Company	Wholly-owned Subsidiary	100%	2(87)
3.	STS Gems Limited Unit 614, 6/F Heng Ngai Jewelry Centre, No. 4, Hokyuen Street East, Hungghom, Kowloon, Hong Kong	Foreign Company	Wholly-owned subsidiary	100%	2(87)
4	STS Gems Thai Limited 919/390 Jewelry Trade Center Building 31 Floor, Silom Road, Silom, Bangrak, Bangkok-10500	Foreign Company	Wholly-owned subsidiary	100%	2(87)



Sl. No.	Name and address of the Company	CIN/GLN	Holding/Subsidiary/ Associate	% of shares held	Applicable Section
5.	STS Gems Japan Limited 602 Kotokudo Building, 5-7-7 UENO, TAITO-KU TOKYO – 110-0005	Foreign Company	Wholly-owned subsidiary	100%	2(87)
6	Jewel Gems USA Inc. 100 Michael Angelo Way, Suite-400 D, Austin Texas-78728, USA	Foreign Company	Step-down subsidiary	100% through subsidiary company	2(87)
7	The Jewellery Channel Ltd. Surrey House, Plane Tree, Crescent, Feltham TW13 7HF, UK	Foreign Company	Step-down subsidiary	100% through subsidiary company	2(87)
8	The Jewelry Channel Inc. 100 Michael Angelo Way, Suite 400 D, Austin Texas-78728, USA	Foreign Company	Step-down subsidiary	100% through subsidiary company	2(87)
9.	P T STS Bali Jl. Sekar Tunjung No. 6A, Ds Kesiman, Kertalangu Denpasar, Bali	Foreign Company	Step-down subsidiary	98% through subsidiary company	2(87)

IV. SHAREHOLDING PATTERN (Equity share capital break-up as a percentage of the total equity)

(i) Category-wise shareholding :

Category of shareholders	No. of shares held at the beginning of the year				No. of shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
A) Promoters									
(1) Indian									
a) Individual/ HUF	38,52,013	-	38,52,013	11.85	36,95,013	-	36,95,013	11.35	(0.49)
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt.(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	84,19,124	-	84,19,124	25.89	85,64,124	-	85,64,124	26.31	0.42
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other	-	-	-	-	-	-	-	-	-
Sub-total (A)(1):-	1,22,71,137	-	1,22,71,137	37.74	1,22,59,137	-	1,22,59,137	37.67	(0.07)
(2) Foreign									
a) NRIs-Individuals	37,206	-	37,206	0.11	44,206	-	44,206	0.14	0.02
b) Other-Individuals	-	-	-	-	-	-	-	0.00	-
c) Bodies Corp.	59,68,640	-	59,68,640	18.36	99,18,640	-	99,18,640	30.48	12.12
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-	-	-
Sub-total (A)(2):-	60,05,846	-	60,05,846	18.47	99,62,846	-	99,62,846	30.61	12.14
Total shareholding of Promoter	1,82,76,983	-	1,82,76,983	56.21	2,22,21,983	-	2,22,21,983	68.28	12.07
(A) = (A)(1) + (A)(2)									
B. Public Shareholding									
(1) Institutions									
a) Mutual Funds	150	-	150	0.00	99,396	-	99,396	0.31	0.30
b) Banks/FI	3,095	-	3,095	0.01	430	-	430	0.00	(0.01)
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt. (s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	61,52,219	-	61,52,219	18.92	58,74,699	-	58,74,699	18.05	(0.87)
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-

Category of shareholders	No. of shares held at the beginning of the year				No. of shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
i) Others (Specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	61,55,464	-	61,55,464	18.93	59,74,525	-	59,74,525	18.36	(0.57)
(2) Non-Institutions									
a) Bodies Corp.									
i) Indian	11,29,674	600	11,30,274	3.48	6,95,330	600	6,95,930	2.14	(1.34)
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individual									
i) Individual shareholders holding nominal share capital up to ₹1 lakh	9,17,301	37,073	9,54,374	2.94	8,88,476	29,157	9,17,633	2.82	(0.12)
ii) Individual shareholders holding nominal share capital in excess of ₹1 lakh	12,61,187	-	12,61,187	3.88	19,19,746	-	1,91,97,46	5.90	2.02
c) Others (specify)									
i) Clearing Members	5,545	-	5,545	0.02	36,359	-	36,359	0.11	0.09
ii) Non-Resident Indians	7,33,262	2,700	7,35,962	2.26	7,43,818	2,700	7,46,518	2.29	0.03
iii) Trusts	16,074	-	16,074	0.05	10,803	-	10,803	0.03	(0.02)
iv) NBFCs Registered with RBI	29,268	-	29,268	0.09	22,120	-	22,120	0.07	(0.02)
Sub-total (B)(2):-	40,92,311	40,373	41,32,684	12.71	43,16,652	32,457	43,49,109	13.36	(11.50)
Total Public Shareholding (B)=(B)(1)+ (B)(2)	1,02,47,775	40,373	1,02,88,148	31.64	1,02,91,177	32,457	1,03,23,634	31.72	0.24
C. Shares held by Custodian for GDRs & ADRs	39,50,000	-	39,50,000	12.15	-	-	-	-	(12.15)
Grand Total (A+B+C)	3,24,74,758	40,373	3,25,15,131	100.00	3,25,13,160	32,457	3,25,45,617	100.00	-

(ii) Shareholding of Promoters:

Sl. No.	Shareholder name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of shares	% of total shares of the Company	% of shares pledged / encumbered to total shares	No. of shares	% of total shares of the Company	% of shares pledged / encumbered to total shares	
1	Sonymike's Holdings Ltd.	59,68,640	18.36	-	99,18,640	30.48	-	12.12
2	Brett Plastics Pvt. Ltd.	28,54,516	8.78	-	85,64,124	26.31	-	17.54
3	Nirmal Kumar Bardiya	17,91,628	5.51	-	17,91,628	5.50	-	(0.01)
4	Rahimullah	12,36,500	3.80	-	11,86,500	3.65	-	(0.16)
5	Deepti Agrawal	6,36,854	1.96	-	5,29,854	1.63	-	(0.01)
6	Kusum Bardiya	1,65,205	0.51	-	1,65,205	0.51	-	(0.00)
7	Sunil Agrawal	28,140	0.09	-	28,140	0.09	-	(0.00)
8	Sheela Agarwal	21,826	0.07	-	21,826	0.07	-	(0.00)
9	Sanjeev Agrawal	8,320	0.03	-	8,320	0.03	-	(0.00)
10	Harsh Agrawal	0	0.00	-	7,000	0.02	-	0.02
11	Neil Agrawal	746	0.00	-	746	0.00	-	(0.00)
12	Shivram Global Pvt. Ltd.	53,11,865	16.34	-	0	0.00	-	(16.34)
13	Reengus Exim Pvt. Ltd.	1,38,100	0.42	-	0	0.00	-	(0.42)
14	Krishkin Impex Pvt. Ltd.	65,000	0.2	-	0	0.00	-	(0.20)
15	STP Exim Pvt. Ltd.	49,643	0.15	-	0	0.00	-	(0.15)

The shareholding of promoters given in Sr. nos. 12 to 15 was transferred on 1st April, 2016 to the promoter specified at Sr. No. 2 due to merger.



(iii) Change in Promoters' shareholding (please specify, if there is no change)

Sl. No.	Shareholder name	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of share capital	No. of shares	% of share capital
1	Sonymike's Holdings Limited				
	At the beginning of the year	59,68,640	18.36	59,68,640	18.36
	21/04/2016 (GDR conversion)	39,50,000	12.15	99,18,640	30.50
	At the end of the year			99,18,640	30.48
2	Brett Plastics Pvt. Ltd.				
	At the beginning of the year	28,54,516	8.78	28,54,516	8.78
	01/04/2016 (transfer from Shivram Global Pvt. Ltd., Reengus Exim Pvt. Ltd., Kirshkin Impex Pvt. Ltd., and STP Exim Pvt. Ltd. due to merger)	55,64,608	17.11	84,19,124	25.89
	22/08/2016 (market purchase)	25,000	0.08	84,44,124	25.96
	04/11/2016 (market purchase)	1,00,000	0.31	85,44,124	26.26
	16/11/2016 (market purchase)	10,000	0.03	85,54,124	26.30
	22/11/2016 (market purchase)	10,000	0.03	85,64,124	26.33
	At the end of the year			85,64,124	26.33
3	Nirmal Kumar Bardiya				
	At the beginning of the year	17,91,628	5.51	17,91,628	5.51
	Increase / Decrease		No change		
	At the end of the year			17,91,628	5.50
4	Rahimullah				
	At the beginning of the year	12,36,500	3.80	12,36,500	3.80
	09/11/2016 (market sale)	(50,000)	(0.15)	1,186,500	3.65
	At the end of the year			1,186,500	3.65
5	Deepti Agrawal				
	At the beginning of the year	6,36,854	1.96	6,36,854	1.96
	04/11/2016 (market sale)	(1,00,000)	(0.31)	5,36,854	1.65
	21/11/2016 (Gift to Hursh Agrawal)	(7,000)	(0.02)	5,29,854	1.63
	At the end of the year			5,29,854	1.63
6	Kusum Bardiya				
	At the beginning of the year	1,65,205	0.51	1,65,205	0.51
	Increase / Decrease		No Change		
	At the end of the year			1,65,205	0.51
7	Sunil Agrawal				
	At the beginning of the year	28,140	0.09	28,140	0.09
	Increase / Decrease		No Change		
	At the end of the year			28,140	0.09
8	Sheela Agarwal				
	At the beginning of the year	21,826	0.07	21,826	0.07
	Increase / Decrease		No Change		
	At the end of the year			21,826	0.07
9	Sanjeev Agrawal				
	At the beginning of the year	8,320	0.03	8,320	0.03
	Increase / Decrease		No Change		
	At the end of the year			8,320	0.03
10	Hursh Agrawal				
	At the beginning of the year	0	0.00	0	0.00

Sl. No.	Shareholder name	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of share capital	No. of shares	% of share capital
	21/11/2016 (Gift from Deepti Agrawal)	7,000	0.02	7,000	0.02
	At the end of the year			7,000	0.02
11	Neil Agrawal				
	At the beginning of the year	746	0.00	746	0.00
	Increase / Decrease		No Change		
	At the end of the year			746	0.00
12	Shivram Global Pvt. Ltd.				
	At the beginning of the year	53,11,865	16.34	53,11,865	16.34
	01/04/2016 (Transfer to Brett Plastics Pvt. Ltd. due to merger)	(53,11,865)	(16.34)	0	0
	At the end of the year			0	0.00
13	Reengus Exim Pvt. Ltd.				
	At the beginning of the year	1,38,100	0.42	1,38,100	0.42
	01/04/2016 (Transfer to Brett Plastics Pvt. Ltd. due to merger)	(1,38,100)	(0.42)	0	0.00
	At the end of the year			0	0.00
14	Krishkin Impex Pvt. Ltd.				
	At the beginning of the year	65,000	0.20	65,000	0.20
	01/04/2016 (Transfer to Brett Plastics Pvt. Ltd. due to merger)	(65,000)	(0.20)	0	0.00
	At the end of the year			0	0.00
15	STP Exim Pvt. Ltd.				
	At the beginning of the year	49,643	0.15	49,643	0.15
	01/04/2016 (Transfer to Brett Plastics Pvt. Ltd. due to merger)	(49,643)	(0.15)	0	0.00
	At the end of the year			0	0.00

(iv) Shareholding pattern of the Top-10 shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.	Shareholder name	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of share capital	No. of shares	% of share capital
1	Nalanda India Fund Limited				
	At the beginning of the year	41,10,600	12.64	41,10,600	12.64
	Increase / Decrease		No Change		
	At the end of the year			41,10,600	12.63
2	Malabar India Fund Limited				
	At the beginning of the year	5,61,585	1.73	5,61,585	1.73
	08/04/2016 (market purchase)	6,748	0.02	5,68,333	1.75
	15/04/2016 (market purchase)	11,543	0.04	5,79,876	1.79
	22/04/2016 (market purchase)	3,970	0.01	5,83,846	1.80
	29/04/2016 (market purchase)	21,609	0.07	6,05,455	1.87
	06/05/2016 (market purchase)	14,614	0.04	6,20,069	1.91
	13/05/2016 (market purchase)	21,041	0.06	6,41,110	1.97
	20/05/2016 (market purchase)	30,337	0.09	6,71,447	2.07
	27/05/2016 (market purchase)	37,179	0.11	7,08,626	2.18
	02/09/2016 (market purchase)	50,000	0.15	7,58,626	2.33
	09/09/2016 (market purchase)	11,763	0.04	7,70,389	2.37



Sl. No.	Shareholder name	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of share capital	No. of shares	% of share capital
	16/09/2016 (market purchase)	5,781	0.02	7,76,170	2.39
	23/09/2016 (market purchase)	1,703	0.01	7,77,873	2.40
	30/09/2016 (market purchase)	860	0.00	7,78,733	2.40
	14/10/2016 (market purchase)	1,553	0.00	7,80,286	2.40
	21/10/2016 (market purchase)	3,212	0.01	7,83,498	2.41
	28/10/2016 (market purchase)	3,503	0.01	7,87,001	2.42
	11/11/2016 (market purchase)	28,333	0.09	8,15,334	2.51
	25/11/2016 (market purchase)	24,165	0.07	8,39,499	2.58
	02/12/2016 (market purchase)	11,390	0.04	8,50,889	2.62
	09/12/2016 (market purchase)	8,209	0.03	8,59,098	2.64
	16/12/2016 (market purchase)	3,397	0.01	8,62,495	2.65
	23/12/2016 (market purchase)	2,839	0.01	8,65,334	2.66
	At the end of the year			8,65,334	2.66
3	Panyaek Jainkijmanee				
	At the beginning of the year	4,21,137	1.30	4,21,137	1.30
	Increase / Decrease		No Change		
	At the end of the year			4,21,137	1.29
4	Vijay Kishanlal Kedia*				
	At the beginning of the year	0	0.00	0	0.00
	12/08/2016 (market purchase)	4,056	0.01	4,056	0.01
	19/08/2016 (market purchase)	1,746	0.01	5,802	0.02
	26/08/2016 (market purchase)	18,456	0.06	24,258	0.07
	02/09/2016 (market purchase)	45,915	0.14	70,173	0.22
	16/09/2016 (market purchase)	1,186	0.00	71,359	0.22
	23/09/2016 (market purchase)	12,968	0.04	84,327	0.26
	30/09/2016 (market purchase)	2,922	0.01	87,249	0.27
	07/10/2016 (market purchase)	10,358	0.03	97,607	0.30
	14/10/2016 (market purchase)	8,582	0.03	1,06,189	0.33
	21/10/2016 (market purchase)	9,236	0.03	1,15,425	0.35
	28/10/2016 (market purchase)	1,644	0.01	1,17,069	0.36
	04/11/2016 (market purchase)	11,906	0.04	1,28,975	0.40
	11/11/2016 (market purchase)	3,593	0.01	1,32,568	0.41
	10/02/2017 (market purchase)	75,270	0.23	2,07,838	0.64
	17/02/2017 (market purchase)	3,893	0.01	2,11,731	0.65
	24/02/2017 (market purchase)	6,381	0.02	2,18,112	0.67
	03/03/2017 (market purchase)	19,570	0.06	2,37,682	0.73
	10/03/2017 (market purchase)	13,116	0.04	2,50,798	0.77
	17/03/2017 (market purchase)	79,202	0.24	3,30,000	1.01
	24/03/2017 (market purchase)	5,000	0.02	3,35,000	1.03
	31/03/2017 (market purchase)	10,000	0.03	3,45,000	1.06
	At the end of the year			3,45,000	1.06
5	Grandeur Peak International Opportunities Fund				
	At the beginning of the year	2,58,200	0.79	2,58,200	0.79
	Increase/ Decrease		No Change		
	At the end of the year			2,58,200	0.79

Sl. No.	Shareholder name	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of share capital	No. of shares	% of share capital
6	Grandeur Peak Emerging Markets Opportunities Fund				
	At the beginning of the year	2,51,319	0.77	2,51,319	0.77
	Increase/ Decrease			No Change	
	At the end of the year			2,51,319	0.77
7	Hem Chand Jain				
	At the beginning of the year	1,63,031	0.50	1,63,031	0.50
	20/05/2016 (market purchase)	8,162	0.03	1,71,193	0.53
	27/05/2016 (market purchase)	8,020	0.02	1,79,213	0.55
	03/06/2016 (market purchase)	67,409	0.21	2,46,622	0.76
	17/06/2016 (market sale)	(12,605)	(0.04)	2,34,017	0.72
	26/08/2016 (market sale)	(8,212)	(0.03)	2,25,805	0.69
	02/09/2016 (market purchase)	5,195	0.02	2,31,000	0.71
	23/09/2016 (market purchase)	47,931	0.15	2,78,931	0.86
	20/01/2017 (market purchase)	69	0.00	2,79,000	0.86
	17/02/2017 (market sale)	(73,579)	(0.23)	2,05,421	0.63
	At the end of the year			2,05,421	0.63
8	Amit Kumar Dugar				
	At the beginning of the year	1,72,274	0.53	1,72,274	0.53
	Increase/Decrease			No Change	
	At the end of the year			1,72,274	0.53
9	Grandeur Peak Global Opportunities Fund*				
	At the beginning of the year	1,58,363	0.49	1,58,363	0.49
	Increase/Decrease			No Change	
	At the end of the year			1,58,363	0.49
10	Mentor Capital Limited*				
	At the beginning of the year	1,55,075	0.48	1,55,075	0.48
	Increase/Decrease			No Change	
	At the end of the year			1,55,075	0.48
11	Matthews India Fund#				
	At the beginning of the year	5,00,000	1.54	5,00,000	1.54
	25/11/2016 (market sale)	(1,301)	(0.00)	4,98,699	1.54
	23/12/2016 (market sale)	(309)	(0.00)	4,98,390	1.54
	30/12/2016 (market sale)	(1,249)	(0.00)	4,97,141	1.54
	06/01/2017 (market sale)	(1,509)	(0.01)	4,95,632	1.53
	13/01/2017 (market sale)	(11,562)	(0.04)	4,84,070	1.49
	20/01/2017 (market sale)	(23,950)	(0.07)	4,60,120	1.42
	27/01/2017 (market sale)	(12,458)	(0.04)	4,47,662	1.38
	03/02/2017 (market sale)	(7,075)	(0.02)	4,40,587	1.36
	10/02/2017 (market sale)	(129,149)	(0.40)	3,11,438	0.96
	17/02/2017 (market sale)	(6,964)	(0.02)	3,04,474	0.94
	24/02/2017 (market sale)	(7,840)	(0.02)	2,96,634	0.92
	03/03/2017 (market sale)	(29,268)	(0.09)	2,67,366	0.82
	10/03/2017 (market sale)	(5,285)	(0.02)	2,62,081	0.80



Sl. No.	Shareholder name	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of share capital	No. of shares	% of share capital
	17/03/2017 (market sale)	(97,859)	(0.30)	1,64,222	0.50
	24/03/2017 (market sale)	(16,102)	(0.04)	1,48,120	0.46
	31/03/2017 (market sale)	(63,664)	(0.20)	84,456	0.26
	At the end of the year			84,456	0.26
12	Runner Marketing Pvt. Ltd.#				
	At the beginning of the year	3,00,000	0.92	3,00,000	0.92
	26/08/2016 (market sale)	(1,50,000)	(0.46)	1,50,000	0.46
	21/10/2016 (market purchase)	50,000	0.15	2,00,000	0.61
	18/11/2016 (market sale)	(50,000)	(0.15)	1,50,000	0.46
	At the end of the year			1,50,000	0.46
13	Vibgyor Investors and Developers Pvt. Ltd.#				
	At the beginning of the year	185,000	0.57	1,85,000	0.57
	08/04/2016 (market sale)	(25,000)	(0.08)	1,60,000	0.49
	22/04/2016 (market sale)	(70,000)	(0.22)	90,000	0.27
	20/05/2016 (market sale)	(40,000)	(0.12)	50,000	0.15
	27/05/2016 (market sale)	(50,000)	(0.15)	0	0.00
	At the end of the year			0	0.00

- *Not in the list of the top-10 shareholders as on 01-04-2016. The same has been reflected above since the shareholder was one of the top-10 shareholders as on 31-03-2017.
- # Ceased to be in the list of the top-10 shareholders as on 31-03-2017. The same is reflected above since the shareholder was one of the top-10 shareholders as on 01-04-2016.
- The data for Sale/Purchase in shareholding is taken from weekly BenPos received from depositories.

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	Name of Directors and KMPs	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of share capital	No. of shares	% of share capital
1.	Sheela Agarwal, Director				
	At the beginning of the year	21,826	0.07	21,826	0.07
	Increase / Decrease	No Change			
	At the end of the year			21,826	0.07
2.	Rahimullah, Whole Time Director				
	At the beginning of the year	12,36,500	3.80	12,36,500	3.80
	09/11/2016 (market sale)	(50,000)	(0.15)	11,86,500	3.65
	At the end of the year			11,86,500	3.65
3.	Nirmal Kumar Bardiya, Director				
	At the beginning of the year	17,91,628	5.51	17,91,628	5.51
	Increase / Decrease	No Change			
	At the end of the year			17,91,628	5.50
4.	Sunil Agrawal, Chairman & Managing Director				
	At the beginning of the year	28,140	0.09	28,140	0.09
	Increase / Decrease	No Change			
	At the end of the year			28,140	0.09

Sl. No.	Name of Directors and KMPs	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of share capital	No. of shares	% of share capital
5.	Puru Aggarwal, Group CFO				
	At the beginning of the year	0	0.00	0	0.00
	21/07/2016 (market purchase)	4,830	0.01	4,830	0.01
	At the end of the year			4,830	0.01
6.	Brahm Prakash, Company Secretary*				
	At the beginning of the year	1,600	0.00	1,600	0.00
	Increase / Decrease		No Change		
	At the end of the year			1,600	0.00

Note: The following directors did not hold any share during the financial year 2016-17

1. Mr. Surendra Singh Bhandari 2. Mr. P.N. Bhandari 3. Mr. Pulak Chandan Prasad 4. Mr. Mahendera Kumar Doogar
5. Mr. Santiago Roces Moran 6. Mr. Harsh Bahadur 7. Mr. James Patrick Clarke 8. Mr. Sunil Goyal

*Mr. Brahm Prakash, Company Secretary has resigned w.e.f. 14th February, 2017

(V) INDEBTEDNESS:

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(Amount in ₹)

Particulars	Secured Loans excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
(i) Principal amount	93,42,41,125	-	-	93,42,41,125
(ii) Interest due but not paid	-	-	-	-
(iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	93,42,41,125	-	-	93,42,41,125
Change in indebtedness during the financial year				
Addition				
Reduction	21,05,08,470	-	-	21,05,08,470
Net change	21,05,08,470	-	-	21,05,08,470
Indebtedness at the end of the financial year				
(i) Principal amount	72,37,32,655	-	-	72,37,32,655
(ii) Interest due but not paid	-	-	-	-
(iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	72,37,32,655	-	-	72,37,32,655



**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:****A. Remuneration to Managing Director, Whole-Time Directors and/or Manager:**

(Amount in ₹)

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount
		Mr. Sunil Agrawal, Chairman & MD	Mr. Rahimullah, Whole Time Director	
1.	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	42,00,000	42,00,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission - as % of profit	-	-	-
5.	Others	-	-	-
	Total (A)	-	42,00,000	42,00,000

B. Remuneration to other Directors:

(Amount in ₹)

Sl. No.	Particulars of Remuneration	Name of Directors							Total Amount
		Mr. S. S. Bhandari ¹	Mr. M. K. Doogar ¹	Mr. P.N. Bhandari ¹	Mr. Harsh Bahadur	Mr. Santiago Roces Moran	Mr. James Patrick Clarke ²	Mr. Sunil Goyal ³	
1.	Independent Directors								
	Fee for attending Board/Committee meetings	7,65,000	5,40,000	7,65,000	2,25,000	-	-	-	22,95,000
	Commission	4,35,000	-	-	9,75,000	33,15,797	10,75,750	-	58,01,547
	Others, please specify	-	-	-	-	-	-	-	-
	Total (1)	12,00,000	5,40,000	7,65,000	12,00,000	33,15,797	10,75,750	-	80,96,574
2.	Other non-Executive Directors	Mrs. Sheela Agarwal		Mr. Pulak Chandan Prasad		Mr. Nirmal Kumar Bardiya			Total Amount
	Fee for attending Board/Committee meetings		3,75,000		-			4,55,000	8,30,000
	Commission		-		-				-
	Others		-		-				-
	Total (2)		3,75,000		-			4,55,000	8,30,000
	Total (B) = (B)(1)+(B)(2)								89,26,547

¹ Mr. S. S. Bhandari, Mr. M. K. Doogar and Mr. P. N. Bhandari completed the tenure of Independent Directors on 31st March, 2017.² Mr. James Patrick Clarke was appointed w.e.f 7th February, 2017.³ Mr. Sunil Goyal was appointed w.e.f 8th March, 2017.

Note: The remuneration paid to Executive and non-Executive Directors are within the ceiling under Section 197 read with Schedule V of the Companies Act, 2013 and shareholders' approval.

C. Remuneration to Key Managerial Personnel other than MD/MANAGER/WTD:

(Amount in ₹)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		Total Amount
		Mr. Puru Aggarwal, Group CFO	Mr. Brahm Prakash, Company Secretary ¹	
1.	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	69,42,352	10,34,368	94,76,720
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission			
	- as % of profit	15,00,000	-	15,00,000
5.	Others	-	-	-
	Total	84,42,352	10,34,368	1,09,76,720

¹ Mr. Brahm Prakash, Company Secretary, resigned w.e.f 14th February, 2017.

(VII) PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief description	Details of penalty/punishment/compounding fees imposed	Authority [RD/NCLT/COURT]	Appeal made,
A. COMPANY					
Penalty					
Punishment			NIL		
Compounding					
B. DIRECTORS					
Penalty					
Punishment			NIL		
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment			NIL		
Compounding					

**ANNEXURE - 5****SECRETARIAL AUDIT REPORT**

For the financial year ended on 31st March, 2017

[Pursuant to section 204(1) of the Companies Act, 2013, and Rule No. 9 of the Companies
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
VAIBHAV GLOBAL LIMITED

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Vaibhav Global Limited (hereinafter called the Company).

Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2017, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanisms in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by M/s. Vaibhav Global Limited ("the Company") for the financial year ended on 31st March, 2017 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;

- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA'), and the rules made thereunder;
- (iii) The Depositories Act, 1996, and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999, and the rules and regulations made thereunder to the extent of Foreign Direct Investment and Overseas Direct Investment and External Commercial Borrowings; there was no FDI, ODI and ECBs during the period under review except the money received through Trust against issue of shares to employees of foreign subsidiaries of the Company under ESOP.
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009. There was no issue of securities during the period under review except issue of shares under ESOP.



- (d) The Securities and Exchange Board of India (Share based Employee Benefits) Regulations, 2014.
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008. Not applicable to the company during the period under review.
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009. Not applicable to the company during the period under review.
- (h) The Securities and Exchange Board of India (Buy Back of securities) Regulations, 1998. Not applicable to the company during the period under review.
- (vi) As informed and certified by the management, there are no laws that are specifically applicable to the company based on their sector/industry.

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with Bombay Stock Exchange (BSE) and National Stock Exchange of India Ltd. (NSE) and SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that:-

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during

the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all Directors to schedule the Board meetings, agenda and detailed notes on agenda, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period Hon'ble Rajasthan High Court (Jaipur Bench) vide order dated 18th November, 2016 has sanctioned the "Scheme of Reduction of Capital" under Section 100 to 104 of the Companies Act, 1956 read with Section 52 of the Companies Act 2013 for setting off of ₹2,64,27,18,509/- (Rupees two hundred and sixty four crores twenty seven lacs eighteen thousand five hundred nine only) of accumulated losses against the Securities Premium Account. The Company has filed the copy of the said order with the Registrar of Companies, Rajasthan, within time.

This Report is to be read with our letter of even date which is annexed as "Annexure A" and forms as an integral part of this report.

For **JAKS & Associates**
Company Secretaries
 FRN: P2014RJ033600

B K Sharma
Partner

Place: Jaipur
 Date: 15th May, 2017

M. No.: FCS - 6206
 COP No.: 12636

*'ANNEXURE A'*

To,
The Members,
VAIBHAV GLOBAL LIMITED

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on the test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices we followed provide reasonable basis of our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company. We have relied upon the Report of Statutory Auditors regarding compliance of Companies Act, 2013, and Rules made thereunder relating to maintenance of Books of Accounts, papers and financial statements of the relevant Financial Year, which give a true and fair view of the state of the affairs of the company.
4. We have relied upon the Report of Statutory Auditors regarding compliance of Fiscal Laws, like the Income Tax Act, 1961 and Finance Acts, the Customs Act, 1962, the Central Excise Act, 1944, and Service Tax.
5. Wherever required, we have obtained the Management representation about the compliances of laws, rules and regulations and happening of events etc.
6. The compliances of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination is limited to the verification of procedures on test basis.
7. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For **JAKS & Associates**
Company Secretaries
FRN: P2014RJ033600

B K Sharma
Partner

Place: Jaipur
Date: 15th May, 2017

M. No.: FCS - 6206
COP No.: 12636



ANNEXURE - 6

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES 2016-17

1. A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and reference to the web-link to the CSR policy and projects or programs [Refer to CSR activities mentioned in Management discussion and analysis (MDA) report]

The CSR policy is available on the Company's web link: <http://www.vaibhavglobal.com/vgl-policies>

2. **Composition of Corporate Social Responsibility Committee*:**

Sl. No.	Name of Director	Category	Position
1.	Mr. Sunil Agrawal	Executive Director	Chairman
2.	Mr. Nirmal Kumar Bardiya	Non-Executive Non-Independent Director	Member
3.	Mr. Harsh Bahadur	Non-Executive Independent Director	Member
4.	Dr. Purushottam Agarwal	Non-Executive Independent Director	Member

*Re-constituted Corporate Social Responsibility (CSR) Committee w.e.f 15th May, 2017

3. Average net profit of the Company for the last three financial years:
Average Net Profit/(Loss): ₹4,071.88 lacs
4. Prescribed CSR expenditure (Two percent of the amount as in item 3 above): ₹81.44 lacs
5. Detail of CSR spends for the financial year:
 - a. Total amount spent for the financial year: ₹152.25 lacs
 - b. Amount unspent, if any: N.A.



c. The manner in which the amount was spent during the financial year is detailed below:

(₹ in lacs)

1	2	3	4	5	6	7	8
Sr. no.	CSR project or activity identified	Sector in which the project is covered	Projects or programs (1) Local area or other (2) Specify the state and district where projects or programs were undertaken	Amount outlay (budget) project or program-wise	Amount spent on projects or programs Sub-heads: (1) Direct expenditure on project or programs (2) Overheads:	Cumulative expenditure up to the reporting period	Amount spent: Direct or through implementing agency
1	Promoting education through schools and other organization	Support schools for meeting expenses relating to educational aids and other expenses	Jaipur, Rajasthan	0.05	0.05	0.05	Through implementing agency (ITSEWA Federation, Rajasthan Unit, Jaipur)
2	Eradicating hunger, poverty and malnutrition	Providing mid-day meals through recognized trusts and other institutions	Jaipur, Rajasthan	131.34	131.34	131.39	Through implementing agency (Akshya Patra Foundation, Jaipur)
3	Eradicating hunger, poverty and malnutrition	Providing mid-day meals through recognized trusts and other institutions	Jaipur, Rajasthan	9.96	9.96	141.35	Through implementing agency, (Manav Seva Sangh Prem Niketan Bal Mandir)
4	Promoting healthcare including preventive healthcare facilities to the society through recognized trusts or societies and hospitals	Taking care of old age people	Jaipur, Rajasthan	5.70	5.70	147.05	Through implementing agency (Prem Niketan Ashram, Durgapura, Jaipur)
5	Promoting education through schools and other organisation	Support schools for meeting expenses relating to educational aids and other expenses	Jaipur, Rajasthan	1.80	1.80	148.85	Through implementing agency (Akshar Society, Jaipur)
6	Promoting healthcare including preventive healthcare facilities to the society through recognized trusts or societies and hospitals	Taking care of old age people	Jaipur, Rajasthan	2.40	2.40	151.25	Through implementing agency (Parem Niketan Hospital, Durgapura, Jaipur)
7	Promoting education through schools and other organisation	Support needy and meritorious students	Jaipur, Rajasthan	1.00	1.00	152.25	Through implementing agency (Sumedha, Jaipur)
Total						152.25	

6. Responsibility statement:

The responsibility statement of the Corporate Social Responsibility (CSR) Committee of the Board of Directors of the Company is given below:

We hereby affirm that the CSR policy, as approved by the Board, has been implemented and the CSR committee monitors the implementation of CSR projects and activities in compliance with our CSR objectives.

Sd/-

Sunil Agrawal

Chairman of CSR Committee

DIN: 00061142



ANNEXURE - 7

PARTICULAR OF EMPLOYEES

(A) Information as per Rule 5(1) of the Companies
(Appointment and Remuneration of Managerial Personnel) Rules, 2014

1. Ratio of Remuneration of Directors to Median Remuneration of employee

Name	Designation	Ratio of remuneration to MRE ¹	% increase /(decrease) in remuneration ²
Mr. Rahimullah	Whole Time Director	21.00	0.00
Mrs. Sheela Agarwal	Non-Executive Non-Independent Director	1.88	(16.67)
Mr. Nirmal Kumar Bardiya	Non-Executive Non-Independent Director	2.28	5.81
Mr. Santiago Rocés Moran	Independent Director	16.58	0.00
Mr. Surendra Singh Bhandari	Independent Director	6.00	0.00
Mr. Mahendra Kumar Doogar	Independent Director	2.70	(37.21)
Mr. P. N. Bhandari	Independent Director	3.83	(24.26)
Mr. Harsh Bahadur	Independent Director	6.00	0.00
Mr. James Patrick Clarke ³	Independent Director	5.38	NA

¹ Including sitting fees and profit-related commission paid during the financial year 2016-17. MRE – Median Remuneration of Employees.

² Based on annualized remuneration including sitting fees and profit-related commission.

³ Mr. James Patrick Clarke was appointed w.e.f 7th February, 2017.

- The percentage increase in gross remuneration of Group CFO and Company Secretary was 9.10% and 5% respectively during the year.
- The median remuneration of employees was ₹2,00,400 as on 31st March, 2017 and ₹1,74,600 as on 31st March, 2016. There was an increase in MRE during the financial year 2016-17 of 14.8%.
- The number of permanent employees on the rolls of Company was 1,079 employees as on 31st March, 2017.
- Average salary increase of non-managerial employees was 12.84%. There was no increase in the remuneration of managerial personnel during the year 2016-17. There are no exceptional circumstances in increase in managerial remuneration.
- Remuneration paid during the financial year ended 31st March, 2017 is as per the Remuneration Policy of the Company.



**(B) Information as per Rule 5(2) of the Companies
(Appointment and Remuneration of Managerial Personnel) Rules, 2014**

a) Details of Top Ten employees in terms of remuneration drawn during the year ended 31.03.2017

Sl. No.	Employee name	Designation	Remuneration received (CTC)*	Date of commencement of employment	Educational qualification	Age (years)	Experience (in years)	Last employment
1	Mr. Puru Aggarwal	Group CFO	1,25,42,080	26-Aug-15	C.M.A, C.A, C.S	50	20	M/S Teva India Pvt. Ltd.
2	Mr. Pushpendra Singh	Vice President HR	45,91,140	1-Dec-12	M.B.A, L.L.B	47	22	Kalpataru Group
3	Mr. Koteswara Rao Nallapu	General Manager - IT	43,40,000	7-Oct-15	M.B.A, B.E.	47	21	Infosys Ltd.
4	Mr. Rahimullah	Whole-Time Director	42,00,000	25-Jan-99	B. Com	61	43	Self-employed
5	Mr. Raj Kumar Singh	Vice President -Supply Chain Management	36,00,000	9-Mar-11	M.B.A, B.Sc.	47	23	Steckbeck Jewellery Pvt. Ltd.
6	Mr. Alok Dadheech	Assistant General Manager – Corporate MIS	28,00,000	20-Feb-17	C.A.	36	10	BSR & Co. LLP
7	Mr. Kedar Suresh Raul	General Manager – Operations	20,00,000	1-Dec-16	B.E.	42	19	Gitanjali Gems Ltd
8	Mr. Anshuman Khandelwal	Assistant General Manager – Finance & Accounts	19,54,080	1-Mar-11	C.A, M.B.A	37	13	Deloitte Touche Tohmatsu India Pvt. Ltd.
9	Mr. Chandrashekhar Tanwani	Senior Manager – IT	19,13,640	13-Jan-14	M.Tech	51	23	Progression Infonet Pvt. Ltd.
10	Mr. Girdhari Lal Sharma	General Manager – Finance & Accounts	19,03,400	08-May-89	B.Com	56	35	Vaibhav Enterprises

*Based on annualized salary

Note:

1. All employments are contractual, terminable by notice from either side.
 2. No employee of the Company holds such percentage of equity shares within the meaning of clause (iii) of rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, except Mr. Rahimullah, Whole-Time Director of the Company, who holds 3.64% of equity shares of the Company.
 3. No employee is a relative of any Director or manager of the Company.
- b) i)** Mr. Puru Aggarwal, Group CFO, was in receipt of remuneration for the year in excess of the limit as specified under Rule 5(2)(i) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, details given in Sr. No. (1) of the above table.
- ii)** There was no employee in receipt of remuneration as mentioned in Rule 5(2)(iii) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, except Mr. Puru Aggarwal, Group CFO, Mr. Pushpendra Singh, Vice President HR and Mr. Koteswara Rao, General Manager (IT) of the Company, the details of which are given at Sr. no. 1, 2 and 3 of the above table.



Management Discussion and Analysis

Industry Structure and Developments

In 2017, the global economic conditions appear to be on firm ground having put behind the turbulence of the US elections and 'Brexit'. In the US, the strengthening labour market added 181,000 jobs on an average every month while disposable personal income was up 3.8% in 2016. US Consumer confidence surged to a more than 16-year-high in March 2017, jumping 9.5 points to 125.6. The UK also seemed to have improving consumer confidence in GFK's index, coming in at -6 for March 2017, compared to -8 in November 2016. UK retail sales were up 3.4% in 2016 standing at €388 billion with 12% online retail sales. US retail sales stood at \$4,758 billion growing at an average rate of 4% in 2016. US e-commerce contributed 8% of retail sales in 2016 with sales at \$395 billion. With these positive indicators suggesting a good time ahead for the retail industry, VGL is certain to benefit from this in the near future.

According to a recent report by Euromonitor International, jewellery is the best performing personal accessories segment with global sales of over \$316 billion in 2016. It is also the fastest growing segment (both fine and fashion jewellery) within the personal accessories space, growing at 3% through 2015 to 2016.

The same report highlighted that online jewellery retailing grew 15% YoY in 2016 and has become an increasingly attractive channel for fashion jewellery sales which grew 12% over the previous year. Online sales of fashion jewellery is expected to grow to 15% by 2020, bulk of which will come from affordable branded jewellery. As you are aware, VGL has taken quite a few initiatives over the past year or so to strengthen its online

presence and increase customer engagement through this sales channel. The increasing use of mobile technology is an additional factor in making online retailing attractive and convenient. We envision mobile sales contributing more significantly to our online sales in the future and have recently launched mobile applications for our shopping channels/websites.

In their report on the future of Jewellery:2020, McKinsey clearly explains how it sees the jewellery industry heading the same way as apparels through rapid globalization and brand evolution. The 10 biggest groups account for a mere 12% of the worldwide jewellery market; ergo they are still fairly local. Branded jewellery still makes up only 20% of the overall market which McKinsey expects to reach up to 40% by 2020 with a major thrust from consumers looking for an aspirational lifestyle and young customers looking at brands as a form of self-expression. Vaibhav Global Limited is happy to report that our in-house brands have been well-received by our consumers and so has the recently concluded brand evolution of The Liquidation Channel to ShopLC in the US.

Overall, the retail industry is largely dependent on macro-economic factors such as GDP, disposable income and consumer spending but with levers in affordable branding, sales channel experience and also consumer aspiration. Consumers will continue to drive growth in organized retail by expanding the market and compelling retailers to widen their offerings in terms of brands and variety. As developed countries emerge from economic and political uncertainty and as unemployment rates begin to decline, the retail industry is experiencing clear signs of growth.

**Sources:**

- <https://www2.deloitte.com/us/en/pages/consumer-business/articles/retail-distribution-industry-outlook.html>
- <http://www.reuters.com/article/us-usa-economy-idUSKBN16Z1MX>
- <https://www.bea.gov/newsreleases/national/pi/2017/pi1216.htm>
- <http://www.gfk.com/insights/press-release/uk-consumer-confidence-stays-at-6-in-march-1/>
- <http://researchbriefings.parliament.uk/ResearchBriefing/Summary/SN02818>
- <http://www.retailerconomics.co.uk/library-retail-stats-and-facts.asp>
- https://www.census.gov/retail/mrts/www/data/pdf/ec_current.pdf
- <http://www.businesswire.com/news/home/20160718005552/en/Jewellery-Records-316-Billion-Sales-2016-15>
- <http://www.mckinsey.com/industries/retail/our-insights-a-multifaceted-future-the-jewelry-industry-in-2020>

Business Overview

Vaibhav Global is an electronic retailer of fashion and lifestyle products in the US and UK markets, sold on our proprietary TV shopping and web platforms with direct access to over 110 million TV households. The Company delivers deep value proposition to discount-seeking customers and has developed a robust B2C franchise in its focus markets organically. This is an achievement very few Indian companies have been able to accomplish.

The Company has expanded its portfolio, focusing on adjacent product categories that target similar market segments. While fashion jewelry forms a large part of the portfolio, the Company also sells lifestyle accessories, home textiles and cosmetics, all of which are targeted at the same customer and enable access to a larger part of the customer's shopping value pie.

Products sold in developed markets are either sourced from micro-markets across India, China, Thailand and Indonesia, or manufactured at the Company's facilities located in Jaipur, India.

During 2016-17, revenues were up by 12.8% YoY at ₹1,440 crore. During the last couple of years, we focused on upgrading the technological infrastructure along with other strategic areas of our business to keep our market and competitive moat intact. These changes and the pick-up in consumer confidence are the two major reasons for such a stellar show by your Company during the year. Retail revenues increased by 8% over the last year, while wholesale revenues were up 57% YoY. EBITDA margin for the year was at 7.3% of revenues compared with

5.6% in the previous year. This was the impact of higher topline and your Company's cost-effective operations, which helped your Company utilize its operating leverage during the year. With a healthy topline growth, profit after tax (before exceptional items) was 4% of revenues at ₹58 crore.

In 2016-17, realizations were consciously reduced over the year to achieve a 'sweet-spot' to drive volume growth and robust customer acquisition. TV realizations declined slightly to \$23.6 compared with \$24 in the previous year. Web realizations increased to \$17 compared with \$15. Going forward, our objective would be to maintain realizations at near current levels across an expanded portfolio of products and categories as we believe we are at optimum levels to serve our customers' demand and aspirations.

The year under review witnessed cash flows soar and return to the levels enjoyed by a free cash-generating business like ours with operating cash flow at ₹88 crore and free cash-flow at ₹58 crore. As a consequence of our customer-centric initiatives such as easy returns policy and installment payment, we had invested in additional working capital float, which is now rationalized and absorbed into the business. We believe that the emergence of free cash flow is a good indicator of the business' health and your Company should sustain this in the future too given that all major capital expenditure has been completed over the last couple of years. These investments have already started bearing fruit and should continue to support our endeavors to build enduring relationships with our customers based on our shared love for exquisite designs of exceptional quality at outstanding price value.

CSR activities

Vaibhav Global believes that Corporate Social Responsibility (CSR) delivered in the context of its business makes it more effective and sustainable. The Company is sensitive to the needs of the local community and the impact of its operations on them. As a responsible corporate citizen, our CSR strategy complements our business philosophy and objectives. The Company ensures community ownership in all its initiatives and helps manage self-supportive community-based institutions. We encourage collaboration with various NGOs to support our CSR initiatives at the Group level. During the period under review, the Company contributed a sum of ₹152.25 lacs to various social institutions in the areas of mid-day meal, education, health and scholarships. The main beneficiaries have been Akshaya Patra Foundation, Manav Seva Sangh Prem Niketan Ashram/Bal Mandir/Hospital, Akshar Society and Sumedha. At the Group level, the following major initiatives are being undertaken:



- VGL sponsors one Akshaya Patra mid-day meal for every item sold on The Jewellery Channel, a step-down subsidiary, UK, and is currently feeding 14,400 students every day.
- The mid-day meal programme spans 141 schools in Jaipur with 10+ vehicles providing logistical support.
- Donation of ₹1,00,000 to Sumedha, a NGO that strives for an inclusive society and promotes equal opportunity for all, by supporting the needy meritorious students through higher education scholarships.
- Donation of ₹1,80,000 to Akshar Society which promotes education in slums and other underdeveloped areas.

SWOT Analysis

Strengths

- Exclusive end-to-end business model covering the entire electronic retail industry across the US and the UK, delivering strong growth momentum, expanding marketshare, maintaining stable margins and generating robust cash flows.
- Low-cost operations at both the retail and manufacturing levels.
- Efficient sourcing units that allow expansion in other product categories.
- Successful homegrown brands such as ILIANA, Rhapsody, J. Francis, Karis, Elanza, Strada, Genoa and Eon 1968.
- Successful in-house curated collections such as Royal Jaipur, Tribal Jewels of India, Treasures of the Orient, Bali Legacy, D'Italia, Milaan, etc.
- Exclusive designer brands such as Guiseppe Perez, Jewel Studio by Prachi, Jewel Studio by Shweta, Rachel Galley, Lucy Q, etc.
- Scalable business model with limited capex requirements.
- Strong managerial and talent pool across operations, technical and strategy functions.
- In-depth knowledge and vast experience in the jewellery and retail markets.
- Highly experienced senior management team and Board of Directors.
- ISO 9001:2008-certified world-class gems and jewellery manufacturing facility.

Weaknesses

- Exposure to foreign exchange and raw material price instabilities.

- Fewer cutting-edge technologies when compared with European jewellery manufacturing countries like Italy, Spain and France.

Opportunities

- Large potential of increasing revenue per household.
- Deeper penetration into adjacent product categories.
- Launch of mobile commerce applications that add a new dimension to our customer engagement initiatives.
- Faster electronic retail segment growth vis-à-vis the overall retail segment (in target markets).
- Strengthening asset base with the latest manufacturing and product development technologies.
- Reinforcing the low price point 'discount' model in both the US and the UK markets, which should receive stronger traction as 'value' retailers have always done well in any market cycle.
- Potential to replicate the end-to-end discount electronic retail business model in other developed and developing countries.

Threats

- Increase in rough and gemstones prices.
- Low-cost end-to-end business model being adopted by existing or new competitors.

Outlook

With improved consumer sentiment in the US and the UK, along with the robust all-round growth seen by the business in the year gone by, we are confident of sustaining this growth momentum in the years ahead. Going forward, our endeavor will be to develop a loyal consumer base through our deep value proposition and customer obsessiveness. We will focus on our chosen markets to improve our market penetration through deeper customer engagement and more compelling lifestyle offerings. Our retail units have been able to carve out a niche brand following and we will continue to evolve them as we did with ShopLC (formerly The Liquidation Channel) branding campaigns in the US.

As with any growing business, we will continue to engage in selective investments. However, most major investments over the last couple of years are already complete and this has been evident in the emergence of free cash flow.

Today, we believe that the Company is one of few Indian companies to successfully create a strong, respected and sizeable B2C franchisee in developed markets globally. This



also makes us unique from the consumer's perspective as our extreme cost-consciousness translates into better value in our products, thereby deepening the relationship. Given that most of the initiatives of the past have been completed successfully, we see strong reasons to achieve reasonable growth over a period of time and deliver consistent value to our shareholders.

Risk and concerns

The Company is exposed to various risks which are normal in any business enterprise. Accordingly, the Company has a strong risk management policy in place which is developed by taking into cognizance all potential risks. The risk management system enables the Company to recognize and analyze risks early and take appropriate action to overcome or minimize the same. The business risks and opportunities so identified are integrated into the business plan and a detailed action plan to mitigate the identified business risks is thereafter drawn up and its implementation monitored.

Internal control system and their adequacy

The internal control framework is designed to ensure proper safeguarding of assets, maintaining proper accounting records and providing reliable financial information and other data. This system is supplemented by internal audit, reviews by the management and documented policies, guidelines and procedures. The Company has a well-defined organizational structure, authority levels and internal rules and guidelines for conducting business transactions. The Company intends to undertake further measures as necessary in line with its intent to adhere to procedures, guidelines and regulations as applicable, in a transparent manner.

M/s S.S. Surana & Co., Chartered Accountants, an external independent firm carries out the internal audit of the Company operations and reports its findings to the Audit Committee. Internal audit also evaluates the functioning and quality of internal controls and provides assurance of its adequacy and effectiveness through periodic reporting. Internal audit is carried out as per risk-based internal audit plan which is reviewed by the Audit Committee of the Company. The committee periodically reviews the findings and suggestions for improvement and is apprised on the implementation status in respect of the actionable items.

Discussion on financial performance with respect to operational performance

On a consolidated basis, the Company recorded total operating revenues of ₹1,440 crore in 2016-17, an increase of 12.8%

compared with ₹1,276 crore achieved in 2015-16. The Company registered a net profit of ₹58 crore in 2016-17 as compared with ₹40 crore for the financial year 2015-16. The increase in profit is mainly due to higher revenues and operational efficiencies.

A. Retail via a 24x7 TV shopping network

TV home shopping sales comprises 70% of the total retail sales through live shows on all major cable, satellite and DTH platforms. Your Company sold 6.1 million pieces during the year under review against 5.9 million pieces during the last year. Average selling price per piece was \$24.5 as compared with \$24.4 in the previous year.

B. Web sales

Almost 18% of total sales came from the web which increased from ₹223 crore in 2015-16 to ₹250 crore in 2016-17. Web sales comprise catalogue sales, rising auction and live TV streaming. Volumes under this segment declined marginally from 2.3 million pieces in 2015-16 to 2.1 million pieces in 2016-17, mostly due to increased average selling price per piece at \$17 as compared with \$15 in the previous year.

C. B2B sales

B2B sales comprise wholesale distribution to various retail chains in the US and the UK as well as opportunistic sale of rough gemstones to various manufacturers. B2B sales stood at ₹190 crore for the financial year under report as compared with ₹120 crore in the previous financial year, increasing almost 56% due to improved selling to major retail chains in these markets.

Development plans

We are keen to invest in expanding marketing, operations, human capital, facilities and technologies to build the infrastructure that will enable us to meet customer expectations by delivering a deep value proposition to discount-seeking consumers.

Human resources, material developments and industrial relations, including the number of people employed

Your Company recognizes the importance of human capital and continues its focus on development of human resources which is one of its most critical assets. The Company firmly believes that engaged and competent employees are critical to fulfill business objectives and hence, all the HR initiatives are



aimed at creating alignment and stimulation so that employees can fulfill their potential and deliver value for the enterprise.

We continuously aim to provide career development and growth opportunities to our teams. We provide dual opportunities for people to grow in the managerial and technical capabilities aligned with their career aspirations. Your Company is committed to create an environment of learning and development, promote internal talent and develop cross-functional expertise.

Your Company has embarked on several human resource initiatives to enhance the productivity of the organization and each individual. It has laid down high emphasis on driving an effective and transparent performance culture. Top performers and high achievers are recognized for their exemplary performance as part of our rewards and recognition program.

In order to enhance employee motivation and build a performance-driven culture, the HR team pursued numerous employee engagement programs and cultural and sports initiatives. Our people-oriented HR practices enable the Company to attract and retain the best available talent. Some of these initiatives include:

- i) Establishing 'Delivering Joy' as the Company's core purpose
- ii) Organising regular medical examinations for all employees
- iii) Nurturing employee-community engagement through the SDMH blood donation camp (on 30th April, 2016) and Mehek Diya Foundation blood donation camp (on 13th May, 2016)
- iv) Possessing an Employees Stock Option Plan (ESOP)
- v) Providing performance-based incentives and suggestions-based rewards
- vi) Grooming potential talent as the second level of managers at all units, locations and functions towards succession planning
- vii) Fostering a learning organization by exposure to innovative leadership development programs partnering with the University of Wisconsin, USA, and an Executive education program in partnership with Lynda.com
- viii) Conducting employee engagement surveys in all countries where we have a major presence through a global tie-up with 'Great Place to Work'; STS Gems was recognized as a 'Great Place to Work' in Greater China

- ix) Enhancing management trainee leadership development program
- x) Rewarding employees who have obtained qualifications while working in the Company
- xi) Identifying and strengthening capabilities through a 360-degree appraisal system
- xii) Training and employing the differently-abled in association with Youth for Jobs (NGO)
- xiii) Encouraging employee performance through weekly quality awards
- xiv) Celebrating festivals like Christmas and functions like Children's Day, Women's Day, etc. with employees and their families

Your Company continued to maintain amicable industrial relations by focusing on increased worker-level engagements through both formal and informal communication and training forums.

As on 31st March, 2017, the Company had 3,824 workforce which will increase in line with the growing business aspirations in the current fiscal year.

Disclaimer clause

Statements in the Management discussion and analysis report describing the Company's objectives, projections, estimates, expectations or predictions may be forward-looking statements within the meaning of applicable securities laws and regulations. Actual results could differ materially from those either expressed or implied. Important factors that could make a difference to the Company's operations include, among others, economic conditions affecting demand/supply and price conditions, variation in prices of raw materials, changes in government regulations, tax regimes, economic developments and other incidental factors.

For and on behalf of the Board of Directors

Place: Jaipur
Date: 15th May, 2017

Sd/-
Sunil Agrawal
Chairman & Managing Director
DIN: 00061142



Corporate Governance Report



1. Statement on Company's philosophy on Code of Governance

Corporate Governance is the application of best management practices, compliances of law and adherence to ethical standards to achieve the Company's objectives of enhancing shareholder value and discharging social responsibilities. Adopting high standards gives comfort to all existing and potential stakeholders including government and regulatory authorities, customers, suppliers, bankers, employees and shareholders.

Your Company believes in adopting and adhering to the best standards of Corporate Governance. Vaibhav Global Limited's philosophy on Corporate Governance enshrines the goal of achieving the highest levels of transparency, disclosures, accountability and equity in all spheres of its operations.

Your Company is committed towards transparency in all its dealings and places high emphasis on business principles and believes good Corporate Governance goes beyond working results and financial priority and is a pre-requisite for the attainment of excellent performance.

2. Board of Directors Composition

The Board of Directors has an optimum combination of Executive, Non-executive and Independent Directors. The composition of the Board and category of Directors during the financial year 2016-17 are as follows:

Category	No. of Directors	Name of Directors	Promoter / Promoter Group
Executive Directors	2	Mr. Sunil Agrawal ¹	Yes
		Mr. Rahimullah ²	Yes
Non – Executive Non – Independent Directors	4	Mr. Nirmal Kumar Bardiya	Yes
		Mrs. Sheela Agarwal	Yes
		Mr. Pulak Chandan Prasad	No
		Mr. Hemant Sultania ³	No
Independent Directors	8	Mr. Vikram Kaushik ⁴	No
		Mr. Surendra Singh Bhandari ⁵	No
		Mr. Mahendra Kumar Doogar ⁵	No
		Mr. P.N. Bhandari ⁵	No
		Mr. Santiago Roces Moran	No
		Mr. Harsh Bahadur	No
		Mr. James Patrick Clarke ⁶	No
Mr. Sunil Goyal ⁷	No		

¹ Mr. Sunil Agrawal is the Chairman and Managing Director of the Company.

² Mr. Rahimullah is the Whole Time Director of the Company.

³ Mr. Hemant Sultania resigned w.e.f 12th May, 2016.

⁴ Mr. Vikram Kaushik resigned w.e.f 19th May, 2016.

⁵ Mr. Surendra Singh Bhandari, Mr. Mahendra Kumar Doogar and Mr. P.N. Bhandari have completed their tenure on 31st March, 2017.

⁶ Mr. James Patrick Clarke appointed as an Additional Director of the Company w.e.f 7th February, 2017.

⁷ Mr. Sunil Goyal appointed as an Additional Director of the Company w.e.f 8th March, 2017.

There is no inter-se relationship between the Board members except Mrs. Sheela Agarwal, who is mother of Mr. Sunil Agrawal, Chairman and Managing Director.

Conduct of Board Proceedings

The day-to-day matters concerning the business are conducted by the Executives of the Company under the direction of Managing/ Executive Directors with ultimate supervision by the Board. The Company holds Board Meetings at regular intervals. The Directors are informed about the venue, date and time of the meeting in advance in writing at their registered address/e-mail. Detailed agenda papers along with explanatory statements are circulated to the Directors in advance. The Board has complete access to all information with the Company. All information stipulated in the Companies Act and SEBI (LODR) Regulations are regularly provided to the Board as a part of the agenda papers. Directors actively participate in the Board meetings and contribute significantly by expressing their views, opinions and suggestions. Video conferencing facilities are used to facilitate Directors who are travelling or present at other locations to participate in the meeting. Decisions are taken after proper and thorough discussion. The Board periodically reviews the compliance report of all laws applicable to the Company.

Attendance of Directors at Board meetings and Annual General Meeting (AGM)

The Board meets once in every quarter to review the quarterly financial results and other items of the agenda and, if necessary, additional meetings are held as and when required. During the year, the Board met five times as per the details given below and the intervening gap between the meetings was within the period prescribed under Regulation 17 of SEBI (LODR) Regulations, 2015.

Name of the Director	Attendance at AGM held on 28th July, 2016	Attendance at Board Meeting				
		19th May, 2016	28th July, 2016	28th October, 2016	30th January, 2017	7th February, 2017
Mr. Sunil Agrawal	√	√	√	√	Leave	√
Mr. Rahimullah	√	Leave	√	√	√	√
Mr. Nirmal Kumar Bardiya	√	√	√	√	Leave	Leave
Mrs. Sheela Agarwal	√	√	√	√	√	√
Mr. Pulak Chandan Prasad	√	√	√	√	Leave	√
Mr. Surendra Singh Bhandari	√	√	√	√	√	√
Mr. Mahendra Kumar Doogar	√	√	√	√	Leave	√
Mr. P.N. Bhandari	√	√	√	√	√	√
Mr. Santiago Rocés Moran	√	√	√	√	Leave	√
Mr. Harsh Bahadur	√	Leave	√	√	Leave	√
Mr. James Patrick Clarke	NA	NA	NA	NA	NA	√
Mr. Sunil Goyal	NA	NA	NA	NA	NA	NA
Mr. Hemant Sultania	NA	NA	NA	NA	NA	NA
Mr. Vikram Kaushik	NA	NA	NA	NA	NA	NA



Directorship and Committee Membership

Name of the Director	Number of Directorship(s) held in other Indian Public Limited Companies ¹	Committee(s) Position (including VGL) ²	
		Membership	Chairmanship
Mr. Sunil Agrawal	1	Nil	Nil
Mr. Rahimullah	2	1	Nil
Mr. Nirmal Kumar Bardiya	5	1	Nil
Mrs. Sheela Agarwal	Nil	Nil	Nil
Mr. Pulak Chandan Prasad	2	1	Nil
Mr. Santiago Rocés Moran	Nil	Nil	Nil
Mr. Harsh Bahadur	1	1	Nil
Mr. James Patrick Clarke	Nil	Nil	Nil
Mr. Sunil Goyal	1	3	Nil

¹ Excludes Directorship in Foreign Companies and Private Limited Companies.

² For the purpose of considering the Committee Membership and Chairmanship of a Director, the Audit Committee and the Stakeholders Relationship Committee of all Public Limited Companies have been considered.

Board Committees

The Board has four Committees namely Audit Committee, Nomination, Remuneration and Compensation Committee, Stakeholders Relationship Committee and Corporate Social Responsibility (CSR) Committee.

(A) Audit Committee

The Committee is governed by a Charter which is in line with the regulatory requirements mandated by Companies Act, 2013, and Regulation 18 of the SEBI (LODR) Regulations, 2015. The primary objective of the Committee is to monitor and provide an effective supervision of the management's financial reporting process, to ensure accurate and timely disclosures with the highest levels of transparency, integrity and quality of financial reporting. The Committee oversees the work carried out in the financial reporting process by the management, Internal Auditors and Statutory Auditors and notes the processes and safeguards employed by each of them. The terms of reference of the Audit Committee is based on the role of the Audit Committee as mentioned in Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI (LODR) Regulations, 2015 and as determined by the Board.

Composition and attendance of Members at meetings held during the financial year 2016-17

Name of the Director	Category of the Directors	Position held in the Committee	Attendance at Audit Committee Meeting			
			19th May, 2016	27th July, 2016	28th October, 2016	7th February, 2017
Mr. Surendra Singh Bhandari	Non – Executive Independent Director	Chairman	√	√	√	√
Mr. Mahendra Kumar Doogar	Non – Executive Independent Director	Member	√	√	√	√
Mr. P.N. Bhandari	Non – Executive Independent Director	Member	√	√	√	√
Mr. Nirmal Kumar Bardiya	Non – Executive Non-Independent Director	Member	√	√	√	Leave
Mr. Sunil Goyal (w.e.f. 8th March, 2017)	Non – Executive Independent Director	Member	NA	NA	NA	NA

The Company Secretary of the Company acts as Secretary to the Audit Committee.



(B) Nomination, Remuneration and Compensation Committee

The Company has Nomination, Remuneration & Compensation Committee (NRC Committee) in terms of Section 178 of the Companies Act, 2013, Regulation 19 of the SEBI (LODR) Regulations and Regulation 5 of SEBI (Share Based Employee Benefits) Regulations, 2014. Terms of references of the Committee is in accordance with the Companies Act, 2013 and SEBI Regulations inter-alia includes identification, selection and remuneration criteria of Directors, senior management personnel, performance evaluation of Directors, Board/Committee, policy formulation, and management and implementation of Employee Stock Option Plan.

The Independent Directors in their meeting held on 7th February, 2017, through discussion, evaluated the performance of non-Independent Directors, Board, Managing Director and Executive Directors. The minutes of the said meeting were submitted to the Chairman of the Company and also placed before the Board for their consideration. The Board has carried out an annual performance evaluation of its own performance,

the Directors individually as well as the evaluation of the working of its Audit Committee, NRC Committee and Stakeholders' Relationship Committee. The selection and remuneration criteria of Directors, senior management personnel and performance evaluation of Directors/Board/Committees are defined in the Nomination and Remuneration Policy which forms a part of the Annual Report.

While evaluating the performance, the following points, inter-alia, were considered:

- Knowledge to perform the role;
- Time and level of participation;
- Performance of duties and level of oversight;
- Professional conduct and independence;
- Personal attributes like maintaining high standard of ethics and integrity; and
- Strategic perspectives or inputs regarding the future growth of the Company and its performance.

Composition and attendance of Members at NRC Committee meetings held during the financial year 2016-17

Name of the Director	Category of the Directors	Position held in the Committee	Attendance at NRC Committee Meeting		
			19th May, 2016	30th January, 2017	7th February, 2017
Mr. P.N. Bhandari	Non – Executive Independent Director	Chairman	√	√	√
Mr. Surendra Singh Bhandari	Non – Executive Independent Director	Member	√	√	√
Mr. Nirmal Kumar Bardiya	Non – Executive Non - Independent Director	Member	√	Leave	Leave
Mr. Sunil Goyal (w.e.f 8th March, 2017)	Non – Executive Independent Director	Member	NA	NA	NA

The Company Secretary of the Company acts as Secretary to the Nomination, Remuneration and Compensation Committee.

Remuneration to Directors:

i) **Executive Directors:** The Managing Director and Whole-time Director shall be eligible for remuneration as may be approved by the shareholders of the Company on the recommendation of the NRC Committee and the Board of Directors. If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Executive Directors in accordance with the provisions of the Companies Act, 2013.



ii) Non-Executive/Independent Director: The Non-Executive/Independent Directors of the Company may receive remuneration by way of sitting fees for attending the meeting of the Board of Directors or Committee thereof, as approved by the Board. The profit-linked commission may be paid within the monetary limit approved by the shareholders of the Company as percentage of the net profits of the Company computed as per the applicable provisions of the Companies Act, 2013 and rules framed thereunder. An Independent Director shall not be entitled to any stock option of the Company.

Details of Remuneration, Sitting fees, etc. paid/payable to Directors for the year ended 31st March, 2017

Name of the Director	Details of remuneration drawn during the year				Shares of VGL held as on 31st March, 2017
	Remuneration (₹)	Sitting Fees (₹)	Profit Related Commission (₹)	Total (₹)	
Mr. Sunil Agrawal	-	-	-	-	28,140
Mr. Rahimullah	42,00,000	-	-	42,00,000	11,86,500
Mr. Nirmal Kumar Bardiya	-	4,55,000	-	4,55,000	17,91,628
Mrs. Sheela Agarwal	-	3,75,000	-	3,75,000	21,826
Mr. Pulak Chandan Prasad	-	-	-	-	-
Mr. Surendra Singh Bhandari	-	7,65,000	4,35,000	12,00,000	-
Mr. Mahendra Kumar Doogar	-	5,40,000	-	5,40,000	-
Mr. P.N. Bhandari	-	7,65,000	-	7,65,000	-
Mr. Santiago Rocés Moran	-	-	33,15,797	33,15,797	-
Mr. Harsh Bahadur	-	2,25,000	9,75,000	12,00,000	-
Mr. James Patrick Clarke	-	-	10,75,750	10,75,750	-
Mr. Sunil Goyal (w.e.f 8th March, 2017)	-	-	-	-	-

(C) Stakeholders' Relationship Committee

The Company has a Stakeholders' Relationship Committee to look into the redressal of stakeholder complaints on various issues. The Committee's constitution and terms of reference are in compliance with the provisions of the Section 178 of the Companies Act, 2013, and Regulation 20 of SEBI (LODR) Regulations, 2015.

Composition of Members of the Committee during the financial year 2016-17

Name of the Director	Category of the Directors	Position held in the Committee
Mr. Surendra Singh Bhandari	Non-Executive Independent Directors	Chairman
Mr. Mahendra Kumar Doogar	Non-Executive Independent Director	Member
Mr. Rahimullah	Executive Director	Member
Mr. Sunil Goyal (w.e.f. 8th March, 2017)	Non-Executive Independent Director	Member

The Company Secretary of the Company acts as Secretary to the Stakeholders' Relationship Committee.

Details of Complaints received and resolved during the year

Particulars	No. of Complaints
Complaints pending as on 1st April, 2016	Nil
Complaints received during the period 1st April, 2016 to 31st March, 2017	21
Complaints disposed-off during the period 1st April, 2016 to 31st March, 2017	21
Complaints outstanding as on 31st March, 2017	Nil



Name and designation of the Compliance Officer

Name: Mr. Puran Singh Rathore

Designation: Asst. Company Secretary

Address: E-69, EPIP, Sitapura, Jaipur - 302 022

(E) Corporate Social Responsibility (CSR) Committee

The Company has a Corporate Social Responsibility (CSR) Committee in compliance with the provisions of Section 135 of the Companies Act, 2013. The terms of reference, inter-alia includes formulation of the CSR policy and to indicate the activities to be undertaken, recommend spending under CSR, monitoring of CSR policy and to perform functions as defined and covered under the Companies Act, 2013.

Composition of the Committee as on 31st March, 2017

Name of the Director	Category of the Directors	Position held in the Committee
Mr. P. N. Bhandari	Non-Executive Independent Director	Chairman
Mr. Nirmal Kumar Bardiya	Non-Executive Non-Independent Director	Member
Mr. Sunil Agrawal	Executive Director	Member

The Company Secretary of the Company acts as Secretary to the Corporate Social Responsibility (CSR) Committee.

(F) Independent Directors' meeting

As per the requirement of the Companies Act, 2013 and Regulation 25(3) of SEBI (LODR) Regulations, 2015, the Independent Directors of the Company met on 7th February, 2017, discussed and reviewed the performance of Non-Independent Directors, the Board of Directors as a whole, Chairperson of the Company and assessed the quality, quantity and timeliness of flow of information between the Company management and the Board.

Attendance of Directors at Independent Directors meeting

Name of the Directors	7th February, 2017
Mr. Harsh Bahadur	√
Mr. Surendra Singh Bhandari	√
Mr. P. N. Bhandari	√
Mr. Mahendra Kumar Doogar	√
Mr. James Patrick Clarke	√
Mr. Santiago Roces Moran	Leave

3. General Body Meetings

Date, time and venue of the last three Annual General Meetings (AGM):

Meeting	Date	Time (IST)	Venue	No. of Special Resolution(s) Passed
25th AGM	25th July, 2014	11.00A.M.	E-69, EPIP, Sitapura, Jaipur – 302022 (Rajasthan)	13
26th AGM	28th July, 2015	10.00 A.M.	E-69, EPIP, Sitapura, Jaipur – 302022 (Rajasthan)	Nil
27th AGM	28th July, 2016	10.00 A.M.	E-69, EPIP, Sitapura, Jaipur – 302022 (Rajasthan)	Nil

**Special Resolutions through Postal ballot**

The Company passed the following resolutions on 29th September, 2016 through postal ballot in accordance with the provisions of the Companies Act, 2013 read with the relevant rules made thereunder and SEBI (LODR) Regulations, 2015:

Sr. No.	Type of Resolution	Particulars	Voting pattern	
			Favor	Against
1.	Special Resolution	Approval for creating new Stock Options under VGL ESOP (As Amended) – 2006	97.74	2.26
2.	Special Resolution	Approval for granting Stock Options to the eligible employees of Subsidiaries under VGL ESOP (As Amended) – 2006	97.74	2.26

Mr. B.K. Sharma, Practicing Company Secretary, was appointed as the scrutinizer to conduct the Postal Ballot process in a fair and transparent manner. The Company had send the postal ballot notices along with Postal Ballot Form either by post or e-mail (to those members who had registered their e-mail with the Company/Depositories), to all members whose names appeared in the Register of Members/record of Depositories as on the cut-off date as decided by the Board. The Company had also provided e-voting facility as an alternative.

4. Means of Communication

- i. Annual report containing financial statements (Standalone and Consolidated), Board's Report, Management Discussion & Analysis (MD&A) Report, Auditor's Report and other information are circulated to members and others who are entitled to it.
- ii. Financial results are published in leading local and national newspapers such as Nafa Nuksan (Jaipur), Jansatta (New Delhi) and Financial Express (all editions).
- iii. All important information relating to the Company and its performance including the financial results and shareholding pattern are displayed on the Company's website www.vaibhavglobal.com. The website also displays all official press releases issued by the Company, if any.
- iv. The Company puts all price sensitive information into the public domain by way of intimating the same to stock exchanges i.e. BSE Ltd. and National Stock Exchange of India Ltd., immediately. The same is also displayed on the Company's website.
- v. In case of any problem/query, shareholders may write to Company Secretary/Asst. Company Secretary at investor_relations@vaibhavglobal.com
- vi. The Company has made quarterly presentations to analysts.

5. General Shareholder Information**(i) Annual General Meeting:**

Date and Time – 7th September, 2017 at 10.00 A.M. (IST)
Venue - E-69, EPIP, Sitapura, Jaipur - 302022

(ii) Financial year:

The Company follows April to March as the financial year. The next financial year of the Company would be from 1st April, 2017 to 31st March, 2018

(iii) Date of book closure:

31st August, 2017 to 7th September, 2017 (both days inclusive)

(iv) Dividend payment date: NA**(v) Stock Exchanges where equity shares are listed and scrip code:**

BSE Limited (BSE)

Phiroze Jeejeebhoy Towers,

Dalal Street, Mumbai- 400 001

Scrip Code: 532156

National Stock Exchange of India Limited (NSE)

Exchange Plaza, Plot No. C-1, G Block,

Bandra Kurla Complex, Bandra (E), Mumbai - 400 051

Scrip Code: VAIBHAVGBL

**(vi) Listing fees to the stock exchanges**

The Company has paid listing fees in respect of financial year 2017-18 to BSE Limited and National Stock Exchange of India Limited.

(vii) Registrar & Share Transfer Agent:

Karvy Computershare Private Limited,
(Unit: Vaibhav Global Limited)
Karvy Selenium Tower B, Plot 31-32,
Gachibowli Financial District, Nanakramguda,
Hyderabad - 500 032

(viii) Share transfer system

The Company has authorised RTA for transfer/transmission/dematerialization/rematerialization etc., who process the formalities related thereto, on an average of once a week. The share certificates are returned/dispatched to the shareholders by the RTA after necessary endorsements, normally within 15 days from the date of receipt. Delays, if any, are mostly due to notice given to the seller for confirmation in case of differences in signature and/or non-receipt of copy of PAN.

(ix) Dematerialization of shares

The Company has set up requisite facilities for dematerialization of its equity shares in accordance with the provisions of Depository Act, 1996 with National Securities Depository Limited and Central Depository Services (India) Limited. The Company has entered into agreements with both the depositories. International Securities Identification Number (ISIN) for equity shares is INE884A01019. The status of dematerialization as on 31st March, 2017 is as under:

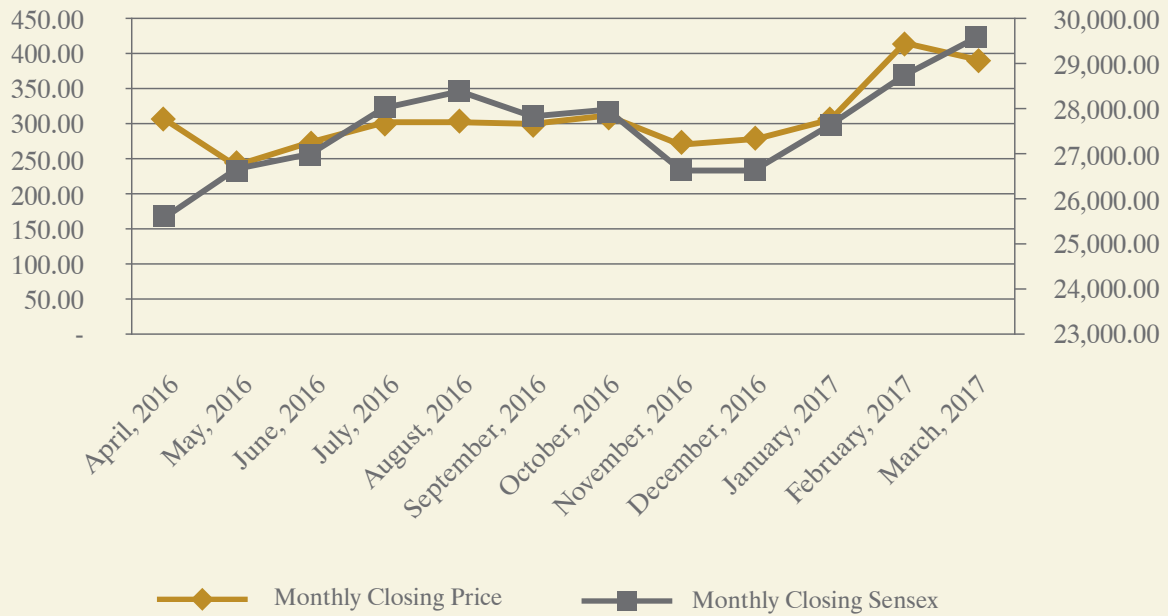
Mode		No. of shares	% (Percentage)
Physical form		32,457	0.10
Sub-total		32,457	0.10
Dematerialization form	NSDL	3,01,97,343	92.78
	CDSL	23,15,817	7.12
Sub-total		3,25,13,160	99.90
Total		3,25,45,617	100.00

(x) Market price data

Month	VGL price at BSE (₹)		VGL price at NSE (₹)	
	High price	Low price	High price	Low price
April, 2016	339.00	299.00	341.00	265.65
May, 2016	315.00	236.00	315.00	234.00
June, 2016	306.95	240.00	304.70	238.80
July, 2016	315.00	270.00	315.00	270.00
August, 2016	328.95	287.05	360.00	290.55
September, 2016	327.00	297.10	328.00	290.50
October, 2016	368.00	301.50	333.00	300.20
November, 2016	321.00	257.05	320.00	254.35
December, 2016	283.00	256.50	284.95	254.05
January, 2017	313.90	276.85	313.00	280.00
February, 2017	485.80	304.05	487.30	300.50
March, 2017	483.20	366.25	445.25	361.25



Performance of the Company's share price in comparison to the BSE Sensex



(xi) Distribution of shareholding as on 31st March, 2017

Sr. No	No. of equity shares	Number of shares	% of shareholding	No. of shareholders
1.	1-5000	3,66,532	1.13	4,184
2.	5001-10000	1,60,362	0.49	213
3.	10001-20000	1,84,688	0.57	127
4.	20001-30000	1,23,394	0.38	49
5.	30001-40000	86,808	0.27	25
6.	40001-50000	52,087	0.16	11
7.	50001-100000	1,93,144	0.59	27
8.	100001 & Above	3,13,78,602	96.41	74
	Total	3,25,45,617	100.00	4,710



(xii) Shareholding Pattern as on 31st March, 2017

Category	No. of shares	% holding
Promoters		
Indian Promoters	1,22,59,137	37.67
Foreign Promoters	99,62,846	30.61
Sub-total	2,22,21,983	68.28
Public		
FII's including Foreign Portfolio Investors	58,74,699	18.05
Corporate Bodies	6,95,930	2.14
Individuals	28,37,379	8.72
NRIs	7,46,518	2.29
Alternative Investment Fund (AIF)	99,396	0.31
Financial Institution/Banks	430	0.00
Trusts	10,803	0.03
Clearing Member	36,359	0.11
NBFC	22,120	0.07
Sub-total	1,03,23,634	31.72
Grand total	3,25,45,617	100.00

(xiii) Plant locations

The Company's plants are located at the following addresses:

- K-6B, Fateh Tiba, Adarsh Nagar, Jaipur-302 004
- E-68 and E-69, EPIP, Sitapura, Jaipur – 302 022
- G1-39, EPIP, Sitapura, Jaipur - 302 022
- E-1 and E-2, SEZ – II, Sitapura - 302022
- Unit 186/A, SDF-VI, Andheri (E), SEEPZ-SEZ, Mumbai-400 096

(xiv) Branch office

- 905, Panchratna, Opera House, Mumbai – 400001
- HW-4070, H Tower, West Wing, 4th floor, Bharat Diamond Bourse, Bandra Kurla Complex, Bandra (E) Mumbai – 400051

(xv) Address for correspondence

Shareholders may send their correspondence to the Company's Registrar & Transfer Agents (RTA) at the address mentioned in point (vii).

Shareholders may also contact the Company Secretary and Compliance Officer.

Address:

E-69, EPIP, Sitapura, Jaipur

Phone: 91-141-2771948/49

Fax: 91-141-2770510

Email: investor_relations@vaibhavglobal.com

Shareholders holding shares in dematerialisation form should address all their correspondence to their respective Depository Participants (DP).

(xvi) GDR holder converted 3,95,000 GDRs into 39,50,000 equity shares of ₹10/- each on 22nd April, 2016. Pursuant to the said conversion, the aggregate shareholding of Promoters and Promoters Group increased to 2,22,21,983 equity shares of ₹10/- each. No GDRs are outstanding as on 31st March, 2017.

(xvii) Details of Directors seeking appointment/re-appointment

The brief profile of the Directors seeking appointment/re-appointment is provided in the Notice of convening the Annual General Meeting, which forms a part of the Annual Report.

**(xviii) Other useful information to shareholders**

- Shareholders/beneficial owners are requested to quote their folio no. /DP and client ID nos., as the case may be, in all correspondence with the RTA/Company.
- Shareholders holding shares in physical form are requested to notify to the RTA/Company, change in their address/pin code number and bank account details promptly by written request under the signatures of sole/first joint holder. Beneficial owners of shares in demat form are requested to send their instructions regarding change of name, change of address, bank details, nomination, power of attorney, etc., directly to their DP as the same are maintained by the DPs.
- To prevent fraudulent encashment of dividend instruments, members are requested to provide their bank account details (if not provided earlier) to the Company (if shares are held in physical form) or to the DP (if shares are held in demat form), as the case may be.
- Non-resident members are requested to immediately notify change in their residential status on return to India for permanent settlement and particulars of their NRE bank account with a bank in India, if not furnished earlier.
- In case of loss/misplacement of shares, investors should immediately lodge a FIR/complaint with the police and inform to RTA/Company along with original or certified copy of FIR/acknowledged copy of the complaint.
- For expeditious transfer of shares, shareholders should fill in their complete and correct particulars in the transfer deed.
- Shareholders are requested to keep a record of their specimen signature before lodgment of shares with the RTA/Company to obviate possibility of difference in signature at a later date.
- Shareholders(s) of the Company who have multiple accounts in identical name(s) or holding more than one share certificate in the same name under different ledger folio(s) are requested to apply for consolidation of such folio(s) and send the relevant share certificates to the Company/RTA.
- Section 72 of the Companies Act, 2013, extends nomination facility to individuals holding shares in physical form in companies. Shareholders, in particular those holding shares in a single name, may avail of the above facility by furnishing the particulars of their nominations in the prescribed nomination form.
- Shareholders are requested to give us their valuable suggestions for improvement of our investor services.
- Shareholders are requested to quote their e-mail IDs, telephone/fax numbers for prompt reply to their communication.

6. Disclosures

- (i) The details of related party transactions are given in the notes to accounts. None of the transactions with any of the related party was in conflict with the interests of the Company.
- (ii) There were no non-compliance/strictures, penalty imposed on the Company by stock exchange(s) or SEBI or any statutory authority on any matters related to the capital markets during the last three years.
- (iii) Pursuant to Section 177(9) and (10) of the Companies Act, 2013, and Regulation 22 of SEBI (LODR) Regulations, 2015, the Company has a Whistle Blower policy for establishing a vigil mechanism for Directors and employees. The policy has been hosted on the website of the Company at <http://www.vaibhavglobal.com/vgl-policies>. We affirm that no personnel has been denied access to the Audit Committee.
- (iv) All mandatory requirements of SEBI (LODR) Regulations, 2015 have been complied with during the year. The Company has also implemented discretionary requirements of SEBI (LODR) Regulations, 2015 regarding direct report by the internal auditor to the Audit Committee.
- (v) During the financial year 2016-17, the Company had managed the foreign exchange risk and hedged to the extent considered necessary. The Company enters into forward contracts for hedging foreign exchange exposures against exports. The details of foreign currency exposure are disclosed in Notes to the Annual Financial Statements.



7. Risk Management

The Company has adopted a well-defined procedure for risk management. The risk management procedure provides identification and mitigation of internal as well as external risks of the Company. The risk management procedure is periodically reviewed by the Board.

8. Management discussion and analysis

A Management discussion and analysis report forms a part of the Annual Report and includes discussion on various matters.

9. Subsidiaries

The Audit Committee reviews the significant issues including financial statements pertaining to subsidiary Companies. Attention of the Directors is drawn to significant transactions and arrangements entered into by the subsidiary companies. The performance of its subsidiaries is also reviewed by the Board periodically. The Company does not have any material non-listed Indian subsidiary Company. The Company has a policy for determining 'material subsidiaries' which is disclosed on its website at the following link: <http://www.vaibhavglobal.com/vgl-policies>

10. Reconciliation of Share Capital Audit

As stipulated by the Securities Exchange Board of India, a qualified practicing Company Secretary has carried out the reconciliation of Share Capital Audit to reconcile the total admitted capital with NSDL and CDSL, total issued and listed capital. The audit is carried out every quarter and the report thereon is submitted to the stock exchanges and placed before the Board in the subsequent meeting. The audit confirms that the total issued/paid-up capital is in agreement with the aggregate total number of shares in physical form, shares allotted and advised for demat credit but pending execution and the total number of dematerialized shares held with NSDL and CDSL.

11. Familiarization programme for Independent Directors

The Board members are provided with the necessary documents/brochures, reports and internal policies to enable

them to familiarize with the Company's procedures and practices. Periodic presentations are made at the Board and Committee meetings, on business and performance updates of the Company, global business environment, business strategy and risks involved. Updates on relevant statutory changes and landmark judicial pronouncements encompassing important laws are regularly circulated to the Directors.

The details of such familiarization programmes for Independent Directors are posted on the website of the Company and can be accessed at: <http://www.vaibhavglobal.com/vgl-policies>

12. Code for the Board of Directors and Senior Management Personnel

The Company has laid down a code of conduct for the members of the Board and senior management personnel of the Company. The code of conduct has been posted on the Company's website i.e. <http://www.vaibhavglobal.com/vgl-code-of-conduct>. The code of conduct has been circulated to all the members of the Board and Senior Management personnel and they have affirmed their compliance with the said code of conduct for the financial year ended 31st March, 2017. A declaration to this effect, signed by Mr. Sunil Agrawal, Chairman and Managing Director of the Company, is appended at the end of this report.

13. Code for Independent Directors

The Company has laid down a code of conduct for Independent Directors of the Company and the same is available on the Company's website i.e. <http://www.vaibhavglobal.com/vgl-code-of-conduct>.

14. Compliance Certificate

The Compliance certificate on the financial statements for the financial year ended 31st March, 2017 is enclosed at the end of this report.

15. Auditors' Report on Corporate Governance

As required by Part E of Schedule V of Regulation 34(3) of the SEBI (LODR) Regulations, 2015, the Auditors' certificate on Corporate Governance is enclosed at the end of this report.



Compliance Certificate

The Board of Directors
Vaibhav Global Limited
K-6B, Fateh Tiba,
Adarsh Nagar, Jaipur – 302 004

- A. We have reviewed financial statements and the cash flow statement for the year ended 31st March, 2017 and that to the best of our knowledge and belief :
1. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 2. These statements together present a true and fair view of the Company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the financial year 2016-17 which are fraudulent, illegal or violative of the Company's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- D. We have indicated to the Auditors and the Audit committee that :
1. There are no significant changes in internal control over financial reporting during the year;
 2. There are no significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 3. There are no instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Sunil Agrawal
Chairman & Managing Director
DIN: 00061142

Puru Aggarwal
Group Chief Financial Officer

Date: 15th May, 2017
Place: Jaipur

Declaration for Compliance with Code of Conduct

I hereby confirm and declare that all the Directors of the Company and Senior Management Personnel have affirmed compliance with the Code of Conduct of the Company for the financial year 2016-17.

For and on behalf of the Board of Directors

Place: Jaipur
Date: 15th May, 2017

Sunil Agrawal
Chairman & Managing Director
DIN: 00061142

Auditors' Certificate on Corporate Governance

To
The Members of
Vaibhav Global Limited

We have examined the compliance of conditions of Corporate Governance by Vaibhav Global Limited, for the year ended on March 31, 2017, as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46 (2) and paragraphs C, D and E of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Regulation').

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was carried out in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India and was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulation 17 to 27 and clauses (b) to (i) of Regulation 46(2) and paragraphs C, D and E of Schedule V of the SEBI Listing Regulation for the year ended on March 31, 2017.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Haribhakti & Co. LLP
Chartered Accountants
ICAI Firm Regn. No. 103523W/W100048

Bhavik L. Shah
Partner
Membership No. 122071

Ahmedabad
May 15, 2017

For B. Khosla & Co.
Chartered Accountants
ICAI Firm Regn. No. 000205C

Sandeep Mundra
Partner
Membership No. 075482

Jaipur
May 15, 2017



Independent Auditors' Report

To the Members of
Vaibhav Global Limited

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of Vaibhav Global Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls and ensuring their operating effectiveness and the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the standalone financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2017, its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

- (1) As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in "Annexure 1", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- (2) As required by Section 143(3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

- c. The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- d. In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014;
- e. On the basis of written representations received from the directors as on March 31, 2017, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164 (2) of the Act;
- f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, we give our separate Report in "Annexure 2".
- g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - (i) The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note No. 27 on Contingent Liabilities to the standalone financial statements;
 - (ii) The Company did not have any material foreseeable losses on long-term contracts including derivative contracts;
 - (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company; and
 - (iv) The Company has provided requisite disclosures in the standalone financial statements as to holdings as well as dealings in Specified Bank Notes during the period from November 08, 2016 to December 30, 2016. Based on audit procedures and relying on the management representation, we report that the disclosures are in accordance with the books of account maintained by the Company and as produced to us by the Management - Refer Note No. 16 to the standalone financial statements.

For **Haribhakti & Co. LLP**
Chartered Accountants
ICAI Firm Registration No.103523W / W100048

Bhavik L. Shah
Partner
Membership No. 122071

Place: Ahmedabad
Date: May 15, 2017

For **B. Khosla & Co.**
Chartered Accountants
ICAI firm Registration No. 000205C

Sandeep Mundra
Partner
Membership No. 075482

Place: Jaipur
Date: May 15, 2017



Annexure 1 to the Independent Auditors' Report

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report of even date to the members of Vaibhav Global Limited on the standalone financial statements for the year ended March 31, 2017]

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) During the year, certain fixed assets of the Company have been physically verified by the management and as informed, no material discrepancies were noticed on such verification. In our opinion, the frequency of verification is reasonable having regard to the size of the Company and the nature of its assets.
- (c) The title deeds of immovable properties, other than self-constructed properties, recorded as fixed assets in the books of account of the Company as on March 31, 2017 are held in the name of the Company.
- (ii) The inventory has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable. As informed, no material discrepancies were noticed on physical verification carried out during the year.
- (iii) As informed, in current year the Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. However, there is an outstanding loan from earlier years given to one of the subsidiaries of the Company.
- (a) According to the information and explanations given to us and based on the audit procedures conducted by us, we are of the opinion that, the terms and conditions of the aforesaid loans granted by the Company are not prejudicial to the interest of the Company.
- (b) The schedule of repayment of principal and payment of interest in respect of such loans has not been stipulated. Thus we are unable to comment whether the receipts are regular and report amounts overdue for more than ninety days, if any, as required under paragraph 3(iii)(c) of the Order.
- (iv) Based on information and explanation given to us in respect of loans, investments, guarantees and securities, the Company has complied with the provisions of Section 185 and 186 of the Act.
- (v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the provisions of Sections 73 to 76 of the Act and the rules framed there under.
- (vi) The Central Government has not prescribed the maintenance of cost records for any of the products of the Company under sub-section (1) of Section 148 of the Act and the rules framed there under.
- (vii)(a) The Company is generally regular in depositing with appropriate authorities, undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, service tax, value added tax, customs duty, excise duty, cess and any other material statutory dues wherever applicable to it.
- According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, sales tax, service tax, value added tax, customs duty, excise duty, cess and any other material statutory dues wherever applicable to it, were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (b) According to the information and explanation given to us, the dues outstanding with respect to, income tax, sales tax, service tax, value added tax, customs duty, excise duty on account of any dispute, areas follows:

Name of the statute	Nature of dues	Amount (₹)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	4,08,663	AY 2007-08	CIT (A)
		6,89,936 (net of amount paid under protest of ₹1,21,754)	AY 2008-09	CIT (A)
		1,59,20,950	AY 2009-10	CIT (A)
		1,18,90,847	AY 2010-11	CIT (A)
Central Excise Act	Custom Duty, Penalties & Fines	24,65,501 (net of amount paid under protest of ₹10,00,000)	2002-03 to 2009-10	CESTAT

- (viii) According to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to financial institution(s), bank(s), government(s) or dues to debenture holder(s).
- (ix) The Company has neither raised money by way of public issue offer nor has obtained any term loans. Therefore, paragraph 3(ix) of the Order is not applicable to the Company.
- (x) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud by the Company or any fraud on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such instance by the management.
- (xi) According to the information and explanations given to us, managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Therefore, paragraph 3(xii) of the Order is not applicable to the Company.
- (xiii) According to the information and explanation given to us, all transactions entered into by the Company with the related parties are in compliance with Sections 177 and 188 of Act, where applicable and the details have been disclosed in the standalone Financial Statements as required by the applicable accounting standards.
- (xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Therefore, paragraph 3(xiv) of the Order is not applicable to the Company.
- (xv) According to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with him during the year.
- (xvi) According to the information and explanation given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For **Haribhakti & Co. LLP**
Chartered Accountants
ICAI Firm Registration No.103523W / W100048

Bhavik L. Shah
Partner
Membership No. 122071

Place: Ahmedabad
Date: May 15, 2017

For **B. Khosla & Co.**
Chartered Accountants
ICAI firm Registration No. 000205C

Sandeep Mundra
Partner
Membership No. 075482

Place: Jaipur
Date: May 15, 2017



Annexure 2 to the Independent Auditors' Report

[Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report of even date to the members of Vaibhav Global Limited on the standalone financial statements for the year ended March 31, 2017]

Report on the Internal Financial Controls over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Vaibhav Global Limited ("the Company") as of March 31, 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing specified under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls

operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **Haribhakti & Co. LLP**
Chartered Accountants
ICAI Firm Registration No.103523W / W100048

Bhavik L. Shah
Partner
Membership No. 122071

Place: Ahmedabad
Date: May 15, 2017

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

For **B. Khosla & Co.**
Chartered Accountants
ICAI firm Registration No. 000205C

Sandeep Mundra
Partner
Membership No. 075482

Place: Jaipur
Date: May 15, 2017

**Balance Sheet** as at 31st March, 2017

Particulars	Notes	As at 31st March, 2017 (₹)	As at 31st March, 2016 (₹)
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	2	32,53,48,140	32,49,90,570
Reserves and Surplus	3	4,67,00,83,080	4,43,59,20,967
		4,99,54,31,220	4,76,09,11,537
Non-Current Liabilities			
Long-Term Provisions	4	2,74,45,643	2,29,70,950
		2,74,45,643	2,29,70,950
Current Liabilities			
Short-Term Borrowings	5	72,37,32,654	93,42,41,124
Trade Payables:-			
- Dues to Micro and Small Enterprises	6	-	-
- Dues to other than Micro and Small Enterprises	6	42,29,89,244	50,58,94,242
Other Current Liabilities	7	4,84,18,523	6,56,83,319
Short-Term Provisions	8	1,26,55,238	4,05,16,940
		1,20,77,95,659	1,54,63,35,625
Total		6,23,06,72,522	6,33,02,18,112
ASSETS			
Non-Current Assets			
Fixed Assets			
Tangible Assets	9	40,96,32,907	40,91,52,446
Intangible Assets	9	1,41,79,345	71,26,652
Capital Work-In-Progress	9	-	2,82,05,679
		42,38,12,252	44,44,84,777
Non-Current Investments	10	2,92,56,30,831	2,92,56,30,831
Deferred Tax Assets (Net)	11	1,30,47,793	1,84,60,059
Long-Term Loans and Advances	12	21,64,15,967	21,81,51,213
		3,57,89,06,843	3,60,67,26,880
Current Assets			
Current Investments	13	4,20,00,000	75,00,000
Inventories	14	97,27,40,919	1,33,00,92,969
Trade Receivables	15	1,40,23,04,199	1,21,96,70,847
Cash and Bank Balances	16	14,41,53,520	8,42,77,561
Short-Term Loans and Advances	17	8,51,14,285	7,27,05,287
Other Current Assets	18	54,52,756	92,44,568
		2,65,17,65,679	2,72,34,91,232
Total		6,23,06,72,522	6,33,02,18,112
Significant Accounting Policies	1		

The accompanying notes are an integral part of the financial statements

As per our attached report of even date

For **HARIBHAKTI & CO. LLP**
Chartered Accountants
ICAI F.R. No.: 103523W/ W100048

BHAVIK L. SHAH
Partner
M.No.: 122071

Ahmedabad, 15th May 2017

For and on behalf of the Board

For **B. KHOSLA & CO.**
Chartered Accountants
ICAI F.R. No.: 000205C

SANDEEP MUNDRA
Partner
M.No.: 075482

Jaipur, 15th May 2017

SUNIL AGRAWAL
Chairman & Managing Director
DIN: 00061142

PURU AGGARWAL
Group CFO

Jaipur, 15th May 2017

RAHIMULLAH
Whole Time Director
DIN :00043791

Statement of Profit and Loss for the year ended 31st March, 2017

Particulars	Notes	Year ended 31st March, 2017 (₹)	Year ended 31st March, 2016 (₹)
REVENUE			
Revenue from Operations	19	4,78,29,35,236	3,61,40,61,628
Other Income	20	6,74,05,002	6,58,98,005
Total		4,85,03,40,238	3,67,99,59,633
EXPENSES			
Cost of Materials Consumed	21	3,10,18,68,146	2,27,15,11,799
Purchases of Stock-In-Trade	22	11,88,01,066	12,81,99,694
Changes in Inventory of Finished and Semi Finished Goods	23	11,22,17,389	(5,38,33,199)
Employee Benefits Expense	24	36,93,14,287	35,78,13,296
Finance Costs	25	4,83,24,205	4,42,21,847
Depreciation and Amortisation	9	8,33,82,057	5,49,81,981
Other Expenses	26	72,18,04,913	59,41,25,314
Total		4,55,57,12,063	3,39,70,20,732
Profit Before Tax		29,46,28,175	28,29,38,901
Tax Expense:			
(1) Current Tax		6,88,00,000	11,23,22,368
(2) Current Tax of Earlier Years		(1,60,40,358)	13,25,773
(3) Deferred Tax Charges/(Credits)	11	54,12,266	(1,22,62,454)
		5,81,71,908	10,13,85,687
Profit for the Year		23,64,56,267	18,15,53,214
Earnings Per Equity Share of ₹10 each (Previous Year ₹10)	39		
Basic		7.27	5.59
Diluted		7.27	5.59
Significant Accounting Policies	1		

The accompanying notes are an integral part of the financial statements

As per our attached report of even date

For **HARIBHAKTI & CO. LLP**
Chartered Accountants
ICAI F.R. No.: 103523W/ W100048

BHAVIK L. SHAH
Partner
M.No.: 122071

Ahmedabad, 15th May 2017

For and on behalf of the Board

For **B. KHOSLA & CO.**
Chartered Accountants
ICAI F.R. No.: 000205C

SANDEEP MUNDRA
Partner
M.No.: 075482

Jaipur, 15th May 2017

SUNIL AGRAWAL
Chairman & Managing Director
DIN: 00061142

PURU AGGARWAL
Group CFO

Jaipur, 15th May 2017

RAHIMULLAH
Whole Time Director
DIN :00043791

**Cash Flow Statement** for the year ended 31st March, 2017

Particulars	Year ended 31st March, 2017 (₹)	Year ended 31st March, 2016 (₹)
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax	29,46,28,175	28,29,38,901
Adjustment for :		
Depreciation and Amortisation	8,33,82,057	5,49,81,981
Unrealised Foreign Exchange Difference (Net)	(81,98,174)	1,72,24,832
(Profit) on sale of Fixed Assets	(47,820)	(17,73,565)
Liabilities No Longer required written back	(18,98,269)	(12,94,791)
Profit on Sale of Liquid Mutual Fund	(5,13,147)	(90,56,295)
Provision for doubtful advances	10,08,816	-
Interest Earned	(70,94,341)	(1,50,25,365)
Finance Costs	4,83,24,205	4,42,21,846
Operating Profit before working Capital Changes	40,95,91,503	37,22,17,544
Adjustment for :		
Trade and other Receivables	(20,30,28,668)	(44,89,11,662)
Trade payables, Provisions, Other Current Liabilities	(7,88,94,015)	26,62,10,146
Inventories	35,73,52,050	(48,14,50,151)
Cash Generated from Operations	48,50,20,870	(29,19,34,122)
Income Taxes paid	8,91,34,708	16,84,15,611
Net Cash Generated / (used) from Operating Activities (A)	39,58,86,162	(46,03,49,733)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(6,28,13,558)	(25,39,57,155)
Proceeds from sale of fixed assets	151,846	34,88,706
Movement in deposits	701,732	(2,91,317)
Interest received	99,16,547	8,92,72,086
Proceeds from Sale of Investments	513,147	90,56,295
Net Cash used in Investing Activities (B)	(5,15,30,287)	(15,24,31,385)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from / (Repayment of) Short Term Borrowings	(20,26,05,331)	34,25,45,695
Proceeds from Issuance of Share Capital/Security Premium	18,08,878	66,91,431
Interest Paid on Borrowings	(5,00,98,823)	(4,49,74,216)
Net Cash (used in) / generated from Financing Activities (C)	(25,08,95,276)	30,42,62,910
Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)	9,34,60,600	(30,85,18,209)
Opening Balance of Cash and Cash Equivalents	8,25,54,914	39,10,73,123
Closing Balance of Cash and Cash Equivalents	17,60,15,514	8,25,54,914

Cash Flow Statement (contd.) for the year ended 31st March, 2017**Notes:**

1. The Cash Flow Statement has been prepared under the “Indirect Method “ as set out in ‘Accounting Standard-3 Cash Flow Statement ‘.

2. Cash and Cash Equivalents Comprises

Cash, cheques and drafts in hand (Refer Note-16)	12,57,123	12,41,209
Balance with scheduled bank in current accounts (Refer Note-16)	13,27,58,391	7,38,13,705
Current Investment in Liquid Mutual fund (Refer Note-13)	4,20,00,000	75,00,000
	17,60,15,514	8,25,54,914

3. The accompanying notes are integral part of financial statements

As per our attached report of even date

For **HARIBHAKTI & CO. LLP**
Chartered Accountants
ICAI F.R. No.: 103523W/ W100048

BHAVIK L. SHAH
Partner
M.No.: 122071

Ahmedabad, 15th May 2017

For and on behalf of the Board

For **B. KHOSLA & CO.**
Chartered Accountants
ICAI F.R. No.: 000205C

SANDEEP MUNDRA
Partner
M.No.: 075482

Jaipur, 15th May 2017

SUNIL AGRAWAL
Chairman & Managing Director
DIN: 00061142

PURU AGGARWAL
Group CFO

Jaipur, 15th May 2017

RAHIMULLAH
Whole Time Director
DIN :00043791



Notes accompanying financial statements for the year ended 31st March, 2017

Note No.1 Significant Accounting Policies

1. Basis of Preparation of Financial Statements

- a. The financial statements have been prepared in compliance with the applicable Accounting Standards specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 and other pronouncement of Institute of Chartered Accountant of India, with relevant provisions of Companies Act, 2013; applicable guidelines issued by the Securities Exchange Board of India (SEBI) and generally accepted accounting principles applicable in India (GAAP). Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires changes in the accounting policy hitherto in use.
- b. The financial statements have been prepared under historical cost convention on an accrual basis.
- c. All the assets and liabilities have been classified as current or noncurrent as per Company`s normal operating cycle and other criteria set out in Schedule III to the Companies Act, 2013. Based on the nature of product and time between the acquisition of assets for processing and their realization in cash and cash equivalent, the Company has ascertained its operating cycle to be 12 months for the purpose of current – non-current classification of assets & liabilities.

2. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Management believes the assumption used in the estimates is prudent and reasonable. Difference between the actual results and estimates are recognized in the period in which the results are known /materialized. Estimates and underlying assumptions are reviewed on an ongoing basis. Any revision to accounting estimates is recognized prospectively in current and future periods.

3. Fixed Assets

Fixed Assets are stated at cost less accumulated depreciation and impairment losses. Cost includes capital cost, freight, duties, taxes and other incidental expense incurred during the construction / installation stage attributable to bringing the asset to working condition for its intended use.

4. Intangible Assets

Intangible assets are recognized if it is probable that future economic benefits that are attributable to the asset will flow to the company and the cost of the assets can be measured reliably.

5. Depreciation and Amortisation

- a. Depreciation on Fixed Assets, other than assets acquired on lease, is being provided over the useful life of an asset on written down value method and in the manner specified in Schedule II of the Companies Act, 2013.
- b. Assets acquired on lease are amortized over the period of lease in equal installments.

6. Impairment of Assets

As at each balance sheet date, the carrying amount of assets is tested for impairment so as to determine

- a. the provision for impairment loss, if any, required or
- b. the reversal, if any, required for impairment loss recognized in previous periods.

Impairment loss is recognized when the carrying amount of an asset exceeds its recoverable amount.

Recoverable amount is determined

- a. in the case of an individual asset, at the higher of net selling price and the value in use.
- b. in the case of a cash-generating unit (a group of assets that generates identified independent cash flows), at the higher of the cash generating unit's selling price and the value in use.

Value in use is determined as the present value of estimated future cash flow from the continuing use of an asset and from its disposal at the end of its useful life.

Notes accompanying financial statements for the year ended 31st March, 2017

7. Borrowing Cost

Borrowing Costs attributable to the acquisition or construction of qualifying assets are capitalized as a part of the cost of such assets. All other borrowing costs are charged to revenue.

8. Inventories

- a. Inventories are valued at lower of cost and estimated net realizable value. Cost is determined on 'First-in First-out', 'Specific Identification', or 'Weighted Averages' basis as applicable. Cost of Inventories comprises of all cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost of semi finished and finished goods are determined on absorption costing method.
- b. All raw materials purchased are simultaneously issued for production. Accordingly material-in-process includes such raw materials as well. Semi Finished Goods are goods manufactured and pending for pre-shipment inspection. Materials consumed are materials used in production of semi finished and finished goods only.
- c. Identification of a specific item and determination of estimated net realizable value involve technical judgment of the management. The valuation is further supported by certificate from an independent approved valuer, which has been relied upon by the Statutory Auditors.
- d. Stores and consumables are charged to the Statement of Profit and Loss at the time of purchase.

9. Investments

Long-term investments including those held through nominees are stated at cost. Provision for diminution in the value of long-term investments (including Loans and Advances to Subsidiaries considered as a part of net investment) is made only if such a decline is other than temporary in the opinion of the management.

Current investments are carried at lower of cost and fair value.

10. Revenue Recognition

Sale of Goods:

Revenue from sales of goods is recognized when risk and rewards of ownership of the products are passed on to the customers, which is generally on dispatch of goods and is stated net of returns, trade discounts, claims etc.

Dividend on Investment:

Revenue is recognized when the right to receive payment is established.

Interest Income:

Interest Income is recognized on time proportionate basis.

Export Incentives:

Export benefits are accounted for in the year of exports based on eligibility and when there is no uncertainty in receiving the same.

11. Foreign Currency Transactions

a. Initial Recognition:

Transactions denominated in foreign currencies are normally recorded at the exchange rate prevailing at the time of the transaction.

b. Conversion:

Monetary items denominated in foreign currencies at the year-end are translated at closing rates. Non-monetary items which are carried in terms of historical cost denominated in foreign currency are reported using the exchange rate at the date of transaction and investment in foreign companies are recorded at the exchange rates prevailing on the date of making the investments. Contingent Liabilities are translated at closing rate.

Exchange difference arising on translation of Loan and Advances to non – integral wholly owned subsidiaries and forming part of net investment, are recognized in foreign currency translation reserve. Such accumulated exchange differences are taken to statement of profit and loss on liquidation or on proportionate basis on partial liquidation of such loans and advances.



Notes accompanying financial statements for the year ended 31st March, 2017

c. Exchange Differences:

Exchange differences arising on the settlement of monetary items or on restatement of monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expenses in the year in which they arise.

d. Forward Exchange Contract not intended for trading or speculation purposes:

The premium or discount arising at the inception of forward exchange contracts is amortized as expense or income over the life of contract. Exchange differences on such contract are recognized in the statement of profit and loss in the year in which the exchange rate changes. Any profit or loss arising on cancellation or renewal of forward exchange contract is recognized as income or as expense.

12. Employee Benefits

a. Defined contribution plan

Provident Fund and ESI: Eligible employees of the Company receive benefits from the provident fund and ESI, which is a defined contribution plan. Both the employees and the company make monthly contributions to the provident fund (with Regional Provident Fund Commissioner) equal to specified percentage of the covered employee's basic salary. The entities have no further obligation under the plan beyond its monthly contributions.

b. Defined benefit plan

The Company's gratuity benefit scheme is a defined benefit plan. The Company's net obligation in respect of a defined benefit plan is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. The fair value of plan assets is reduced from the gross obligation under the defined benefit plans, to recognize the obligation on net basis. The calculation of the Company's obligation performed annually by a qualified actuary using the projected unit credit method. The Company recognises all actuarial gains and losses arising from defined benefit plans immediately in the Statement of Profit and Loss. All expenses related to defined benefit plans are recognized in employee benefits expense in the Statement of Profit and Loss. The Company recognises gains and losses on the curtailment or settlement of a defined benefit plan when the curtailment or settlement occurs. The Company's gratuity fund is administered and managed by the Life Insurance Corporation of India ("LIC"). Actuarial gains and losses are recognized immediately in the Statement of Profit and Loss.

c. Compensated absences

The employees can carry-forward a portion of the unutilised accrued compensated absences and utilise it in future service periods or receive cash compensation on termination of employment. Since the compensated absences do not fall due wholly within twelve months after the end of the period in which the employees render the related service and are also not expected to be utilized wholly within twelve months after the end of such period, the benefit is classified as a long-term employee benefit. The company records an obligation for such compensated absences in the period in which the employee renders the services that increase this entitlement. The obligation is measured on the basis of independent actuarial valuation using the projected unit credit method.

d. In respect of Employee Stock Options, the excess of market price of shares as at the date of grant of option granted to employee (including certain employees' of subsidiaries) over the exercise price is treated as Employee Compensation Cost and amortized on a straight line basis over the vesting period.

13. Provision for Current and Deferred Taxation

a. Income-tax expense comprises current tax (i.e. amount of tax for the period determined in accordance with the relevant income-tax law) and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the period). Income-tax expense is recognized in the Statement of Profit and Loss.

b. Current tax is measured at the amount expected to be paid to (recovered from) the taxation authorities, using the applicable tax rates and tax laws. Deferred tax is recognized in respect of timing differences between taxable income and accounting income i.e. differences that originate in one period and are capable of reversal in one or more subsequent periods. The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognized using the tax rates and

Notes accompanying financial statements for the year ended 31st March, 2017

tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognized only to the extent there is reasonable certainty that the assets can be realised in future; however, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognized only if there is a virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realised. Deferred tax assets are reviewed as at each balance sheet date and written down or written-up to reflect the amount that is reasonably/virtually certain (as the case may be) to be realised.

14. Earnings per Share

The basic earnings per share is computed by dividing the net profit after tax for the year by the weighted average number of equity shares outstanding during the year. For the purpose of calculating diluted earnings per shares, net profit after tax for the year and weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the year, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. the average market value of the outstanding shares)

15. Cash and Cash Equivalents

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

16. Lease

Where the company is lessee

Leases in which the Company assumes substantially all the risk and rewards of ownership are classified as finance leases. Assets acquired under the finance leases are capitalised at fair value of the leased asset or present value of the minimum lease payments at the inception of lease, whichever is lower and included within fixed assets. Such assets are depreciated as per the depreciation policy for such assets stated in the note 5 above.

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the Statement of Profit and Loss on a straight-line basis over the period of the lease or other systematic basis more representative of the time pattern of the user's benefits.

17. Provision, Contingent Liabilities and Contingent Assets

Provisions are recognized for liabilities that can be measured only by using a substantial degree of estimation, if

- a. the Company has a present obligation as a result of past event,
- b. a probable outflow of resources is expected to settle the obligation and
- c. the amount of the obligation can be reliably estimated

Contingent Liability is disclosed in case of

- a. a present obligation arising from a past event, when it is not probable that an outflow of resources will be required to settle the obligation
- b. a possible obligation, unless the probability of outflow of resources is remote.
- c. a present obligation whose amount cannot be estimated reliably.

Contingent Assets are neither recognized, nor disclosed.

Provisions, Contingent Liabilities and Contingent Assets are reviewed at each Balance Sheet Date.

**Notes accompanying financial statements** for the year ended 31st March, 2017**Note****No. SHAREHOLDERS' FUND****2 Share Capital****a The details of Authorised, Issued, Subscribed and Paid up Capital are as under :-**

Particulars	As at 31st March, 2017 (₹)		As at 31st March, 2016 (₹)	
	Number	Amount	Number	Amount
Authorised				
Equity Shares of ₹10/- each	4,10,00,000	41,00,00,000	4,10,00,000	41,00,00,000
Unclassified Shares of ₹100/- each	45,00,000	45,00,00,000	45,00,000	45,00,00,000
Issued, Subscribed and Fully Paid up				
Equity Shares of ₹10/- each	3,25,45,617	32,54,56,170	3,25,15,131	32,51,51,310
Less : Loan to VGL ESOP Welfare Trust	10,803	1,08,030	16,074	1,60,740
		32,53,48,140		32,49,90,570

b The Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting year is as under :-

Particulars	As at	As at
	31st March, 2017 (₹)	31st March, 2016 (₹)
	Equity Shares	Equity Shares
Shares outstanding at the beginning of the year	3,25,15,131	3,24,02,383
Shares Issued on exercise of ESOP	30,486	1,12,748
Shares outstanding at the end of the year	3,25,45,617	3,25,15,131

c The Company has one class of equity shares having a par value of ₹10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

d The details of shareholders holding more than 5% equity shares as at reporting date are as under :-

Name	As at 31st March, 2017 (₹)		As at 31st March, 2016 (₹)	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Equity Shares				
Sonymike's Holdings Ltd.#	-	-	39,50,000	12.15
Shivram Global Pvt Ltd.	-	-	53,11,865	16.34
Nalanda India Fund Limited	41,10,600	12.63	41,10,600	12.64
Sonymike's Holdings Ltd.	99,18,640	30.48	59,68,640	18.36
Brett Plastics Pvt Ltd.	85,64,124	26.31	28,54,516	8.78
Nirmal Kumar Bardiya	17,91,628	5.50	17,91,628	5.51

Held through Global Depositories Receipt (GDR) till previous year. During the current year, the Company has delisted all GDRs from Luxembourg Stock Exchange on 17 May 2016 and converted into equity shares.

e Employee Stock Option Scheme:

For details of Employee Stock Options Plan (ESOP) Scheme and share reserve for under options refer to note no. 33

f There are no bonus shares, shares issued for consideration other than cash or shares bought back during the period of five years immediately preceding the reporting date.

Notes accompanying financial statements for the year ended 31st March, 2017

3 Reserves & Surplus

Particulars	As at 31st March, 2017 (₹)		As at 31st March, 2016 (₹)	
A. Capital Reserve				
Balance at the beginning and end of the current year		8,12,63,600		8,12,63,600
B. Capital Redemption Reserve				
Balance at the beginning and end of the current year		44,00,00,000		44,00,00,000
C. Securities Premium Reserve				
Opening Balance	5,90,28,77,097		5,89,72,28,735	
Add: Security Premium received on share issue	22,10,238		63,73,716	
Add: Transfer from Employee stock option outstanding	2,75,964		1,45,441	
	5,90,53,63,299		5,90,37,47,893	
Less : Adjustment for Capital Reduction (Refer Note no. 40)	2,64,27,18,509		-	
Less : Loan to VGL ESOP Welfare Trust	7,58,929		8,70,795	
		3,26,18,85,861		5,90,28,77,097
D. Employee Stock Option Outstanding				
Options granted till date	2,75,964		4,21,405	
Less : Transfer to Security premium on allotment	2,75,964		1,45,441	
		-		2,75,964
E. General Reserve				
Balance at the beginning and end of the current year		12,96,47,256		12,96,47,256
F. Foreign Currency Translation Reserve (FCTR)				
Opening Balance	34,30,22,346		30,59,86,672	
Add : Current year transfer	(37,45,463)	33,92,76,883	3,70,35,674	34,30,22,346
G. Surplus/ (Deficit)				
Opening balance	(2,46,11,65,296)		(2,64,27,18,510)	
Add : Adjustment for Capital Reduction (Refer Note no. 40)	2,64,27,18,509		-	
Add : Net Profit for the year	23,64,56,267		18,15,53,214	
		41,80,09,480		(2,46,11,65,296)
		4,67,00,83,080		4,43,59,20,967

4 Long Term Provisions

Particulars	As at 31st March, 2017 (₹)		As at 31st March, 2016 (₹)	
Provision For Employee Benefits:				
Provision for Gratuity (Refer Note no.32B)	1,91,68,543		1,64,29,725	
Provision for Compensated Absences (Refer Note no.32B)	82,77,100	2,74,45,643	65,41,225	2,29,70,950
		2,74,45,643		2,29,70,950

**Notes accompanying financial statements** for the year ended 31st March, 2017**CURRENT LIABILITIES****5 Short Term Borrowings**

Particulars	As at 31st March, 2017 (₹)		As at 31st March, 2016 (₹)	
Secured:				
Loan Repayable on demand from Banks				
Pre-shipment Credit	45,18,90,980		59,64,12,056	
Post-shipment Credit	27,18,41,674	72,37,32,654	33,78,29,068	93,42,41,124
		72,37,32,654		93,42,41,124

Nature of Security**Working Capital Facilities :-**

- (i) Above Loans are secured by hypothecation of Stock-in-trade and Book Debts on pari-passu basis.
- (ii) Further Secured, on pari-passu basis, by :-
 - a. Equitable Mortgage of Land and Buildings situated at K-6A & K-6B, Adarsh Nagar, E-68 & E-69, EPIP Zone, Sitapura, E-1 & E-2, SEZ-II, Sitapura, Jaipur and Office No. HW4070, BKC, Mumbai.
 - b. First charge on block of assets of the company (excluding Land & Building and vehicles) situated at K-6A & K-6B, Adarsh Nagar, E-68 and E-69, Sitapura, Jaipur
- (iii) Pledge of 200 common shares with no par value of STS Jewels Inc.
- (iv) Pledge of 87,500 Ordinary Shares of HK \$100 each of STS Gems Limited, HKK.
- (v) Pledge of 1,25,76,633 equity shares of US \$ 1 each and assignment of loan to Genoa Jewelers Limited, BVI and;
- (vi) Personal Guarantee of Mr. Sunil Agrawal, Chairman and Managing Director of the Company. (Refer Note No. 35)

6 Trade Payables

Particulars	As at 31st March, 2017 (₹)		As at 31st March, 2016 (₹)	
(a) Dues to Micro and Small Enterprises		-		-
(b) Dues to other than Micro and Small Enterprises		42,29,89,244		50,58,94,242
		42,29,89,244		50,58,94,242

On the basis of the information and records available with management, the following disclosures are made for the amounts due to Micro, Small and Medium enterprises who have registered with the Competent authorities.

Particulars	As at 31st March, 2017 (₹)		As at 31st March, 2016 (₹)	
- Principal amount and interest due thereon remaining unpaid to any supplier as at the year end		-		-
- Amount of interest paid by the Company in terms of section 16 of the MSMED, along with the amount of the payment made to the supplier beyond the appointed day during the accounting year		-		-
- Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED		-		-
- Amount of interest accrued and remaining unpaid at the end of the accounting year		-		-

Notes accompanying financial statements for the year ended 31st March, 2017**7 Other Current Liabilities**

Particulars	As at 31st March, 2017 (₹)		As at 31st March, 2016 (₹)	
Unclaimed Dividend*		49,987		76,258
Employee benefits payable		1,99,21,405		2,36,54,875
Statutory Dues Payable		94,91,328		1,17,53,318
Other Payables		1,89,55,803		3,01,98,868
		4,84,18,523		6,56,83,319

* Investor Education and Protection Fund to be credited by the amount as and when required.

8 Short Term Provisions

Particulars	As at 31st March, 2017 (₹)		As at 31st March, 2016 (₹)	
Provision for employee benefits:				
Provision for Gratuity (Refer Note no.32B)	1,09,81,369		95,15,899	
Provision for Compensated Absences (Refer Note no.32B)	16,73,869	1,26,55,238	10,84,753	1,06,00,652
Other Provisions				
Provision for Taxation (Net of Advance Tax/TDS- ₹8,52,80,112)		-		2,99,16,288
		1,26,55,238		4,05,16,940



Notes accompanying financial statements for the year ended 31st March, 2017

NON CURRENT ASSETS

9 Fixed Assets

DESCRIPTION	GROSS BLOCK			ACCUMULATED DEPRECIATION AND AMORTISATION			NET BLOCK			
	As at 01.04.2016	Additions	Deductions	As at 31.03.2017	Up to 31.3.2016	Depreciation for the year	Deductions	Up to 31.03.2017	As at 31.03.2017	As at 31.03.2016
A. Tangible Assets										
Freehold Land	48,94,908	-	-	48,94,908	-	-	-	-	48,94,908	48,94,908
Leasehold Land	3,51,56,343	-	-	3,51,56,343	19,90,640	3,55,115	-	23,45,755	3,28,10,588	3,31,65,703
Building	21,50,47,894	1,12,29,989	-	22,62,77,883	5,05,54,429	1,57,88,087	-	6,63,42,516	15,99,35,367	16,44,93,464
Plant & Machinery	18,79,50,445	5,03,16,047	-	23,82,66,492	6,79,83,261	2,73,42,125	-	9,53,25,386	14,29,41,106	11,99,67,184
Electric Installation	7,55,77,605	20,61,197	-	7,76,38,802	2,09,78,368	1,44,10,541	-	3,53,88,909	4,22,49,893	5,45,99,237
Furniture & Fixtures	2,19,30,577	21,91,559	-	2,41,22,136	1,20,81,208	29,93,806	-	1,50,75,014	90,47,122	98,49,368
Office Equipment	1,52,02,246	10,79,618	-	1,62,81,864	82,12,776	32,60,130	-	1,14,72,906	48,08,958	69,89,469
Computer	5,55,71,870	71,78,614	82,900	6,26,67,584	4,27,91,919	91,62,411	78,754	5,18,75,576	1,07,92,008	1,27,79,952
Vehicles	85,46,685	7,42,112	3,82,234	89,06,563	61,33,524	9,02,132	2,82,052	67,53,604	21,52,959	24,13,161
B. Intangible Assets										
Computer Softwares	1,97,27,351	1,62,20,401	-	3,59,47,752	1,26,00,699	91,67,708	-	2,17,68,407	1,41,79,345	71,26,652
Total (A+B)	63,96,05,924	9,10,19,537	4,65,134	73,01,60,327	22,33,26,824	8,33,82,057	3,60,806	30,63,48,075	42,38,12,252	41,62,79,098
C. Capital Work In Progress (C)	2,82,05,679	-	2,82,05,679	-	-	-	-	-	-	2,82,05,679
Total (A+B+C)	66,78,11,603	9,10,19,537	2,86,70,813	73,01,60,327	22,33,26,824	8,33,82,057	3,60,806	30,63,48,075	42,38,12,252	44,44,84,777
Previous Year	42,69,94,489	25,39,57,154	1,31,40,041	66,78,11,603	17,97,69,746	5,49,81,981	1,14,24,900	22,33,26,824	44,44,84,777	

Notes accompanying financial statements for the year ended 31st March, 2017

10 Non Current Investments

(Long Term - at Cost less provision for other than temporary diminution)

Amount in (₹)

Particulars	Gross Amount		Diminution in Value of Investment		Net Amount	
	31.03.2017	31.03.2016	31.03.2017	31.03.2016	31.03.2017	31.03.2016
A. Trade Investments (Unquoted) in Equity Instruments						
Investment in wholly owned Subsidiaries (Fully Paid up) :						
1 4,68,21,633 (Previous year -4,68,21,633) Ordinary Shares of US \$ 1 each Genoa Jewelers Limited	2,28,41,48,839	2,28,41,48,839	-	-	2,28,41,48,839	2,28,41,48,839
2 3,50,000 (Previous year - 3,50,000) Ordinary Shares of Baht 100 each STS Gems Thai Limited	1,11,25,99,043	1,11,25,99,043	1,11,25,99,043	1,11,25,99,043	-	-
3 200 (Previous year 200) Common Shares with No par value of STS Jewels Inc.*	1,99,50,79,632	1,99,50,79,632	1,51,10,97,632	1,51,10,97,632	48,39,82,000	48,39,82,000
4 1,500 (Previous year - 1,500) Ordinary Shares of Yen 50,000 each STS Gems Japan Limited	1,99,18,042	1,99,18,042	1,99,18,042	1,99,18,042	-	-
5 87,500 (Previous year - 87,500) Ordinary Shares of HK \$100 each STS Gems Limited, Hong Kong*	15,74,99,992	15,74,99,992			15,74,99,992	15,74,99,992
Total (A)	5,56,92,45,548	5,56,92,45,548	2,64,36,14,717	2,64,36,14,717	2,92,56,30,831	2,92,56,30,831
B. Other than Trade Investments						
(i) Unquoted Investment in Equity Instrument (Fully Paid up) :						
3,60,000 (Previous year - 3,60,000) Equity Shares of ₹10 each of VGL Softech Limited	52,07,000	52,07,000	52,07,000	52,07,000	-	-
Extent of holding 19.78 %						
Total (B)	52,07,000	52,07,000	52,07,000	52,07,000	-	-
C. Total (A+B)	5,57,44,52,548	5,57,44,52,548	2,64,88,21,717	2,64,88,21,717	2,92,56,30,831	2,92,56,30,831
Notes:-						
1. Aggregate amount of Non Quoted Investment					5,57,44,52,548	5,57,44,52,548
2. Aggregate amount of provision for diminution in value of Investment					2,64,88,21,717	2,64,88,21,717
3. * For details of investments pledged, (Refer Note No.5)						

11 Deferred Tax Assets

Particulars	As at 31st March, 2017 (₹)		As at 31st March, 2016 (₹)	
Add: Deferred Tax Asset				
On Provision for Gratuity and Compensated Absences	1,38,78,112		1,16,18,460	
On Timing Difference on Tax on FCTR	-		32,46,083	
Depreciation	4,65,911	1,43,44,023	35,95,516	1,84,60,059
Less: Deferred Tax Liability:				
On Timing Difference on Tax on FCTR	12,96,230	12,96,230	-	-
		1,30,47,793		1,84,60,059

Net deferred tax charge/(credit) for the year of ₹54,12,266 (Previous year credit of ₹1,22,62,454) has been recognized in the Statement of Profit and Loss for the year.

**Notes accompanying financial statements** for the year ended 31st March, 2017**12 Long Term Loans and Advances***(Unsecured and considered good unless otherwise stated)*

Particulars	As at 31st March, 2017 (₹)	As at 31st March, 2016 (₹)
Capital Advances	3,47,751	55,85,339
Loans and Advances to subsidiaries (Refer Note No. 35)	16,25,17,951	16,62,63,414
Security Deposits	1,40,37,219	1,32,48,192
Advance Income Tax [Net of Provision of tax ₹6,88,00,000, Previous Year-₹11,51,96,400]	3,95,13,046	3,30,54,268
	21,64,15,967	21,81,51,213

CURRENT ASSETS**13 Current Investments****Investments in Liquid Mutual fund (Quoted)***(At lower of cost and fair value)*

Particulars	As at 31st March, 2017 (₹)	As at 31st March, 2016 (₹)
Principal Cash Management Fund Plan Growth - 25,352 Units (Previous Year-5,119 Units)	4,00,00,000	75,00,000
Principal Balanced Fund - Regular Plan Growth - 33,204 Units (Previous Year- NIL)	20,00,000	-
	4,20,00,000	75,00,000
Notes:-		
1. Aggregate amount of Quoted Investment	4,20,00,000	75,00,000
2. Aggregate Market value of Investment	4,20,97,007	75,28,161

14 Inventories*(At lower of cost and net realisable value)*

Particulars	As at 31st March, 2017 (₹)	As at 31st March, 2016 (₹)
Materials-in-process*	91,09,67,578	1,14,71,78,872
Semi Finished Goods*	1,10,05,175	9,48,14,854
Finished Goods*	3,34,54,381	6,18,62,091
Stores and Consumables	1,73,13,785	2,62,37,152
	97,27,40,919	1,33,00,92,969

*Inventory is taken by management and valued by management which is supported by a certificate from an Independent Approved Valuer.

15 Trade Receivables*(Unsecured and considered good unless otherwise stated)*

Particulars	As at 31st March, 2017 (₹)	As at 31st March, 2016 (₹)
Outstanding for a period exceeding six months from the due date of payment	70,44,323	-
Others (For due from related parties Refer Note No. 35)	1,39,52,59,876	1,21,96,70,847
	1,40,23,04,199	1,21,96,70,847

Notes accompanying financial statements for the year ended 31st March, 2017**16 Cash and Bank Balances**

Particulars	As at 31st March, 2017 (₹)		As at 31st March, 2016 (₹)	
Cash and Cash Equivalents				
Balance with Banks		13,27,58,391		7,38,13,705
Cash on hand		12,57,123		12,41,209
		13,40,15,514		7,50,54,914
Other Bank Balances				
Unpaid Dividend account		49,987		76,258
Bank Deposits- Pledged		1,00,88,019		84,44,657
Bank Deposits- Un Pledged		-		7,01,732
		1,01,38,006		92,22,647
		14,41,53,520		8,42,77,561

Details of Specified Bank Notes (SBNs) held and transacted during the period from 8th November, 2016 to 30th December, 2016 are as under:

Particulars	Amount in (₹)		
	SBNs	Other denomination notes	Total
Closing cash in hand as on 08.11.2016	23,67,000	1,48,705	25,15,705
(+) Permitted receipts	-	62,97,100	62,97,100
(-) Permitted payments	-	52,38,126	52,38,126
(-) Amount deposited in Banks	23,67,000	10,000	23,77,000
Closing cash in hand as on 30.12.2016	-	11,97,679	11,97,679

For the purposes of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated the 8th November, 2016.

17 Short Term Loans and Advances

(Unsecured and considered good unless otherwise stated)

Particulars	As at 31st March, 2017 (₹)		As at 31st March, 2016 (₹)	
Considered good				
Loans and Advances to Staff		28,92,861		28,31,037
Advance To Suppliers		3,85,94,452		1,02,96,086
Prepaid Expenses		1,56,79,886		1,06,38,256
Balances with Tax Authorities		2,79,47,085		4,89,39,909
Considered doubtful				
Advance to suppliers	10,08,816		-	
Less: Provision for doubtful advances	(10,08,816)	-	-	-
		8,51,14,285		7,27,05,287

18 Other Current Assets

Particulars	As at 31st March, 2017 (₹)		As at 31st March, 2016 (₹)	
Interest Accrued on Bank deposits		5,98,843		7,66,007
Interest accrued on loan to Subsidiary (Refer Note No. 35)		27,27,667		53,82,708
Export Incentives Receivable		21,26,246		30,95,853
		54,52,756		92,44,567

**Notes accompanying financial statements** for the year ended 31st March, 2017**19 Revenue from Operations**

Particulars	Year ended 31st March, 2017 (₹)		Year ended 31st March, 2016 (₹)	
Sale of Products:				
- Export Sales (Refer Note No. 35)	4,27,74,40,616		3,23,27,84,983	
- Domestic Sales	49,18,36,555	4,76,92,77,171	36,95,49,715	3,60,23,34,698
Other Operating Revenue		1,36,58,065		1,17,26,930
		4,78,29,35,236		3,61,40,61,628

19.1 Particulars of Sale of Products

Particulars	Year ended 31st March, 2017 (₹)		Year ended 31st March, 2016 (₹)	
Gem Stones		1,07,19,59,259		56,25,10,299
Jewellery		3,52,99,01,722		2,86,46,93,753
Life Style Products		14,41,12,514		14,98,67,046
Diamonds		2,33,03,676		2,52,63,600
		4,76,92,77,171		3,60,23,34,698

20 Other Income

Particulars	Year ended 31st March, 2017 (₹)		Year ended 31st March, 2016 (₹)	
Interest		16,78,296		29,41,448
Interest/Fees from Subsidiaries (Refer Note No. 35)		54,16,045		1,20,83,917
Profit on Sale of Fixed assets		47,820		18,13,803
Liabilities No Longer required written back		18,98,269		12,94,791
Profit on Sale of Mutual Fund		5,13,147		90,56,295
Miscellaneous Income		1,04,62,918		11,41,289
Exchange Fluctuation (Net)		3,92,05,708		3,75,66,462
Discount on Forward Contract		81,82,800		-
		6,74,05,003		6,58,98,005

21 a Cost of Materials Consumed

Particulars	Year ended 31st March, 2017 (₹)		Year ended 31st March, 2016 (₹)	
Opening Material-in-process	1,14,71,78,872		72,68,15,922	
Add: Purchases (Refer Note No. 35)	2,86,56,56,852		2,69,18,74,749	
	4,01,28,35,724		3,41,86,90,671	
Less: Closing Material-in-process	91,09,67,578	3,10,18,68,146	1,14,71,78,872	2,27,15,11,799
		3,10,18,68,146		2,27,15,11,799

b Particulars of Material Consumed

Particulars	Year ended 31st March, 2017 (₹)		Year ended 31st March, 2016 (₹)	
Gem Stones		2,02,14,78,166		1,46,47,89,128
Alloys		66,28,537		55,98,204
Diamond		18,68,95,215		12,57,03,250
Gold		18,79,78,462		14,06,08,480
Platinum		2,39,77,343		69,98,367
Silver		44,59,91,918		41,34,12,926
Parts and Findings		7,75,07,622		9,36,19,065
Others Metal		15,14,10,883		2,07,82,379
		3,10,18,68,146		2,27,15,11,799

Notes accompanying financial statements for the year ended 31st March, 2017**22 a Purchases of Stock-in-Trade**

Particulars	Year ended 31st March, 2017 (₹)		Year ended 31st March, 2016 (₹)	
Purchases of Finished Goods		11,88,01,066		12,81,99,694
		11,88,01,066		12,81,99,694

b Particulars of purchase of Traded Goods

Particulars	Year ended 31st March, 2017 (₹)		Year ended 31st March, 2016 (₹)	
Jewelry Product		16,11,088		70,78,962
Life Style Product		11,71,89,978		12,11,20,732
		11,88,01,066		12,81,99,694

23 Changes in Inventory of Finished and Semi Finished Goods

Particulars	Year ended 31st March, 2017 (₹)		Year ended 31st March, 2016 (₹)	
Opening Stocks				
Semi Finished Goods	9,48,14,854		6,42,88,774	
Finished Goods	6,18,62,091		3,85,54,972	
	15,66,76,945		10,28,43,746	
Less: Closing Stocks				
Semi Finished Goods	1,10,05,175		9,48,14,854	
Finished Goods	3,34,54,381		6,18,62,091	
	4,44,59,556	11,22,17,389	15,66,76,945	(5,38,33,199)
		11,22,17,389		(5,38,33,199)

24 Employees Benefit Expenses

Particulars	Year ended 31st March, 2017 (₹)		Year ended 31st March, 2016 (₹)	
Salaries, Wages and Bonus		32,46,21,765		31,23,81,834
Contributions to Provident and Other Funds		2,32,74,495		2,32,39,775
Staff Welfare Expenses		1,90,75,419		1,77,66,227
Recruitment and Training		23,42,608		44,25,460
		36,93,14,287		35,78,13,296

25 Finance Cost

Particulars	Year ended 31st March, 2017 (₹)		Year ended 31st March, 2016 (₹)	
Interest				
- On Term Loans		-		-
- On Working Capital Facilities	3,71,66,149	3,71,66,149	2,66,70,160	2,66,70,160
Finance Charges		1,11,58,056		93,30,804
Interest on Income Tax		-		82,20,883
		4,83,24,205		4,42,21,847

**Notes accompanying financial statements** for the year ended 31st March, 2017**26 Other Expenses****a. Manufacturing Expenses**

Particulars	Year ended 31st March, 2017 (₹)		Year ended 31st March, 2016 (₹)	
Job Work Charges		37,81,30,338		29,71,74,362
Stores and Consumables		5,66,11,642		5,64,85,051
Power and Fuel		4,31,91,084		3,57,87,155
Repairs and Maintenance				
- Building	25,44,768		7,37,876	
- Plant and machinery	41,08,939	66,53,707	39,04,870	46,42,746
Other Manufacturing/direct Expenses		2,03,73,889		1,32,81,415
		50,49,60,660		40,73,70,729

b. Administrative and Selling Expenses

Particulars	Year ended 31st March, 2017 (₹)		Year ended 31st March, 2016 (₹)	
Rent		56,96,061		72,02,600
Rates and Taxes		76,87,287		51,10,863
Insurance		1,21,56,838		1,04,53,873
Travelling and Conveyance		3,98,00,939		4,35,70,761
Legal and Professional		97,39,740		1,31,40,594
Postage and Telephone		87,01,032		76,39,070
Printing and Stationery		19,22,977		19,68,185
Repairs and Maintenance- Others		63,16,390		61,26,426
Advertisement and Business Promotion		24,83,896		9,25,443
Security Expenses		31,10,379		23,22,506
Packing and Forwarding		5,76,16,510		4,30,27,230
Corporate Social Responsibility Expenses (Refer Note no. 41)		1,52,24,649		1,37,71,514
Auditors' Remuneration				
- Statutory Audit Fees	18,00,000		18,00,000	
- Taxation Matters	4,52,000		3,73,000	
- for Other services	7,14,589		12,85,900	
- Reimbursement of Expenses	89,393	30,55,982	75,299	35,34,199
Directors' Remuneration		1,00,01,547		81,63,501
Directors' Sitting Fees		31,25,000		44,00,000
Loss on sale of Fixed Assets		-		40,238
Provision for doubtful advances		10,08,816		-
Information Technology expenses		1,03,31,339		14,79,149
Bad debts		3,19,501		-
Miscellaneous Expenses		1,85,45,369		1,38,78,432
		21,68,44,252		18,67,54,585
Total Other Expenses (a + b)		72,18,04,912		59,41,25,314

Notes accompanying financial statements for the year ended 31st March, 2017**27 Contingent Liabilities and Commitments**

Particulars	Year ended 31st March, 2017 (₹)		Year ended 31st March, 2016 (₹)	
COMMITMENTS				
(a) Capital Commitment:				
Estimated amount of contracts remaining to be executed on capital account and not provided for:		25,000		1,50,18,412
(b) Other Commitments				
(i) For Lease Commitments refer Note No. 37				
CONTINGENT LIABILITIES NOT PROVIDED FOR				
(a) Guarantees				
Guarantees given by bank on behalf of the Company		8,20,00,000		8,61,00,000
Corporate Guarantees given to bank on behalf of loans obtained by a Subsidiary (to the extent of loan outstanding)		12,17,48,698		30,66,59,445
(b) Claims Against the Company not acknowledged as debt				
(i) Disputed Tax Matters against which the company has preferred appeal :				
Custom duty		-		43,07,610
Income tax		2,90,32,150		3,25,03,857
(c) Other money for which the company is contingently liable		29,57,000		29,57,000

28 Value of Import on CIF basis

Particulars	Year ended 31st March, 2017 (₹)		Year ended 31st March, 2016 (₹)	
Material-in-Process		1,74,75,82,062		1,20,90,29,370
Components and Spare Parts		2,50,92,506		3,53,78,716
Capital Goods		1,61,34,307		2,52,11,629
		1,78,88,08,875		1,26,96,19,715

29 Value and % of Material Consumption

Particulars	Year ended 31st March, 2017		Year ended 31st March, 2016	
	%	(₹)	%	(₹)
Material-in-Process and Components:				
Imported	61.00	1,89,21,39,570	45.00	1,02,21,80,310
Indigenous	39.00	1,20,97,28,576	55.00	1,24,93,31,489
		3,10,18,68,146		2,27,15,11,799
Consumables, Stores and Spares:				
Imported	53.00	3,00,04,170	55.00	3,10,66,778
Indigenous	47.00	2,66,07,472	45.00	2,54,18,273
		5,66,11,642		5,64,85,051

**Notes accompanying financial statements** for the year ended 31st March, 2017**30 Expenditure in Foreign Currency**

Particulars	Year ended 31st March, 2017 (₹)		Year ended 31st March, 2016 (₹)	
Travelling Expenses		99,74,723		30,89,899
Directors' Remuneration		43,91,547		25,23,706
Legal and Professional fees		-		2,27,538
Purchase of Designs		65,88,838		-
Information Technology expenses		32,42,337		-
Others		5,28,114		3,49,228

31 Earnings in Foreign Currency (on Accrual Basis)

Particulars	Year ended 31st March, 2017 (₹)		Year ended 31st March, 2016 (₹)	
Export of goods calculated on F.O.B. basis		4,22,99,62,199		3,19,69,42,662
Interest/Chargeback of overheads from Subsidiaries		1,36,05,980		1,20,83,917

32 The Company has classified various benefits provided to employees as under:**A. Defined Contribution Plans**

- Provident Fund
- Employers' Contribution to Employees' State Insurance
- National Pension Scheme

The Company has recognised the following amounts in Statement of Profit and Loss:

Particulars	Year ended 31st March, 2017 (₹)		Year ended 31st March, 2016 (₹)	
Employer's contribution to Provident Fund		1,66,04,638		1,69,04,871
Employer's contribution to Employees State Insurance		57,88,113		63,34,904
Employer's contribution to National Pension Scheme		8,81,744		-
		2,32,74,495		2,32,39,775

B. a. Contribution to Gratuity Fund (Funded Scheme) & Compensated Absences (Unfunded Scheme)

In accordance with the Accounting Standard (AS 15) (Revised 2005), actuarial valuation was performed in respect of the Gratuity Liability and Compensated Absences based on the following assumptions:

Particulars	Year ended 31st March, 2017		Year ended 31st March, 2016	
	Gratuity	Compensated Absences	Gratuity	Compensated Absences
Discount Rate (per annum)	7.20%	7.20%	7.70%	7.70%
Rate of increase in compensation levels (per annum)	10.00%	10.00%	10.00%	10.00%
Rate of return on Plan Assets (for Funded Scheme)	7.90%	0.00%	8.18%	0.00%
Expected Average remaining working lives of the employees (years)	10 Years		11 Years	
Attrition Rate	14.67%	14.67%	12.52%	12.52%

Notes accompanying financial statements for the year ended 31st March, 2017**I. Change in the Present Value of Obligation**

The Scheme is funded with an insurance company in the form of qualifying insurance policy

Particulars	Year ended 31st March, 2017 (₹)		Year ended 31st March, 2016 (₹)	
	Gratuity	Compensated Absences	Gratuity	Compensated Absences
Present value of defined benefit obligation as at beginning of the year	4,29,22,143	76,25,978	4,06,56,991	72,27,796
Interest cost	33,05,005	5,87,200	31,71,245	5,63,768
Past Service cost	-	-	-	-
Current service cost	73,73,236	31,83,455	64,76,073	25,23,242
Benefits paid	(23,88,921)	(8,48,375)	(22,03,053)	(5,85,942)
Actuarial (gain) / loss on obligations	6,76,173	(5,97,289)	(51,79,113)	(21,02,886)
Present value of defined benefit obligation as at the end of the year	5,18,87,636	99,50,969	4,29,22,143	76,25,978

II. Changes in the Fair Value of Plan Assets

Particulars	As at 31st March, 2017 (₹)		As at 31st March, 2016 (₹)	
	Gratuity	Compensated Absences	Gratuity	Compensated Absences
Present value of plan assets as at beginning of the year	1,69,76,519	-	1,39,66,724	-
Expected return on plan assets	13,87,830	-	12,39,547	-
Contributions	57,66,240	-	40,86,594	-
Benefits paid	(23,88,921)	-	(22,03,053)	-
Actuarial gains / (losses)	(3,944)	-	(1,13,293)	-
Fair value of plan assets as at end of the year *	2,17,37,724	-	1,69,76,519	-

* All the funds under the Plan Assets are managed by insurer.

III. Reconciliation of Present Value of Defined Benefit Obligation and the Fair Value of Assets

Particulars	As at 31st March, 2017 (₹)		As at 31st March, 2016 (₹)	
	Gratuity	Compensated Absences	Gratuity	Compensated Absences
Present value of funded obligation as at end of the year	5,18,87,636	99,50,969	4,29,22,143	76,25,978
Fair value of plan assets as at end of the year	2,17,37,724	-	1,69,76,519	-
Liability recognised in the Balance Sheet Shown as	3,01,49,912	99,50,969	2,59,45,624	76,25,978
Long term provision (refer note no.4)	1,91,68,543	82,77,100	1,64,29,725	65,41,225
Short term provision (refer note no.8)	1,09,81,369	16,73,869	95,15,899	10,84,753

IV. Amount recognised in the Balance Sheet

Particulars	As at 31st March, 2017 (₹)		As at 31st March, 2016 (₹)	
	Gratuity	Compensated Absences	Gratuity	Compensated Absences
Present value of defined benefit obligation as at the end of the Year	5,18,87,636	99,50,969	4,29,22,143	76,25,978
Fair value of plan assets as at end of the year	2,17,37,724	-	1,69,76,519	-
Liability / (Net Asset) recognised in the Balance Sheet	3,01,49,912	99,50,969	2,59,45,624	76,25,978

**Notes accompanying financial statements** for the year ended 31st March, 2017**V. Expenses recognised in Profit and Loss Account**

Particulars	Year ended 31st March, 2017 (₹)		Year ended 31st March, 2016 (₹)	
	Gratuity	Compensated Absences	Gratuity	Compensated Absences
Current service cost	73,73,236	31,83,455	64,76,073	25,23,242
Past service cost	-	-	-	-
Interest cost	33,05,005	5,87,200	31,71,245	5,63,768
Expected Return on Plan Assets	(13,87,830)	-	(12,39,547)	-
Net Actuarial (gain) / Loss recognised in the period	6,80,117	(5,97,289)	(50,65,820)	(21,02,886)
Total Expenses recognised in the Profit and Loss Account*	99,70,528	31,73,366	33,41,951	9,84,124

* included in Salaries, wages, bonus etc. in Note No. 24

VI. Actual Return on Plan Assets

Particulars	Year ended 31st March, 2017 (₹)		Year ended 31st March, 2016 (₹)	
	Gratuity	Compensated Absences	Gratuity	Compensated Absences
Expected Return on Plan Assets	13,87,830	-	12,39,547	-
Actuarial gain / (losses) on Plan Assets	(3,944)	-	(1,13,293)	-
Actual Return on Plan Assets	13,83,886	-	11,26,254	-

The 100% Plan Assets of the Company as on balance sheet date are invested with Life Insurance Corporation through Group Gratuity Policy.

The expected rate of return on plan assets is based on market expectations at the beginning of the period. The rate of return on long-term government bonds is taken as reference for this purpose.

Enterprise best estimate of contribution during next year is ₹1,09,81,369

Compensated Absences has been provided based on valuation, as at the balance sheet date, made by independent actuaries .

b. Disclosures pursuant to Accounting Standard-15 “Employee Benefits”

Amount in (₹)

Particulars	31.03.2017	31.03.2016	31.03.2015	31.03.2014	31.03.2013
Gratuity					
Present value of defined benefit obligation as at the end of the Year	5,18,87,636	4,29,22,143	4,06,56,991	2,80,10,419	2,55,98,437
Fair value of plan assets as at end of the year	2,17,37,724	1,69,76,519	1,39,66,724	1,15,54,697	1,05,62,468
Liability / (Net Asset) recognised in the Balance Sheet	3,01,49,912	2,59,45,624	2,66,90,267	1,64,55,722	1,50,35,969
Experience adjustments on plan liabilities - (Loss)/ Gain	(3,24,812)	(2,65,286)	8,09,695	(8,04,241)	(1,47,087)
Experience adjustments on plan assets - (Loss)/Gain	(3,944)	(1,13,293)	(41,946)	(96,207)	-
Compensated absences					
Present value of defined benefit obligation as at the end of the Year	99,50,969	76,25,978	72,27,796	48,57,346	35,89,353
Fair value of plan assets as at end of the year	-	-	-	-	-
Liability / (Net Asset) recognised in the Balance Sheet	99,50,969	76,25,978	72,27,796	48,57,346	35,89,353
Experience adjustments on plan liabilities - (Loss)/ Gain	6,66,557	13,46,193	5,34,469	1,63,923	7,64,991

Notes accompanying financial statements for the year ended 31st March, 2017

33 Employee Stock Option Scheme:

a VGL ESOP (As amended)-2006

On 30 November 2006, pursuant to approval of shareholders at the Extra Ordinary General Meeting, the Company has approved Employee Stock Option Scheme-2006 ("the Scheme"). The Scheme provides for grant of stock options on equity shares of the Company to the eligible employees of the Company and its subsidiaries. Under the scheme, the Company is authorised to issue up to 8,25,000 shares to eligible employees. Further, over the period from September 2011 to September 2016, pursuant to approval of the shareholders at the Annual General Meetings, the Company approved an ESOP scheme to issue additional shares aggregating to 17,50,000. Eligible employees are granted an option to purchase shares subject to vesting conditions. Stock options are vested in a graded manner over the period of 3 years wherein 20% will vest at the end of first year, 30% at the end of the second year and balance 50% at the end of third year from the date of grant. Exercise price of stock options granted is equal to market price of the share of the Company on the date of grant. The Company follows the intrinsic value method to account for its stock options as per the Guidance note issued by the Institute of Chartered Accountants of India and SEBI Guidelines. The Company has constituted "Vaibhav Global Employee Stock Option Welfare Trust" to administer and implement VGL ESOP Scheme. The exercise period for all the options under various tranches has been increased to 7 years from the date of vesting as approved by the shareholders in the AGM held on 25 July, 2014. The maximum contractual life of options is 9.3 years.

23,99,853 (previous year 18,54,675) options have been granted under the scheme till the year ended 31 March 2017.

The details of the Grant under the aforesaid schemes are as under:-

Particulars	Original/ (Revised) Exercise Price	Options outstanding as on 1st April 2016	Options granted/ revived during the year	Options exercised during the year	Options forfeited during the year	Expired during the period	2016-17	
							Options granted and outstanding as on 31st March 2017*	Excercisable at the end of the period
A	240 (45.30)	1,271	-	1,271	-	-	-	-
D	26.75	9,000	-	4,000	-	-	5,000	5,000
F	45.30	71,187	-	26,916	-	-	44,271	44,271
G	119.05	13,930	-	3,570	-	-	10,360	10,360
H	126.35	27,106	-	-	7,633	-	19,473	19,473
I	418.40	8,956	-	-	8,956	-	-	-
J	743.95	23,629	-	-	3,145	-	20,484	10,242
L	742.50	3,60,690	-	-	48,785	-	3,11,905	1,55,953
M	752.60	13,826	-	-	6,106	-	7,720	3,860
N	374.60	69,330	-	-	10,640	-	58,690	11,738
O	284.45	-	51,520	-	3,840	-	47,680	-
P	311.55	-	4,87,858	-	22,060	-	4,65,798	-
Q	307.35	-	5,800	-	-	-	5,800	-
		5,98,925	5,45,178	35,757	1,11,165	-	9,97,181	2,60,897

* Includes 10803 equity shares allotted to Trust not exercised by employees

The options outstanding at 31 March 2017 have an weighted average remaining contractual life of 3.27 years. The weighted average share price in respect of options exercised during the year was ₹305.

**Notes accompanying financial statements** for the year ended 31st March, 2017

2015-16

Particulars	Original/ (Revised) Exercise Price	Options outstanding as on 1st April 2015	Options granted/ revived during the year	Options exercised during the year	Options forfeited during the year	Expired during the period	Options granted and outstanding as on 31st March 2016**	Exercisable at the end of the period
A	240 (45.30)	2,018	-	747	-	-	1,271	1,271
D	26.75	9,000	-	-	-	-	9,000	9,000
F	45.30	1,71,560	-	1,00,373	-	-	71,187	71,187
G	119.05	44,161	-	17,731	12,500	-	13,930	6,965
H	126.35	41,181	-	-	14,075	-	27,106	13,553
I	418.40	47,793	-	-	38,837	-	8,956	4,478
J	743.95	25,726	-	-	2,097	-	23,629	4,726
K	734.65	3,579	-	-	3,579	-	-	-
L	742.50	4,64,130	-	-	1,03,440	-	3,60,690	72,138
M	752.60	21,690	-	-	7,864	-	13,826	-
N	374.60	-	76,570	-	7,240	-	69,330	-
		8,30,838	76,570	1,18,851	1,89,632	-	5,98,925	1,83,318

** Includes 16,074 equity shares allotted to Trust not exercised by employees

The options outstanding at 31 March 2016 have an weighted average remaining contractual life of 2.28 years. The weighted average share price in respect of options exercised during the year was ₹438.

b Measurement of fair value :

The fair value of stock option has been measured using the Black-Scholes formula.

The fair value of the stock options granted during the year and the inputs used in the measurement of the fair value at grant date of the stock option are as follows:

Particulars	Year ended 31st March, 2017 (₹)	Year ended 31st March, 2016 (₹)
Weighted average share price	309.01	374.60
Weighted average exercise price	309.01	374.60
Expected volatility (weighted average volatility)	60.51%	64.71%
Expected life (expected weighted average life)	4.65 years	4.65 years
Expected dividend	-	-
Risk-free interest rate (based on government bonds)	6.50%	7.79%

Volatility is the measure of the amount by which a price has fluctuated or is expected to fluctuate during a period. The measure of volatility used in the Black-Scholes options pricing model is the annualised standard deviation of the continuously compounded rates of return on the stock over a period of time. For calculating volatility, the daily volatility of the stock prices on the Bombay Stock Exchange (BSE), over a period prior to the date of grant, corresponding with the expected life of the options has been considered.

The weighted average fair value of options granted during the year ended 31 March 2017 is ₹162.36 (Previous year ₹211).

Notes accompanying financial statements for the year ended 31st March, 2017

c The following table illustrates the effect on earnings per share if the Company had applied the fair value method to stock-based employee compensation:

Particulars	Year ended 31st March, 2017 (₹)	Year ended 31st March, 2016 (₹)
Net profit attributable to equity shareholders	23,64,56,267	18,15,53,214
Add: Stock-based employee compensation expense included in reported net profit	-	-
Less: Stock-based employee compensation expense determined under fair value based method	1,43,82,974	1,56,62,619
Performa net profit	22,20,73,293	16,58,90,595
Weighted average number of equity shares outstanding during the year used in computing basic earnings per share	3,25,29,980	3,24,59,898
Basic and Diluted Earnings per share - adjusted pro forma	6.83	5.11

d A summary of movement in respect of the shares held by ESOP Trust is as follows :

Particulars	Year ended 31st March, 2017 (₹)	Year ended 31st March, 2016 (₹)
Opening balance of equity shares not exercised by employee and available with the ESOP Trust	16,074	22,177
Add: Shares allotted by Company	30,486	1,12,748
Less : Shares exercised by employee :	35,757	1,18,851
Closing balance of equity shares not exercised by employee and available with the ESOP Trust	10,803	16,074

34 Un-hedged foreign currency exposures as at March 31, 2017 are as under:

Particulars	Euro	USD	Pound	Year ended 31st March, 2017 (₹)	Euro	USD	Pound	Year ended 31st March, 2016 (₹)
Receivables (Net of Hedge)	33,992	\$1,96,05,375	£26,93,696	1,49,14,04,221		\$1,49,33,156	£19,80,233	1,17,88,65,391
Payables	€11,214	\$1,24,35,224	£1,154	80,71,52,396	€669	\$1,74,64,667	£71,581	1,16,53,794
Guarantees given			£15,05,000	12,17,48,698			£32,25,000	30,66,59,445

35 Related Party Disclosures:

A. List of related parties :

Subsidiaries (Direct and Step down)

- | | |
|--|--|
| 1. Jewel Gem USA Inc.:(Step down) | 2. STS Gems Japan Limited; |
| 3. STS Gems Limited, Hong Kong; | 4. STS Jewels Inc., USA; |
| 5. STS Gems Thai Limited, Thailand; | 6. Genoa Jewelers Limited, BVI; |
| 7. The Jewellery Channel Inc., USA (Step down) | 8. The Jewellery Channel Ltd., United Kingdom; (Step down) |
| 9. PT STS Bali (Step down) | |

Enterprises in which Key management personnels are interested :

- | | |
|------------------------------|--------------------------------|
| 1. VGL Softech Limited | 2. Brett Plastics Pvt. Limited |
| 3. Sonymike's Holdings Ltd. | 4. Ganpati Chambers Pvt Ltd. |
| 5. Jaipur Gem Bourse Limited | |

**Notes accompanying financial statements** for the year ended 31st March, 2017**Key Management Personnel (KMP):**

1. Shri Sunil Agrawal –Chairman & Managing Director 2. Shri Rahimullah – Whole time Director

Relative of Key Management Personnel

- | | |
|------------------------|---------------------------|
| 1. Smt. Deepti Agrawal | 2. Shri Ghanshyam Agarwal |
| 3. Smt. Sheela Agarwal | 4. Shri Hursh Agrawal |
| 5. Master Neil Agrawal | 6. Smt. Fatima Be |
| 7. Smt. Batool Begum | 8. Shri Arifullah |
| 9. Shri Inamullah | 10. Shri Imranullah |
| 11. Shri Rizwanullah | 12. Shri Asifullah |
| 13. Smt. Amrin | 14. Shri Ikramullah |
| 15. Smt. Renu Raniwala | 16. Shri Sanjeev Agrawal |

B. Related Party Transactions

Amount in (₹)

Nature of Transactions	Subsidiary		Key Managerial Person		Relative of Key Managerial Person & Enterprises over which significant influence exercised by Key Managerial Person	
	31.03.2017	31.03.2016	31.03.2017	31.03.2016	31.03.2017	31.03.2016
(i) Transactions During the year						
a. Sales of Goods	3,98,25,29,250	3,18,54,77,750			-	-
b. Purchases of Goods	63,85,87,138	59,47,42,920			-	-
c. Loan Given/(Repaid)	-	-				
d. Expense	5,01,33,633	2,40,41,400			-	-
e. Purchase of fixed assets	5,43,841	16,71,896				
f. Remuneration	-	-	42,00,000	42,00,000		
g. Interest Income	54,16,045	1,20,83,917			-	-
h. Repayment of Unsecured Loan	-				-	-
i. Issue of shares (by conversion of loan)	-	52,49,40,007				
(ii) Balances as the end of the year						
a. Amount Receivable	1,14,28,73,080	98,89,10,548			-	-
b. Amount Payable	8,76,52,124	15,68,24,206				
c. Interest Receivable	27,27,665	53,82,708			-	-
d. Loan Receivable	16,25,17,951	16,62,63,414				
e. Investments	5,56,92,45,548	5,56,92,45,548			52,07,000	52,07,000
f. Guarantee	12,17,48,698	30,66,59,445				

Notes :

- a Loans to subsidiaries are given for general business purpose and have been utilised for the same.
b Guarantee provided to the lenders of subsidiary is for availing term loans and working capital facility from the lender bank.
c The working capital borrowings are secured by personal guarantee of Mr. Sunil Agrawal, Chairman and Managing Director of the Company (Refer Note No. 5).

Notes accompanying financial statements for the year ended 31st March, 2017

35 Related Party Disclosures: (contd.)

C. Details of Material Related Party Transactions

Nature of Transactions	Subsidiaries												Total Subsidiaries												
	TJC UK		TJC USA		Genoa Jewellers Limited		Jewel Gem USA Inc.		STS Jewels Inc. USA		STS Gems Japan Limited		STS Gems Limited, Hongkong		PT STS Bali		STS Gems Thait Limited		Total						
	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16	2016-17				
(i) Transaction during the year																									
a. Sales of Goods	64,55,09,724	61,55,65,626	1,27,09,56,533	1,86,78,05,193	-	-	1,04,76,84,600	10,24,28,567	74,76,77,997	46,61,14,670	-	-	25,68,43,763	12,66,35,042	-	-	1,38,56,634	69,28,652	3,98,25,29,250	3,18,54,77,750					
b. Purchases of Goods	1,59,17,310	37,39,972	95,64,078	11,06,176	-	-	-	-	22,49,22,770	25,58,00,492	-	-	26,05,75,394	24,43,77,554	18,57,558	-	12,57,49,528	8,97,18,726	63,85,87,138	59,47,42,920					
c. Advance Given	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
d. Expenses Reimbursement	2,77,76,449	74,35,656	2,49,89,010	1,75,55,333	-	-	-	-	(1,83,568)	1,73,427	-	-	(18,69,109)	(7,77,385)	-	-	(5,79,150)	(3,45,631)	5,01,33,633	2,40,41,400					
e. Purchase of Fixed Assets	-	-	94,612,00	16,12,396	-	-	-	-	4,49,229,00	-	-	-	-	59,500	-	-	-	-	-	5,43,841	16,71,896				
f. Remuneration	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
g. Interest Income	-	-	-	-	-	77,76,513	-	-	-	-	-	-	-	-	-	-	-	-	54,16,045	43,07,403	54,16,045	1,20,83,917			
h. Repayment of Unsecured Loan	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
i. Issue of shares (by Loan conversion)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	52,49,40,007		
(ii) Balances as at year end																									
a. Amount Receivable	21,78,58,604	19,13,71,434	4,80,64,413	47,16,99,362	-	-	-	51,44,87,837	10,16,60,150	19,64,51,445	-	-	1,15,49,10,23	2,32,05,430	-	-	59,03,967	45,22,727	1,14,28,73,080	98,89,10,548					
b. Amount Payable	-	-	91,55,239	32,896	-	-	-	-	98,46,082	5,50,11,193	-	-	6,00,65,575	9,83,33,072	-	-	88,88,428	34,47,044	8,76,52,124	15,68,24,206					
c. Interest Receivable	-	-	-	-	-	9,44,705	-	-	-	-	-	-	-	-	-	-	27,27,665	44,38,003	27,27,665	53,82,708					
d. Loan Receivable	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	16,25,17,951	16,62,63,414	16,25,17,951	16,62,63,414			
e. Investment	-	-	-	-	-	-	-	-	1,99,50,79,632	1,99,50,79,632	1,99,18,042	1,99,18,042	15,74,99,992	15,74,99,992	-	-	1,11,25,99,043	1,11,25,99,043	5,56,92,45,548	5,56,92,45,548					
f. Guarantee	12,17,48,698	30,66,59,445	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	12,17,48,698	30,66,59,445				

**Notes accompanying financial statements** for the year ended 31st March, 2017**35 Related Party Disclosures:** (contd.)**C. Details of Material Related Party Transactions**

Amount in (₹)

Nature of Transactions	Key Managerial Persons				Enterprises over which significant influence exercised by Key Managerial Persons		Total Enterprises over which significant influence exercised by Key Managerial Persons	
	Mr Rahimullah		Total		VGL Softech Limited		Total	
	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16
(i) Transaction during the year								
Remuneration	42,00,000	42,00,000	42,00,000	42,00,000	-	-	-	-
(ii) Balances as at year end								
Investment	-	-	-	-	52,07,000	52,07,000	52,07,000	52,07,000

36 Segment Reporting

The Company on standalone basis is engaged in manufacturing/ trading and wholesale of “fashion and lifestyle products” as downstream manufacturing facility. Thus, the Company has only one reportable segment. Accordingly, the segment information as required by Accounting Standard -17 on “Segment Reporting” is not required to be disclosed.

37 Lease Commitments

The Company has taken office and other premises on cancellable and non-cancellable operating lease. The lease rental recognised in the Statement of Profit and Loss for the year ended 31st March, 2017 are ₹56,96,061 (Previous Year- ₹72,02,600).

With respect to non cancellable operating leases, the future minimum lease payments as at balance sheet date is as under :

Year	31.03.2017 (₹)	31.03.2016 (₹)
Not later than one year	25,14,550	56,80,500
Later than one year & not later than five year	15,19,999	20,15,000
Later than five years	-	-

38 Information Pertaining to Loans and Guarantees given to Subsidiaries (Information Pursuant to Regulation 34(3) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 and section 186 (4) of The Companies Act, 2013):**(A) Loans and advances in the nature of loans to subsidiaries :**

Amount in (₹)

Name of Company	Type	Balance as at		Maximum amount outstanding during the year		Purpose
		31st Mar, 2017	31st Mar, 2016	31st Mar, 2017	31st Mar, 2016	
Genoa Jewelers Limited	Loan	-	-	-	49,72,83,906	General
STS Gems Thai Ltd.	Loan	16,25,17,951	16,62,63,414	16,25,17,951	16,62,63,414	Corporate Purpose

(B) Corporate Guarantees given to bank on behalf of loans obtained by a subsidiary:

Amount in (₹)

Name of Company	Type	Balance as at		Purpose
		31st Mar, 2017	31st Mar, 2016	
The Jewellery Channel Ltd.	Corporate Guarantee	12,17,48,698	30,66,59,445	Against the loan taken by the subsidiary (Refer note 27)

Notes accompanying financial statements for the year ended 31st March, 2017**39 Earnings Per Share (EPS)**

	Year ended 31st March, 2017 (₹)	Year ended 31st March, 2016 (₹)
a. Profit after Tax (₹)	23,64,56,267	18,15,53,214
b. Dividend on Preference Shares (₹)	-	-
c. Profit attributable to Equity Shareholders for Basic and Diluted EPS (₹) (a-b)	23,64,56,267	18,15,53,214
d. i) Weighted average number of Equity Shares outstanding during the year for Basic EPS	3,25,29,980	3,24,59,898
ii) No of Stock Option Outstanding	9,97,181	5,98,925
iii) No of Dilutive Potential Equity Shares	-	-
e. Weighted average number of Equity Shares outstanding during the year for Diluted EPS (d(i)+d(iii))	3,25,29,980	3,24,59,898
f. Basic Earnings Per Share	7.27	5.59
g. Diluted Earnings Per Share	7.27	5.59

40 The Board at its meeting held on 28th July, 2015 had approved a Scheme of Capital Reduction under section 100 to 104 of the Companies Act 1956 read with section 52 of the Companies Act 2013 for setting off of accumulated losses as on 31st March, 2015 of ₹2,64,27,18,509 against the Security Premium Account. The Shareholder approved Scheme via postal ballot on 16th January, 2016 & the Scheme is sanctioned by the Hon'ble High Court, Rajasthan (Jaipur) vide order dated 18th November, 2016. The effect of such reduction of capital has been taken in the financial statements during the year.

41 Corporate Social Responsibility

(a) Gross amount required to be spent by the company during the year is ₹81,43,763

(b) Amount spent during the year on :

Amount in (₹)

Particulars	In Cash	Yet to be paid in cash	Total
(i) Construction / acquisition of any asset	-	-	-
(ii) On purposes other than (i) above	1,52,24,649	-	1,52,24,649

42 The Company has established a comprehensive system of maintenance of information and documents are required by the transfer pricing legislation under section 92-92F of the Income Tax Act, 1961. Since the law requires existence of such information and documentation to be contemporaneous in nature, the Company is in the process of updating the documentation for the transactions entered into with the associated enterprises during the financial year and expects such records to be in existence latest by due date as required under the law. The management is of the opinion that its transactions with the associated enterprises are at arm's length so that the aforesaid legislation will not have any impact on the financial statements, particularly on the amount of tax expense and that of provision for taxation.

43 Previous year's figure have been regrouped/ reclassified wherever necessary to conform to the current year classification.

For **HARIBHAKTI & CO. LLP**
Chartered Accountants
ICAI F.R. No.: 103523W/ W100048

For **B. KHOSLA & CO.**
Chartered Accountants
ICAI F.R. No.: 000205C

SUNIL AGRAWAL
Chairman & Managing Director
DIN: 00061142

RAHIMULLAH
Whole Time Director
DIN :00043791

BHAVIK L. SHAH
Partner
M.No.: 122071

SANDEEP MUNDRA
Partner
M.No.: 075482

PURU AGGARWAL
Group CFO

Ahmedabad, 15th May 2017

Jaipur, 15th May 2017

Jaipur, 15th May 2017



Independent Auditors' Report

To the Members of
Vaibhav Global Limited

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Vaibhav Global Limited (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), comprising of the Consolidated Balance Sheet as at March 31, 2017, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Financial Statements").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these Consolidated Financial Statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Financial Statements by the Directors of the Holding Company, as aforesaid.

Auditors' Responsibility

Our responsibility is to express an opinion on these Consolidated Financial Statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance

about whether the Consolidated Financial Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Consolidated Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the Consolidated Financial Statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the Consolidated Financial Statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their report referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries, the aforesaid Consolidated Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2017, their consolidated profit and their consolidated cash flows for the year ended on that date.

Other Matters

(a) We did not audit the financial statements of eight (8) subsidiaries (including four Step down subsidiaries), whose financial statements reflects total assets of ₹4,75,07,19,749 and net assets of ₹1,05,23,46,834 as at March 31, 2017, total revenues of ₹17,68,70,63,205 and net cash flows amounting to ₹(5,38,01,974) for the year ended on that date, as considered in the Consolidated Financial Statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is

based solely on the reports of the other auditors. Further, financial statements of one (1) subsidiary, whose financial statements reflects total assets of ₹2,06,78,31,066 and net assets of ₹1,92,85,42,422 as at March 31, 2017, total revenues of ₹2,71,32,829 and net cash flows amounting to ₹19,56,12,197 for the year ended on that date, has been audited by one of us.

These subsidiaries are located outside India whose financial statements have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Company's management has converted the financial statements of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Company and audited by us.

Our opinion on the Consolidated Financial Statements and our report on the Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, we report, to the extent applicable, that:

- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Financial Statements;
- b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Financial Statements have been kept by the Company so far as it appears from our examination of those books and the reports of the other auditors;
- c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the

purpose of preparation of the Consolidated Financial Statements;

- d. In our opinion, the aforesaid Consolidated Financial Statements comply with the Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014;
- e. On the basis of written representations received from the directors of the Holding Company as on March 31, 2017 and taken on record by the Board of Directors of the Holding Company, none of the directors of the Holding Company is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164 (2) of the Act;
- f. With respect to the adequacy of the internal financial controls over financial reporting of the the Group, since none of the subsidiaries are incorporated in India, no separate report on internal financial controls over financial reporting and the operating effectiveness of such amounts, for the Group is being issued.
- j. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - (i) The Consolidated Financial Statements disclose the impact of pending litigations on the consolidated financial position of the Group – Refer Note No. 28 to the Consolidated Financial Statements;
 - (ii) The Group did not have any material foreseeable losses on long term contracts including derivative contracts;
 - (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company; and
 - (iv) The Holding Company have provided requisite disclosures in its financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016. Based on audit procedures performed by us, we report that the disclosures are in accordance with the books of account maintained by the Holding Company - Refer Note No. 17 to the consolidated financial statements. Further, as none of the subsidiaries are incorporated in India, no such disclosure is made by the subsidiary companies.

For **Haribhakti & Co. LLP**
Chartered Accountants
ICAI Firm Registration No.103523W / W100048

Bhavik L. Shah
Partner
Membership No. 122071

Place: Ahmedabad
Date: May 15, 2017

For **B. Khosla & Co.**
Chartered Accountants
ICAI firm Registration No. 000205C

Sandeep Mundra
Partner
Membership No. 075482

Place: Jaipur
Date: May 15, 2017

**Consolidated Balance Sheet** as at 31st March, 2017

Particulars	Notes	As at 31st March, 2017 (₹)	As at 31st March, 2016 (₹)
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	2	32,53,48,140	32,49,90,570
Reserves and Surplus	3	3,86,71,69,395	3,34,86,31,992
		4,19,25,17,535	3,67,36,22,562
Minority interest		4,67,075	84,621
Non-Current Liabilities			
Long-term Borrowings	4	-	2,13,68,006
Long-term Provisions	5	2,78,07,587	2,33,38,450
		2,78,07,587	4,47,06,456
Current Liabilities			
Short-Term Borrowings	6	82,72,04,054	1,07,02,41,455
Trade Payables:-	7		
- Dues to Micro and Small Enterprises		-	-
- Dues to other than Micro and Small Enterprises		1,09,74,65,906	1,06,46,10,869
Other Current Liabilities	8	28,78,18,852	26,47,96,123
Short-Term Provisions	9	6,08,54,163	7,46,58,316
		2,27,33,42,975	2,47,43,06,763
Total		6,49,41,35,172	6,19,27,20,402
ASSETS			
Non-Current Assets			
Fixed Assets	10		
Tangible Assets		73,17,65,279	63,26,11,664
Intangible Assets		53,01,32,996	62,53,72,269
Capital Work-In-Progress		-	2,82,05,679
		1,26,18,98,275	1,28,61,89,612
Non-Current Investments	11	2,36,93,980	2,87,99,279
Deferred Tax Assets (net)	12	1,95,30,052	6,71,58,754
Long-Term Loans and Advances	13	17,14,85,779	21,22,63,889
		1,47,66,08,086	1,59,44,11,534
Current Assets			
Current Investments	14	4,20,00,000	75,00,000
Inventories	15	2,94,82,44,299	2,97,48,46,481
Trade Receivables	16	97,37,68,820	66,48,36,286
Cash and Bank Balances	17	74,62,97,114	55,63,85,847
Short-Term Loans and Advances	18	30,06,07,244	38,89,39,647
Other Current Assets	19	66,09,609	58,00,607
		5,01,75,27,086	4,59,83,08,868
Total		6,49,41,35,172	6,19,27,20,402
Significant Accounting Policies	1		

The accompanying notes are an integral part of the consolidated financial statements

As per our attached report of even date

For **HARIBHAKTI & CO. LLP**
Chartered Accountants
ICAI F.R. No.: 103523W/ W100048

BHAVIK L. SHAH
Partner
M.No.: 122071

Ahmedabad, 15th May 2017

For and on behalf of the Board

For **B. KHOSLA & CO.**
Chartered Accountants
ICAI F.R. No.: 000205C

SANDEEP MUNDRA
Partner
M.No.: 075482

Jaipur, 15th May 2017

SUNIL AGRAWAL
Chairman & Managing Director
DIN: 00061142

PURU AGGARWAL
Group CFO

Jaipur, 15th May 2017

RAHIMULLAH
Whole Time Director
DIN :00043791

Consolidated Statement of Profit and Loss for the year ended 31st March, 2017

Particulars	Notes	Year ended 31st March, 2017 (₹)	Year ended 31st March, 2016 (₹)
REVENUE			
Revenue from Operations	20	14,40,08,55,876	12,76,64,97,701
Other Income	21	12,16,48,992	16,92,32,901
Total		14,52,25,04,868	12,93,57,30,602
EXPENSES			
Cost of Materials Consumed	22	3,10,18,68,145	2,27,15,11,799
Purchases of Stock-In-Trade	23	1,86,83,02,228	1,90,92,33,987
Changes in inventory of Finished and Semi Finished Goods	24	(21,85,32,479)	(26,43,02,009)
Employee Benefits Expense	25	2,45,69,30,563	2,33,69,83,714
Finance Costs	26	6,40,61,119	6,82,18,450
Depreciation and Amortization Expense	10	29,41,31,340	23,64,55,475
Other Expenses	27	6,29,67,18,013	5,92,96,35,396
Total		13,86,34,78,929	12,48,77,36,812
Profit Before Tax		65,90,25,939	44,79,93,790
Tax Expense:			
(1) Current Tax		7,77,76,999	10,88,97,136
(2) Current Tax of Earlier Years		(4,44,69,165)	12,41,567
(3) Deferred Tax Charges/(Credits)	12	4,80,44,494	(6,03,89,722)
		8,13,52,328	4,97,48,981
Profit for the year before minority interest		57,76,73,611	39,82,44,809
Less : Minority interest		3,82,454	75,713
Profit for the Year		57,72,91,157	39,81,69,096
Profit / (Loss)			
Attributable to Minority		3,82,454	75,713
Attributable to Parent		57,72,91,157	39,81,69,096
Earnings Per Equity Share of ₹10 each (Previous Year ₹10)	34		
Basic		17.75	12.27
Diluted		17.75	12.27
Significant Accounting Policies	1		
The accompanying notes are an integral part of the consolidated financial statements			

As per our attached report of even date

For **HARIBHAKTI & CO. LLP**
Chartered Accountants
ICAI F.R. No.: 103523W/ W100048

BHAVIK L. SHAH
Partner
M.No.: 122071

Ahmedabad, 15th May 2017

For and on behalf of the Board

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PURU AGGARWAL
Group CFO

Jaipur, 15th May 2017

RAHIMULLAH
Whole Time Director
DIN :00043791

**Consolidated Cash Flow Statement** for the year ended 31st March, 2017

Particulars	Year ended 31st March, 2017 (₹)	Year ended 31st March, 2016 (₹)
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit Before Tax	65,90,25,939	44,79,93,791
Adjustment for :		
Depreciation and amortisation	29,41,31,340	23,64,55,475
Unrealised foreign exchange	(81,98,174)	1,72,24,832
Provision for doubtful debts and advances	1,04,54,638	2,70,02,366
Loss/ (gain) on sale of investments (net)	12,89,422	(1,06,50,233)
Profit on sale of fixed assets	(47,820)	(17,73,565)
Liabilities no longer required written back	(41,02,378)	(12,94,791)
Interest and dividend income	(2,57,61,142)	(3,55,19,122)
Finance cost	6,40,61,119	6,82,18,450
Operating Profit before working Capital Changes	99,08,52,944	74,76,57,203
Adjustment for :		
Trade and Other Receivables	(16,43,91,244)	(39,65,71,622)
Trade Payables, Provisions, Other Current Liabilities	6,88,29,316	26,97,37,112
Inventories	2,66,02,182	(69,19,18,963)
Cash Generated from Operations	92,18,93,198	(7,10,96,270)
Income taxes paid (net of refunds)	(9,70,87,344)	(17,48,56,696)
Net cash generated / (used) from Operating Activities (A)	82,48,05,854	(24,59,52,966)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(29,87,35,856)	(49,06,62,502)
Proceeds from sale of Fixed Assets	33,02,730	1,26,07,733
Movement in deposits	1,52,146	-
Interest received	(33,39,438)	3,06,96,163
Proceeds from Sale of Investments	2,39,82,538	3,55,19,122
Net Cash used in Investing Activities (B)	(27,46,37,880)	(41,18,39,484)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from /(Repayment of) Long Term Borrowings	(31,84,019)	4,98,58,681
Proceeds from /(Repayment of) Short Term Borrowings	(23,65,09,226)	31,15,38,530
Dividend and Tax on Dividend paid	-	94,190
Proceeds from Issuance of Share Capital and Security premium	18,08,879	66,91,431
Interest Paid on Borrowings	(6,40,61,119)	(6,82,18,450)
Net cash (used in) / generated from financing activities	(30,19,45,485)	29,99,64,382
D. IMPACT OF MOVEMENT OF EXCHANGE RATES		
Foreign currency translation	(2,71,50,659)	(1,05,66,909)
	(2,71,50,659)	(1,05,66,909)
Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C+D)	22,10,71,830	(36,83,94,977)
Opening Balance of Cash and Cash Equivalents	54,51,30,410	91,35,25,387
Closing Balance of Cash and Cash Equivalents	76,62,02,240	54,51,30,410

Consolidated Cash Flow Statement (contd.) for the year ended 31st March, 2017**Notes:**

1. The Consolidated Cash Flow Statement has been prepared under the “Indirect Method “ as set out in ‘Accounting Standard 3’- Cash Flow Statement’.

2. Cash and Cash Equivalents Comprises

Cash, cheques and drafts in hand (refer note no. 17)	54,12,119	1,19,61,485
Balance with banks (refer note no. 17)	71,87,90,121	52,56,68,925
Current investment in liquid mutual funds (refer note no. 14)	4,20,00,000	75,00,000
	76,62,02,240	54,51,30,410

3. The accompanying notes are integral part of consolidated financial statements.

As per our attached report of even date

For **HARIBHAKTI & CO. LLP**
Chartered Accountants
ICAI F.R. No.: 103523W/ W100048

BHAVIK L. SHAH
Partner
M.No.: 122071

Ahmedabad, 15th May 2017

For and on behalf of the Board

For **B. KHOSLA & CO.**
Chartered Accountants
ICAI F.R. No.: 000205C

SANDEEP MUNDRA
Partner
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Jaipur, 15th May 2017

SUNIL AGRAWAL
Chairman & Managing Director
DIN: 00061142

PURU AGGARWAL
Group CFO

Jaipur, 15th May 2017

RAHIMULLAH
Whole Time Director
DIN :00043791

Notes accompanying consolidated financial statements for the year ended 31st March, 2017

Note No.1 Significant Accounting Policies for Consolidated Financial Statements

i) Basis for Preparation of Consolidated Financial Statements ('CFS')

These consolidated financial statements ('CFS') of Vaibhav Global Limited have been prepared in compliance with the applicable Accounting Standards specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 ('The Act') and other accounting pronouncement of Institute of Chartered Accountant of India, on relevant provisions of the Act; applicable guidelines issued by the Securities Exchange Board of India (SEBI) and generally accepted accounting principles applicable in India (GAAP). The accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires changes in the accounting policy hitherto in use.

These CFS has been prepared under historical cost convention on an accrual basis.

ii) Principles of consolidation

These CFS includes financial statements of Vaibhav Global Limited ("the Company" or "the Parent") and its subsidiaries (collectively referred hereafter as "the Group"):

Name of the Subsidiaries	Country of incorporation	Ownership Interest/voting power (%)	Financial Year ends on
Direct Subsidiaries:			
Genoa Jewelers Limited	British Virgin Islands	100%	31st March
STS Gems Japan Limited	Japan	100%	31st March
STS Gems Limited.	Hong Kong	100%	31st March
STS Gems Thai Limited.	Thailand	100%	31st March
STS Jewels Inc.	USA	100%	31st March
Step-down Subsidiaries:			
The Jewelry Channel Limited UK.	United Kingdom	100%	31st March
The Jewelry Channel Inc.	USA	100%	31st March
PT STS Bali	Indonesia	99%	31st March
Jewel Gems USA, Inc.	USA	100%	31st March

The CFS has been prepared on the following basis:

- The CFS has been prepared in accordance with the Accounting Standard –21, "Consolidated Financial Statements" specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Act and other accounting pronouncement of Institute of Chartered Accountant of India.
- As per the Accounting Standard Interpretation (ASI-15) on "Notes to the Consolidated Financial Statements", only the notes involving items which are material, need to be disclosed. Materiality for the purpose is assessed in relation to the information contained in the consolidated financial statements. Further, additional statutory information disclosed in separate financial statements of the subsidiaries or of the parent having no bearing on the true and fair view of the consolidated financial statements need not be disclosed in the consolidated financial statements.
- The CFS of the Group have been consolidated on a line-by-line basis by adding together the book values of assets, liabilities, income and expenses, after eliminating intra-group balances and intra-group transactions resulting in un-realized profits or losses in full in accordance with the Accounting Standard –21, "Consolidated Financial Statements".
- The exchange differences on elimination of intra-group balances and intra-group transactions are taken to consolidated Statement of Profit and Loss.
- The CFS have been prepared by using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as those of the parent company's independent financial statements unless stated otherwise.
- The operations of foreign subsidiaries have been considered by the management, as non integral operations as described in Accounting Standard –AS 11 (revised) "Accounting for the effects of changes in foreign exchange rates".
- The difference between the cost to the Company of its investments in the subsidiaries and its portion of equity of subsidiaries at the dates they became subsidiaries, is recognized in the financial statements as Goodwill or Capital Reserve, as the case may be. This is based upon determination of pre-acquisition profits/losses and of net worth on the date of the acquisition determined by the management on the basis of certain estimates which have been relied upon by the auditors.
- Minority Interest in the consolidated financial statements is identified and recognized after taking into consideration;
 - The minorities' share of movement in equity since the date parent-subsidiary relationship came into existence.
 - The profits/losses attributable to the minorities are adjusted against the income of the group in order to arrive at the net income attributable to the Company

Notes accompanying consolidated financial statements for the year ended 31st March, 2017

iii) Use of Estimates

The preparation of financial statements in conformity with (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Management believes the assumption used in the estimates is prudent and reasonable. Difference between the actual results and estimates are recognized in the period in which the results are known/materialized. Estimates and underlying assumptions are reviewed on an ongoing basis. Any revision to accounting estimates is recognized prospectively in current and future periods.

iv) Fixed Assets

Tangible fixed assets are stated at cost less accumulated depreciation and impairment losses. Cost includes capital cost, freight, duties, taxes and other incidental expense incurred during the construction / installation stage attributable to bringing the asset to working condition for its intended use.

Intangible assets that are acquired by the Group are measured initially at cost. After initial recognition, an intangible asset is carried at its cost less any accumulated amortization and any accumulated impairment loss.

v) Depreciation and Amortisation

Parent Company

Depreciation on tangible fixed assets, other than assets acquired on lease, is being provided over the useful life of an asset on written down value method and in the manner specified in Schedule II of the Act.

Subsidiaries

Depreciation on fixed assets, other than assets acquired on lease, is being provided over the estimated useful life of an asset on straight line method.

Leasehold land and leasehold improvements are amortised on a straight line basis over the period of lease or their useful lives, whichever is shorter. Freehold land is not depreciated.

Intangible assets are amortised in the Statement of Profit or Loss over their estimated useful lives, from the date that they are available for use based on the expected pattern of consumption of economic benefits of the asset. Accordingly, at present, these are being amortised on straight line basis.

The depreciation/ amortization method and useful lives are reviewed by the management at each financial year-end and revised, if appropriate. In case of a revision, the unamortized depreciable amount is charged over the revised remaining useful life.

Fixed assets under construction and cost of assets not put to use before the year-end are disclosed as capital work-in-progress.

vi) Impairment of Assets

As at each balance sheet date, the carrying amount of assets is tested for impairment so as to determine

- a. the provision for impairment loss, if any, required or
- b. the reversal, if any, required for impairment loss recognized in previous periods.

Impairment loss is recognized when the carrying amount of an asset exceeds its recoverable amount.

Recoverable amount is determined

- a. in the case of an individual asset, at the higher of net selling price and the value in use.
- b. in the case of a cash-generating unit (a group of assets that generates identified independent cash flows), at the higher of the cash generating unit's selling price and the value in use.

Value in use is determined as the present value of estimated future cash flow from the continuing use of an asset and from its disposal at the end of its useful life.

vii) Borrowing Cost

Borrowing Cost attributable to the acquisition or construction of qualifying assets are capitalized as a part of the cost of such assets. All other borrowing costs are charged to Statement of Profit and Loss.

viii) Inventories

- a) Inventories are valued at lower of cost and estimated net realizable value. Cost is determined on 'First-in First-out', 'Specific Identification', or 'Weighted Averages' basis as applicable. Cost of Inventories comprises of all cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost of semi-finished and finished goods are determined on absorption costing method. The Group periodically makes provisions on slow moving inventory, inventory held for melting or repair, and returned items.
- b) In case of the Company, Identification of a specific item and determination of estimated net realizable value involve technical judgments of the management. The valuation is further supported by a certificate from an independent approved valuer, which has been relied upon by the Auditors.



Notes accompanying consolidated financial statements for the year ended 31st March, 2017

ix) Operating leases

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term.

x) Investments

Investments that are readily realisable and intended to be held for not more than a year from the date of acquisition are classified as current investments. All other investments are classified as long-term investments. Long-term investments are stated at cost. Provision for diminution in the value of long-term investments is made only if such decline is other than temporary in the opinion of the management.

Current investments are carried at lower of cost and fair value.

xi) Revenue Recognition

Sale of Goods:

Revenue from sales of goods is recognized when risk and rewards of ownership of the products are passed on to the customers, which is generally on dispatch of goods and is stated net of returns, trade discounts, claims etc.

Provision is also made for anticipated returns.

Dividend on Investment:

Revenue is recognized when the right to receive payment is established.

Interest Income:

Interest income is recognized on time proportionate basis.

Export Incentives:

Export Incentive including duty drawback is recognized on accrual basis

xii) Foreign Currency Transactions:

a. Initial Recognition:

Transactions denominated in foreign currencies are normally recorded at the exchange rate prevailing at the time of the transaction.

b. Conversion:

Monetary items denominated in foreign currencies at the year-end are translated at closing rates. Non-monetary items which are carried in terms of historical cost denominated in foreign currency are reported using the exchange rate at the date of transaction and investment in foreign companies are recorded at the exchange rates prevailing on the date of making the investments. Contingent Liabilities are translated at closing rate.

c. Exchange Differences:

Exchange differences arising on the settlement of monetary items or on restatement of monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expenses in the year in which they arise.

Exchange difference arising on translation of Loan and Advances to non – integral wholly owned subsidiaries and forming part of net investment in parent company, are recognized in foreign currency translation reserve. Such accumulated exchange differences are taken to Statement of Profit and Loss account on consolidation.

d. Translation

For the purpose of Consolidation, the amount appearing in foreign currencies in the financial statements of the foreign subsidiaries are translated at the following rates of exchange:

- Average rates for income and expenditure
- The yearend rates for assets and liabilities

Resulting difference due to differential rates is accumulated as foreign currency translation reserve.

xiii) Employee Benefits

a. Defined contribution plan

Provident Fund and ESI: Eligible employees of the Company receive benefits from the provident fund and ESI, which is a defined contribution plan. Both the employees and the Company make monthly contributions to the provident fund (with Regional Provident Fund Commissioner) equal to specified percentage of the covered employee's basic salary. The Company have no further obligation under the plan beyond its monthly contributions.

Eligible employees of certain overseas entities receive benefits from the social security contribution plans, which is a defined contribution plan. These entities have no further obligation under the plan beyond its monthly contribution

b. Defined benefit plan

The Company's gratuity benefit scheme is a defined benefit plan. The Company's net obligation in respect of a defined benefit plan is

Notes accompanying consolidated financial statements for the year ended 31st March, 2017

calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. The fair value of plan assets is reduced from the gross obligation under the defined benefit plans, to recognize the obligation on net basis. The calculation of the Company's obligation under each of the two plans is performed annually by a qualified actuary using the projected unit credit method. The Company recognises all actuarial gains and losses arising from defined benefit plans immediately in the Consolidated Statement of Profit and Loss. All expenses related to defined benefit plans are recognized in employee benefits expense in the Consolidated Statement of Profit and Loss. The Company recognises gains and losses on the curtailment or settlement of a defined benefit plan when the curtailment or settlement occurs. The Company's gratuity fund is administered and managed by the Life Insurance Corporation of India ("LIC"). Actuarial gains and losses are recognized immediately in the Consolidated Statement of Profit and Loss.

c. Compensated absences

The employees can carry-forward a portion of the unutilised accrued compensated absences and utilise it in future service periods or receive cash compensation on termination of employment. Since the compensated absences do not fall due wholly within twelve months after the end of the period in which the employees render the related service and are also not expected to be utilized wholly within twelve months after the end of such period, the benefit is classified as a long-term employee benefit. The Company records an obligation for such compensated absences in the period in which the employee renders the services that increase this entitlement. The obligation is measured on the basis of independent actuarial valuation using the projected unit credit method.

d. In respect of Employee Stock Options, the excess of market price of shares as at the date of grant of option granted to employee (including certain employees' of subsidiaries) over the exercise price is treated as Employee Compensation Cost and amortized on a straight line basis over the vesting period.

e. In respect of foreign subsidiaries, retirement benefits are governed and accrued as per local statutes.

xiv) Income taxes

a. Income-tax expense comprises current tax (i.e. amount of tax for the period determined in accordance with the relevant income-tax law of respective country) and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the period). Income-tax expense is recognized in Consolidated Statement of Profit and Loss.

b. Current tax is measured at the amount expected to be paid to (recovered from) the taxation authorities, using the applicable tax rates and tax laws of respective country. Deferred tax is recognized in respect of timing differences between taxable income and accounting income i.e. differences that originate in one period and are capable of reversal in one or more subsequent periods. The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognized using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognized only to the extent there is reasonable certainty that the assets can be realised in future; however, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognized only if there is a virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realised. Deferred tax assets are reviewed as at each balance sheet date and written down or written-up to reflect the amount that is reasonably/virtually certain (as the case may be) to be realised.

xv) Earnings per Share

The basic earnings per share is computed by dividing the net profit after tax for the year by the weighted average number of equity shares outstanding during the year. For the purpose of calculating diluted earnings per shares, net profit after tax for the year and weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the year, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. the average market value of the outstanding shares).

xvi) Cash and Cash Equivalents

Cash and cash equivalents for the purposes of cash flow statement comprise cash in hand, balances with bank, demand deposits with bank with an original maturity of three months or less and highly liquid investments.

xvii) Provision, Contingent Liabilities and Contingent Assets

Provisions are recognized for liabilities that can be measured only by using a substantial degree of estimation, if

- there is a Company has a present obligation as a result of past event,
- a probable outflow of resources is expected to settle the obligation and
- the amount of the obligation can be reliably estimated

Contingent Liability is disclosed in case of

- a present obligation arising from a past event, when it is not probable that an outflow of resources will be required to settle the obligation
- a possible obligation, unless the probability of outflow of resources is remote.
- a present obligation whose amount cannot be estimated reliably.

Contingent Assets are neither recognized, nor disclosed.

Provisions, Contingent Liabilities and Contingent Assets are reviewed at each Balance Sheet Date

**Notes accompanying consolidated financial statements** for the year ended 31st March, 2017**Note****No. SHAREHOLDERS' FUND****2 Share Capital****a The details of Authorised, Issued, Subscribed and Paid up Capital are as under :-**

Particulars	As at 31st March, 2017 (₹)		As at 31st March, 2016 (₹)	
	Number	Amount	Number	Amount
Authorised				
Equity Shares of ₹10/- each	4,10,00,000	41,00,00,000	4,10,00,000	41,00,00,000
Unclassified Shares of ₹100/- each	45,00,000	45,00,00,000	45,00,000	45,00,00,000
Issued, Subscribed and Fully Paid up				
Equity Shares of ₹10/- each	3,25,45,617	32,54,56,170	3,25,15,131	32,51,51,310
Less : Loan to VGL ESOP Welfare Trust	10,803	1,08,030	16,074	1,60,740
		32,53,48,140		32,49,90,570

b The Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting year is as under :-

Particulars	As at	As at
	31st March, 2017 (₹)	31st March, 2016 (₹)
	Equity Shares	Equity Shares
Shares outstanding at the beginning of the year	3,25,15,131	3,24,02,383
Shares Issued on exercise of ESOP	30,486	1,12,748
Shares outstanding at the end of the year	3,25,45,617	3,25,15,131

c The Company has one class of equity shares having a par value of ₹10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

d The details of shareholders holding more than 5% equity shares as at reporting date are as under :-

Name	As at 31st March, 2017 (₹)		As at 31st March, 2016 (₹)	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Equity Shares				
Sonymike`s Holdings Ltd.#	-	-	39,50,000	12.15
Shivram Global Pvt Ltd.	-	-	53,11,865	16.34
Nalanda India Fund Limited	41,10,600	12.63	41,10,600	12.64
Sonymike`s Holdings Ltd.	99,18,640	30.48	59,68,640	18.36
Brett Plastics Pvt Ltd.	85,64,124	26.31	28,54,516	8.78
Nirmal Kumar Bardiya	17,91,628	5.50	17,91,628	5.51

Held through Global Depositories Receipt (GDR) till previous year. During the current year, the Company has delisted all GDRs from Luxembourg Stock Exchange on 17 May 2016 and converted into equity shares.

e Employee Stock Option Scheme:

For details of Employee Stock Options Plan (ESOP) Scheme and share reserved for issue under options, refer to note no.30a

f There are no bonus shares, shares issued for consideration other than cash or shares bought back during the period of five years immediately preceding the reporting date.

Notes accompanying consolidated financial statements for the year ended 31st March, 2017

3 Reserves & Surplus

Particulars	As at 31st March, 2017 (₹)	As at 31st March, 2016 (₹)
A. Capital Reserve		
Balance at the beginning and end of the year	9,54,74,890	9,54,74,890
B. Capital Redemption Reserve		
Balance at the beginning and end of the year	44,00,00,000	44,00,00,000
C. Securities Premium Reserve		
Opening Balance	5,90,28,77,095	5,89,72,28,733
Add: Security Premium received on share issue	22,10,238	63,73,716
Add: Transfer from Employee stock option outstanding	2,75,964	1,45,441
	5,90,53,63,297	5,90,37,47,890
Less: Adjustment for Capital Reduction (Refer Note no. 35)	2,64,27,18,509	-
Less: Loan to VGL ESOP Welfare Trust	7,58,929	8,70,795
	3,26,18,85,859	5,90,28,77,095
D. Employee Stock Option Outstanding		
Options granted till date	2,75,964	4,21,405
Less: Transfer to Security premium on allotment	2,75,964	1,45,441
	-	2,75,964
E. General Reserve		
Balance at the beginning and end of the year	12,96,47,256	12,96,47,256
F. Foreign Currency Translation Reserve (FCTR)		
Opening Balance	(63,12,78,403)	(62,07,11,494)
Add: Current year transfer	(6,02,05,063)	(1,05,66,909)
	(69,14,83,466)	(63,12,78,403)
G. Surplus/ (Deficit)		
Opening balance	(2,58,83,64,810)	(2,98,65,33,907)
Add: Adjustment for Capital Reduction (Refer Note no. 35)	2,64,27,18,509	-
Add: Net Profit for the year	57,72,91,157	39,81,69,097
	63,16,44,856	(2,58,83,64,810)
	3,86,71,69,395	3,34,86,31,992

4 Long Term Borrowings

Particulars	As at 31st March, 2017 (₹)	As at 31st March, 2016 (₹)
Secured:		
Term Loan from Banks		
Term Loan #	-	2,13,68,006
	-	2,13,68,006

Current maturities are disclosed under other current liabilities.

Long Term Loan in respect of TJC, UK for ₹1,81,83,987 (Previous year ₹4,98,58,681) is secured by :-

(i) First charge on EPG Licence on Sky.

(ii) Additionally secured by Corporate guarantee of the immediate parent Company as well as ultimate parent Company.

**Notes accompanying consolidated financial statements** for the year ended 31st March, 2017**5 Long Term Provisions**

Particulars	As at 31st March, 2017 (₹)	As at 31st March, 2016 (₹)
Provision for employee benefits:		
Provision for gratuity (refer note 29)	1,91,68,543	1,64,29,725
Provision for compensated absences (refer note 29)	82,77,100	65,41,225
	2,74,45,643	2,29,70,950
Other provisions		
Provision for others	3,61,944	3,67,500
	2,78,07,587	2,33,38,450

CURRENT LIABILITIES**6 Short Term Borrowings**

Particulars	As at 31st March, 2017 (₹)	As at 31st March, 2016 (₹)
Secured:		
Loan repayable on demand from banks		
Pre-shipment Credit *	45,18,90,980	59,64,12,056
Post-shipment Credit *	27,18,41,675	33,78,29,068
Bank Overdraft #	10,34,71,399	13,60,00,331
	82,72,04,054	1,07,02,41,455

Nature of Security**A. *Working Capital Facilities in India :-**

- (i) Above Loans are secured by hypothecation of Stock-in-trade and Book Debts on pari-passu basis.
- (ii) Further Secured, on pari-passu basis, by :-
 - a. Equitable Mortgage of Land and Buildings situated at K-6A & K-6B, Adarsh Nagar, E-68 & E-69, EPIP Zone, Sitapura, E-1 & E-2, SEZ-II, Sitapura, Jaipur and Office No. HW4070, BKC, Mumbai.
 - b. First charge on block of assets of the Company (excluding Land & Building and vehicles) situated at K-6A & K-6B, Adarsh Nagar and E-68, Sitapura, Jaipur
- (iii) Pledge of 200 common shares with no par value of STS Jewels Inc.
- (iv) Pledge of 87,500 Ordinary Shares of HK \$100 each of STS Gems Limited, HKK.
- (v) Pledge of 1,25,76,633 equity shares of US \$ 1 each and assignment of loan to Genoa Jewelers Limited, BVI.
- (vi) Personal Guarantee of Mr. Sunil Agrawal, Chairman and Managing Director of the Company (refer note no. 32B).

B. #Overdraft facilities in respect of The Jewellery Channel Limited, UK for ₹10,34,71,399 (Previous year ₹13,60,00,331) :-

- (i) First ranking charge over the inventory of raw materials, finished goods including stock-in-transit and counter idemnity of the Company for NFB (BG) limit.
- (ii) Additionally secured by Corporate guarantee of the immediate parent Company as well as ultimate parent Company.

Notes accompanying consolidated financial statements for the year ended 31st March, 2017**7 Trade Payables**

Particulars	As at 31st March, 2017 (₹)	As at 31st March, 2016 (₹)
Total outstanding dues to Micro and Small Enterprises	-	-
Total outstanding dues to Creditors other than Micro and Small Enterprises	1,09,74,65,906	1,06,46,10,869
	1,09,74,65,906	1,06,46,10,869

On the basis of the information and records available with management, the following disclosures are made for the amounts due to Micro, Small and Medium enterprises who have registered with the Competent authorities.

Particulars	As at 31st March, 2017 (₹)	As at 31st March, 2016 (₹)
- Principal amount and interest due thereon remaining unpaid to any supplier as at the year end	-	-
- Amount of interest paid by the Company in terms of section 16 of the MSMED, along with the amount of the payment made to the supplier beyond the appointed day during the accounting year	-	-
- Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED	-	-
- Amount of interest accrued and remaining unpaid at the end of the accounting year	-	-

8 Other Current Liabilities

Particulars	As at 31st March, 2017 (₹)	As at 31st March, 2016 (₹)
Current maturities of long-term borrowings (refer note 4)	1,81,83,987	2,84,90,675
Unclaimed dividend*	49,987	76,258
Employee benefits payable	3,14,91,918	3,14,34,788
Statutory dues payable	5,41,99,425	5,86,50,087
Book overdraft	58,04,444	-
Advance from customers	13,24,08,108	6,53,58,094
Other payables	4,56,80,983	8,07,86,220
	28,78,18,852	26,47,96,123

* Investor Education and Protection Fund to be credited by the amount as and when due.

9 Short Term Provisions

Particulars	As at 31st March, 2017 (₹)	As at 31st March, 2016 (₹)
Provision for employee benefits:		
Provision for gratuity (refer note 29)	1,09,81,369	95,15,899
Provision for compensated absences (refer note 29)	16,73,869	10,84,753
	1,26,55,238	1,06,00,652
Other Provisions		
Provisions for warranties and returns	4,37,40,879	3,41,26,455
Provision for Income-Tax (Net of advance tax / TDS)	44,58,046	2,99,31,209
	6,08,54,163	7,46,58,316

Notes accompanying consolidated financial statements for the year ended 31st March, 2017

NON CURRENT ASSETS

10 Fixed Assets

DESCRIPTION	GROSS BLOCK				ACCUMULATED DEPRECIATION AND AMORTISATION				NET BLOCK			
	As at 01.04.2016	Additions	Deductions	Currency Translation	As at 31.03.2017	Up to 31.3.2016	Depreciation for the year	Deductions	Currency Translation	Up to 31.03.2017	As at 31.03.2017	As at 31.03.2016
A. Tangible Assets												
Freehold land	48,94,908	-	-	-	48,94,908	-	-	-	-	-	48,94,908	48,94,908
Leasehold land	3,51,56,343	-	-	-	3,51,56,343	19,90,640	3,55,115	-	-	23,45,755	3,28,10,588	3,31,65,703
Lease hold improvements	14,13,66,764	7,81,95,947	-	(79,51,541)	21,16,11,170	10,42,85,034	1,56,33,233	-	(40,56,604)	11,58,61,663	9,57,49,507	3,70,81,730
Building	21,50,47,894	1,12,29,989	-	-	22,62,77,883	5,05,54,429	1,57,88,087	-	-	6,63,42,516	15,99,35,367	16,44,93,464
Plant and machinery	38,00,36,621	9,77,14,763	16,81,131	(1,67,93,660)	45,92,76,593	20,03,60,824	4,78,23,921	16,81,131	(1,40,35,139)	23,24,68,475	22,68,08,118	17,96,75,798
Electric installation	7,55,77,606	20,61,197	-	-	7,76,38,803	2,09,78,368	1,44,10,541	-	-	3,53,88,909	4,22,49,894	5,45,99,238
Furniture and fixtures	13,42,44,263	1,60,31,119	14,61,362	(53,59,410)	14,34,54,610	8,12,43,767	1,52,99,179	14,61,362	(40,22,320)	9,10,59,264	5,23,95,346	5,30,00,496
Office equipment	2,26,04,718	1,80,72,674	-	(1,41,832)	4,05,35,560	1,13,67,370	57,90,424	-	(1,42,026)	1,70,15,768	2,35,19,792	1,12,37,349
Computer	31,29,05,753	4,82,33,353	1,14,96,675	(2,03,29,002)	32,93,13,429	22,19,71,679	4,20,66,403	1,14,92,530	(1,38,10,297)	23,87,35,255	9,05,78,174	9,09,34,075
Vehicles	1,07,76,773	7,42,112	3,82,234	3,001	1,11,13,952	72,47,870	13,54,079	2,82,053	(3,829)	83,16,067	28,23,585	35,28,903
Total	1,33,26,11,643	27,22,81,154	1,50,21,402	(5,05,73,444)	1,53,92,98,951	69,99,99,981	15,85,20,982	1,49,17,076	(3,60,70,215)	80,75,33,672	73,17,65,279	63,26,11,664
B. Intangible Assets												
Goodwill on consolidation	28,68,31,871	-	-	-	28,68,31,871	-	-	-	-	-	28,68,31,871	28,68,31,871
Broadcast rights	18,04,40,942	-	-	(2,68,87,274)	15,35,53,668	8,64,21,714	96,28,668	-	(1,36,16,137)	8,24,34,245	7,11,19,423	9,40,19,227
Software	40,36,24,506	5,46,60,383	-	(86,81,602)	44,96,03,287	15,91,03,334	12,59,81,689	-	(76,63,439)	27,74,21,585	17,21,81,702	24,45,21,171
Total	87,08,97,319	5,46,60,383	-	(3,55,68,875)	88,99,88,826	24,55,25,048	13,56,10,357	-	(2,12,79,575)	35,98,55,830	53,01,32,996	62,53,72,269
C. Capital Work In Progress (C)	2,82,05,679	-	2,82,05,679	-	-	-	-	-	-	-	-	2,82,05,679
Grand Total (A + B + C)	2,23,17,14,641	32,69,41,537	4,32,27,081	(8,61,41,319)	2,42,92,87,777	94,55,25,029	29,41,31,339	1,49,17,076	(5,73,49,791)	1,16,73,89,502	1,26,18,98,275	1,28,61,89,612
Previous Year	1,47,21,37,945	74,40,28,391	1,79,97,883	3,35,46,188	2,23,17,14,641	70,19,45,012	23,64,55,475	1,56,61,413	2,27,85,955	94,55,25,029	1,28,61,89,612	

Notes accompanying consolidated financial statements for the year ended 31st March, 2017

11 Non Current Investments

(Long Term - at Cost less provision for other than temporary diminution)

Particulars	As at 31st March, 2017 (₹)	As at 31st March, 2016 (₹)
A Trade Investments		
(i) Quoted Investment in Equity Instrument (Fully Paid up) :		
6,564,530 (Previous Year 7,814,530) shares of US \$ 0.0003 each fully paid up of Richland Resources Limited	2,36,65,025	2,87,69,879
B Other Investments		
(i) Unquoted Investment in Equity Instrument (Fully Paid up):		
360,000 (Previous year - 360,000) Equity Shares of ₹10 each of VGL Softech Limited*	52,07,000	52,07,000
Less: Provision for diminution in the value of investment	(52,07,000)	(52,07,000)
*Extent of holding 19.78 %	-	-
(ii) Unquoted Investment in Equity Investment (Fully Paid up) :		
1,000 (Previous year -1,000) Equity Shares of Yen 50 each Asahi Shinkin Bank Stock	28,955	29,400
Total	2,36,93,980	2,87,99,279
Notes:-		
1. Aggregate amount of Quoted Investment	2,36,65,025	2,87,69,879
2. Market value of Quoted Investment	41,17,084	2,22,67,687
3. Aggregate amount of Unquoted Investment	52,35,955	52,36,400
4. Aggregate amount of provision for diminution in value of Investment	(52,07,000)	(52,07,000)

12 Deferred tax assets (net)

Particulars	As at 31st March, 2017 (₹)	As at 31st March, 2016 (₹)
Deferred tax assets		
On Inventory (Uniform) and Allowances for doubtful accounts (refer note no 33)	5,38,06,896	4,37,34,205
On Provision for gratuity and compensated absences	1,69,55,653	1,48,64,543
Depreciation	4,65,911	85,60,006
	7,12,28,460	6,71,58,754
Less: Deferred tax liability:		
Depreciation	5,04,02,178	-
Others	12,96,230	-
	5,16,98,408	-
	1,95,30,052	6,71,58,754

Net deferred tax charge/(credit) for the year of ₹40,44,494 (Previous year credit of ₹60,389,722) has been recognized in the Consolidated statement of Profit and Loss for the year. This includes Foreign exchange translation adjustment of ₹4,15,792 (Previous year ₹5,71,427)

**Notes accompanying consolidated financial statements** for the year ended 31st March, 2017**13 Long Term Loans and Advances***(Unsecured and considered good unless otherwise stated)*

Particulars	As at 31st March, 2017 (₹)		As at 31st March, 2016 (₹)	
Capital advances		1,11,82,068		9,32,15,638
Security deposits		7,19,29,244		9,73,50,170
Advance Income-tax (net of provision)		8,83,74,467		2,16,98,081
		17,14,85,779		21,22,63,889

CURRENT ASSETS**14 Current Investments****Investments in Liquid Mutual fund (Quoted)***(At lower of cost and fair value)*

Particulars	As at 31st March, 2017 (₹)		As at 31st March, 2016 (₹)	
Principal Cash Management Fund Plan Growth - 25,352 Units (Previous Year-5,119 Units)		4,00,00,000		75,00,000
Principal Balanced Fund - Regular Plan Growth - 33,204 Units (Previous Year- NIL)		20,00,000		-
		4,20,00,000		75,00,000
Notes:-				
1. Aggregate amount of Quoted Investment		4,20,00,000		75,00,000
2. Aggregate Market value of Investment		4,20,97,007		75,28,161

15 Inventories*(At lower of cost and net realisable value)*

Particulars	As at 31st March, 2017 (₹)		As at 31st March, 2016 (₹)	
Materials-in-process*		91,09,67,578		1,14,71,78,872
Semi finished goods*		1,10,05,175		9,48,14,854
Finished goods*		2,00,89,57,761		1,70,66,15,603
Stores and consumables		1,73,13,785		2,62,37,152
		2,94,82,44,299		2,97,48,46,481

*Inventory of the Company is taken and valued by management which is supported by a certificate from an Independent Approved Valuer.

16 Trade Receivables*(Unsecured and considered good unless otherwise stated)*

Particulars	As at 31st March, 2017 (₹)		As at 31st March, 2016 (₹)	
Outstanding for a period exceeding six months from the due date of payment		70,44,323		-
Others:				
Considered good		96,67,24,497		66,48,36,286
Considered doubtful		56,79,331		2,73,22,972
		97,94,48,151		69,21,59,258
Less: Provision for doubtful trade receivable		56,79,331		2,73,22,972
		97,37,68,820		66,48,36,286

Notes accompanying consolidated financial statements for the year ended 31st March, 2017**17 Cash and Bank Balances**

Particulars	As at 31st March, 2017 (₹)		As at 31st March, 2016 (₹)	
Cash and Cash Equivalents				
Cash in hand		54,12,119		1,19,61,485
Balance with banks		71,87,90,121		52,56,68,925
		72,42,02,240		53,76,30,410
Other Bank Balances				
Unpaid Dividend account		49,987		76,258
Bank Deposits- Pledged (Maturity within 12 months)		1,82,02,114		1,79,77,447
Bank Deposits- Un Pledged (Maturity within 12 months)		36,40,500		7,01,732
Funds-in-transit		2,02,273		-
		2,20,94,874		1,87,55,437
		74,62,97,114		55,63,85,847

Details of Specified Bank Notes (SBN) held and transacted during the period from 8th November, 2016 to 30th December, 2016 by the Company are as under:

Particulars	Amount in (₹)		
	SBNs	Other denomination notes	Total
Closing cash in hand as on 08.11.2016	23,67,000	1,48,705	25,15,705
(+) Permitted receipts	-	62,97,100	62,97,100
(-) Permitted payments	-	52,38,126	52,38,126
(-) Amount deposited in Banks	23,67,000	10,000	23,77,000
Closing cash in hand as on 30.12.2016	-	11,97,679	11,97,679

For the purposes of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated the 8th November, 2016.

18 Short Term Loans and Advances

(Unsecured unless otherwise stated)

Particulars	As at 31st March, 2017 (₹)		As at 31st March, 2016 (₹)	
Considered good:				
Loans and Advance to staff		61,95,931		59,51,995
Advance to suppliers		6,91,16,465		3,60,26,835
Prepaid expenses		18,64,65,927		22,07,49,144
Balances with tax authorities		3,82,05,632		9,42,73,158
Others		6,23,289		3,19,38,515
		30,06,07,244		38,89,39,647
Considered doubtful:				
Advance to suppliers		43,88,583		-
Less: Provision for doubtful advances		43,88,583		-
		-		-
		30,06,07,244		38,89,39,647

19 Other Current Assets

Particulars	As at 31st March, 2017 (₹)		As at 31st March, 2016 (₹)	
Interest accrued on bank deposits		5,98,842		7,66,007
Interest accrued on loans		38,84,516		19,38,747
Export Incentive receivable		21,26,251		30,95,853
		66,09,609		58,00,607

**Notes accompanying consolidated financial statements** for the year ended 31st March, 2017**20 Revenue from Operations**

Particulars	Year ended 31st March, 2017 (₹)	Year ended 31st March, 2016 (₹)
Sale of Products:	14,38,71,64,614	12,75,47,70,771
Other Operating Revenue	1,36,91,262	1,17,26,930
	14,40,08,55,876	12,76,64,97,701

21 Other Income

Particulars	Year ended 31st March, 2017 (₹)	Year ended 31st March, 2016 (₹)
Interest	2,57,60,213	3,55,18,472
Dividend received	929	650
Liabilities no longer required written back	41,02,378	12,94,791
Gain on sale of investments	-	15,93,938
Profit on sale of mutual funds	5,13,147	90,56,295
Miscellaneous income	11,82,71,911	8,78,72,644
Discount on forward contract	81,82,800	-
Exchange fluctuation (Net)	(3,52,30,206)	3,20,82,308
Profit on sale of fixed assets	47,820	18,13,803
	12,16,48,992	16,92,32,901

22 Cost of Materials Consumed

Particulars	Year ended 31st March, 2017 (₹)	Year ended 31st March, 2016 (₹)
Opening material-in-process	1,14,71,78,872	72,68,15,922
Add: Purchases	2,86,56,56,851	2,69,18,74,749
	4,01,28,35,723	3,41,86,90,671
Less: Closing material-in-process	91,09,67,578	1,14,71,78,872
	3,10,18,68,145	2,27,15,11,799

23 Purchases of Stock-in-Trade

Particulars	Year ended 31st March, 2017 (₹)	Year ended 31st March, 2016 (₹)
Purchases of Finished Goods	1,86,83,02,228	1,90,92,33,987
	1,86,83,02,228	1,90,92,33,987

24 Changes in Inventory of Finished and Semi Finished Goods

Particulars	Year ended 31st March, 2017 (₹)	Year ended 31st March, 2016 (₹)
Opening Stocks:		
Semi Finished Goods	9,48,14,854	6,42,88,774
Finished Goods	1,70,66,15,603	1,47,28,39,674
	1,80,14,30,457	1,53,71,28,448
Less: Closing Stocks:		
Semi Finished Goods	1,10,05,175	9,48,14,854
Finished Goods	2,00,89,57,761	1,70,66,15,603
	2,01,99,62,936	1,80,14,30,457
	(21,85,32,479)	(26,43,02,009)

Notes accompanying consolidated financial statements for the year ended 31st March, 2017**25 Employees Benefit Expenses**

Particulars	Year ended 31st March, 2017 (₹)		Year ended 31st March, 2016 (₹)	
Salaries, wages and bonus		2,10,56,89,786		1,99,23,83,206
Contributions to provident and other funds		27,83,97,418		27,60,10,909
Staff welfare expenses		4,33,87,133		4,08,25,663
Recruitment and training		2,94,56,226		2,77,63,936
		2,45,69,30,563		2,33,69,83,714

26 Finance Cost

Particulars	Year ended 31st March, 2017 (₹)		Year ended 31st March, 2016 (₹)	
Interest		4,46,32,367		4,12,91,462
Finance Charges		1,94,28,752		1,87,06,105
Interest on Income Tax		-		82,20,883
		6,40,61,119		6,82,18,450

27 Other Expenses**a. Manufacturing/Direct Expenses**

Particulars	Year ended 31st March, 2017 (₹)		Year ended 31st March, 2016 (₹)	
Job work charges		44,38,52,467		29,71,74,362
Stores and consumables		5,66,11,642		5,64,85,051
Power and Fuel		4,49,84,499		3,57,87,155
Freight, taxes and duties		28,75,61,472		21,56,38,246
Repairs and maintenance		66,53,707		1,22,48,322
Other manufacturing/ direct expenses		14,08,71,161		18,82,44,203
		98,05,34,948		80,55,77,339

b. Administrative And Selling Expenses

Particulars	Year ended 31st March, 2017 (₹)		Year ended 31st March, 2016 (₹)	
Rent		11,60,79,148		9,98,74,437
Rates and taxes		5,96,97,706		4,49,06,050
Insurance		4,71,16,317		4,24,14,794
Travelling and conveyance		10,64,60,479		11,76,68,821
Legal and professional		9,79,69,576		10,44,63,591
Postage and telephone		13,91,31,734		11,58,67,971
Printing and stationery		1,24,96,678		1,18,76,691
Repair expenses		2,26,76,510		1,30,00,377
Advertisement and business promotion		14,73,90,729		21,26,87,203
Security expenses		4,65,66,299		3,82,98,445
Packing and forwarding		14,36,17,816		13,85,10,151
Donation (Including CSR)		1,81,62,426		2,09,99,665
Auditors' remuneration		1,07,61,878		1,03,38,506
Directors' remuneration		1,10,09,590		91,52,114
Directors' sitting fees		31,25,000		44,00,000
Loss on sale of investments		18,02,569		-

**Notes accompanying consolidated financial statements** for the year ended 31st March, 2017**27 Other Expenses (contd.)**

Particulars	Year ended 31st March, 2017 (₹)	Year ended 31st March, 2016 (₹)
Loss on sale of fixed assets	-	40,238
Provision for doubtful debts and advances	1,04,54,638	2,70,02,366
Bad debts	6,14,75,198	26,34,814
Miscellaneous	9,97,52,832	8,68,85,663
TV Channel Expenses		
Content & broadcasting	2,59,14,08,986	2,62,11,62,773
Call handling and collection charges	54,42,23,976	51,58,25,185
Packing and distribution charges	85,46,32,308	75,15,12,362
Information technology expenses	17,01,70,672	13,45,35,840
	5,31,61,83,065	5,12,40,58,056
	6,29,67,18,013	5,92,96,35,395

28 Contingent Liabilities and Commitments

Particulars	Year ended 31st March, 2017 (₹)	Year ended 31st March, 2016 (₹)
(a) Capital Commitment:		
Estimated amount of contracts remaining to be executed on capital account as on 31 March, 2017 and not provided for:	25,000	1,50,18,412
(b) Contingent Liabilities:		
Guarantees given by bank on behalf of the Company	8,20,00,000	8,61,00,000
Disputed Tax Matters against which the company has preferred appeal :		
Custom duty	-	43,07,610
Income tax	2,90,32,150	3,25,03,857
Other money for which the Company is contingently liable	29,57,000	29,57,000

29 The Company has classified various benefits provided to employees as under:**A. Defined Contribution Plans**

- Provident Fund
- Employers' Contribution to Employees' State Insurance
- National Pension Scheme

The Company has recognised the following amounts in Statement of Profit and Loss:

Particulars	Year ended 31st March, 2017 (₹)	Year ended 31st March, 2016 (₹)
Employer's contribution to Provident Fund	1,66,04,638	1,69,04,871
Employer's contribution to Employees State Insurance	57,88,113	63,34,904
Employer's contribution to National Pension Scheme	8,81,744	-
	2,32,74,495	2,32,39,775

The subsidiaries also contributes to their respective social security plan which are 'defined contribution plan'.

Notes accompanying consolidated financial statements for the year ended 31st March, 2017

29 The Company has classified various benefits provided to employees as under: (contd.)

B. a. Contribution to Gratuity Fund (Funded Scheme) & Compensated Absences (Unfunded Scheme)

In accordance with the Accounting Standard (AS 15) (Revised 2005), actuarial valuation for the Company was performed in respect of the Gratuity Liability & Compensated Absences based on the following assumptions:

Particulars	Year ended 31st March, 2017		Year ended 31st March, 2016	
	Gratuity	Compensated Absences	Gratuity	Compensated Absences
Discount Rate (per annum)	7.20%	7.20%	7.70%	7.70%
Rate of increase in compensation levels (per annum)	10.00%	10.00%	10.00%	10.00%
Rate of return on Plan Assets (for Funded Scheme)	7.90%	0.00%	8.18%	0.00%
Expected Average remaining working lives of the employees (years)	10 Years		11 Years	
Attrition Rate	14.67%	14.67%	12.52%	12.52%

I. Change in the Present Value of Obligation

The Scheme is funded with an insurance company in the form of qualifying insurance policy

Particulars	Year ended 31st March, 2017 (₹)		Year ended 31st March, 2016 (₹)	
	Gratuity	Compensated Absences	Gratuity	Compensated Absences
Present value of defined benefit obligation as at beginning of the year	4,29,22,143	76,25,978	4,06,56,991	72,27,796
Interest cost	33,05,005	5,87,200	31,71,245	5,63,768
Past Service cost	-	-	-	-
Current service cost	73,73,236	31,83,455	64,76,073	25,23,242
Benefits paid	(23,88,921)	(8,48,375)	(22,03,053)	(5,85,942)
Actuarial (gain) / loss on obligations	6,76,173	(5,97,289)	(51,79,113)	(21,02,886)
Present value of defined benefit obligation as at the end of the year	5,18,87,636	99,50,969	4,29,22,143	76,25,978

II. Changes in the Fair Value of Plan Assets

Particulars	As at 31st March, 2017 (₹)		As at 31st March, 2016 (₹)	
	Gratuity	Compensated Absences	Gratuity	Compensated Absences
Present value of plan assets as at beginning of the year	1,69,76,519	-	1,39,66,724	-
Expected return on plan assets	13,87,830	-	12,39,547	-
Contributions	57,66,240	-	40,86,594	-
Benefits paid	(23,88,921)	-	(22,03,053)	-
Actuarial gains / (losses)	(3,944)	-	(1,13,293)	-
Fair value of plan assets as at end of the year*	2,17,37,724	-	1,69,76,519	-

*All the funds under the Plan Assets are managed by insurer.

**Notes accompanying consolidated financial statements** for the year ended 31st March, 2017**29 The Company has classified various benefits provided to employees as under: (contd.)****III. Reconciliation of Present Value of Defined Benefit Obligation and the Fair Value of Assets**

Particulars	As at 31st March, 2017 (₹)		As at 31st March, 2016 (₹)	
	Gratuity	Compensated Absences	Gratuity	Compensated Absences
Present value of funded obligation as at end of the year	5,18,87,636	99,50,969	4,29,22,143	76,25,978
Fair value of plan assets as at end of the year	2,17,37,724	-	1,69,76,519	-
Liability recognised in the Balance Sheet Shown as	30149912	99,50,969	2,59,45,624	76,25,978
Long term provision (refer note no.5)	1,91,68,543	82,77,100	1,64,29,725	65,41,225
Short term provision (refer note no.9)	1,09,81,369	16,73,869	95,15,899	10,84,753

IV. Amount recognised in the Balance Sheet

Particulars	As at 31st March, 2017 (₹)		As at 31st March, 2016 (₹)	
	Gratuity	Compensated Absences	Gratuity	Compensated Absences
Present value of defined benefit obligation as at the end of the Year	5,18,87,636	99,50,969	4,29,22,143	76,25,978
Fair value of plan assets as at end of the year	2,17,37,724	-	1,69,76,519	-
Liability / (Net Asset) recognised in the Balance Sheet	3,01,49,912	99,50,969	2,59,45,624	76,25,978

V. Expenses recognised in Statement of Profit and Loss Account

Particulars	Year ended 31st March, 2017 (₹)		Year ended 31st March, 2016 (₹)	
	Gratuity	Compensated Absences	Gratuity	Compensated Absences
Current service cost	73,73,236	31,83,455	64,76,073	25,23,242
Past service cost	-	-	-	-
Interest cost	33,05,005	5,87,200	31,71,245	5,63,768
Expected Return on Plan Assets	(13,87,830)	-	(12,39,547)	-
Net Actuarial (gain) / Loss recognised in the period	6,80,117	(5,97,289)	(50,65,820)	(21,02,886)
Total Expenses recognised in the statement of Profit and Loss (refer note no. 25)	99,70,528	31,73,366	33,41,951	9,84,124

VI. Actual Return on Plan Assets

Particulars	Year ended 31st March, 2017 (₹)		Year ended 31st March, 2016 (₹)	
	Gratuity	Compensated Absences	Gratuity	Compensated Absences
Expected Return on Plan Assets	13,87,830	-	12,39,547	-
Actuarial gain / (losses) on Plan Assets	-3,944	-	-1,13,293	-
Actual Return on Plan Assets	13,83,886	-	11,26,254	-

The 100% Plan Assets of the Company as on balance sheet date are invested with Life Insurance Corporation through Group Gratuity Policy.

The expected rate of return on plan assets is based on market expectations at the beginning of the period. The rate of return on long-term government bonds is taken as reference for this purpose.

Enterprise best estimate of contribution during next year is ₹10,981,369

Notes accompanying consolidated financial statements for the year ended 31st March, 2017

29 The Company has classified various benefits provided to employees as under: (contd.)

Compensated Absences has been provided based on valuation, as at the balance sheet date, made by independent actuaries .

b. Disclosures pursuant to Accounting Standard-15 “Employee Benefits”

Particulars	Amount in (₹)				
	31.03.2017	31.03.2016	31.03.2015	31.03.2014	31.03.2013
Gratuity					
Present value of defined benefit obligation as at the end of the Year	5,18,87,636	4,29,22,143	4,06,56,991	2,80,10,419	2,55,98,437
Fair value of plan assets as at end of the year	2,17,37,724	1,69,76,519	1,39,66,724	1,15,54,697	1,05,62,468
Liability / (Net Asset) recognised in the Balance Sheet	3,01,49,912	2,59,45,624	2,66,90,267	1,64,55,722	1,50,35,969
Experience adjustments on plan liabilities - (Loss)/ Gain	(3,24,812)	(2,65,286)	8,09,695	(8,04,241)	(1,47,087)
Experience adjustments on plan assets - (Loss)/Gain	(3,944)	(1,13,293)	(41,946)	(96,207)	-
Compensated absences					
Present value of defined benefit obligation as at the end of the Year	99,50,969	76,25,978	72,27,796	48,57,346	35,89,353
Fair value of plan assets as at end of the year	-	-	-	-	-
Liability / (Net Asset) recognised in the Balance Sheet	99,50,969	76,25,978	72,27,796	48,57,346	35,89,353
Experience adjustments on plan liabilities - (Loss)/ Gain	6,66,557	13,46,193	5,34,469	1,63,923	7,64,991

30 Employee Stock Option Scheme:

a VGL ESOP (As amended)-2006

On 30 November 2006, pursuant to approval of shareholders at the Extra Ordinary General Meeting, the Company has approved Employee Stock Option Scheme-2006 (“the Scheme”). The Scheme provides for grant of stock options on equity shares of the Company (“Vaibhav Global Limited”) to the eligible employees of the Company and its subsidiaries. Under the scheme, the Company is authorised to issue up to 8,25,000 shares to eligible employees. Further, over the period from September 2011 to September 2016, pursuant to approval of the shareholders at the Annual General Meetings, the Company approved an ESOP scheme to issue additional shares aggregating to 17,50,000. Eligible employees are granted an option to purchase shares subject to vesting conditions. Stock options are vested in a graded manner over the period of 3 years wherein 20% will vest at the end of first year, 30% at the end of the second year and balance 50% at the end of third year from the date of grant. Exercise price of stock options granted is equal to market price of the share of the Company on the date of grant. The Group follows the intrinsic value method to account for its stock options as per the Guidance note issued by the Institute of Chartered Accountants of India and SEBI Guidelines. The Company has constituted “Vaibhav Global Employee Stock Option Welfare Trust” to administer and implement VGL ESOP Scheme. The exercise period for all the options under various tranches has been increased to 7 years from the date of vesting as approved by the shareholders in the AGM held on 25 July, 2014. The maximum contractual life of options is 9.3 years.

23,99,853 (previous year 18,54,675) options have been granted under the scheme till the year ended 31 March 2017.

**Notes accompanying consolidated financial statements** for the year ended 31st March, 2017**30 Employee Stock Option Scheme: (contd.)**

The details of the Grant under the aforesaid schemes are as under:-

Particulars	Original/ (Revised) Exercise Price	Options outstanding as on 1st April 2016	Options granted/ revived during the year	Options exercised during the year	Options forfeited during the year	Expired during the period	2016-17	
							Options granted and outstanding as on 31st March 2017 *	Excercisable at the end of the period
A	240 (45.30)	1,271	-	1,271	-	-	-	-
D	26.75	9,000	-	4,000	-	-	5,000	5,000
F	45.30	71,187	-	26,916	-	-	44,271	44,271
G	119.05	13,930	-	3,570	-	-	10,360	10,360
H	126.35	27,106	-	-	7,633	-	19,473	19,473
I	418.40	8,956	-	-	8,956	-	-	-
J	743.95	23,629	-	-	3,145	-	20,484	10,242
L	742.50	3,60,690	-	-	48,785	-	3,11,905	1,55,953
M	752.60	13,826	-	-	6,106	-	7,720	3,860
N	374.60	69,330	-	-	10,640	-	58,690	11,738
O	284.45	-	51,520	-	3,840	-	47,680	-
P	311.55	-	4,87,858	-	22,060	-	4,65,798	-
Q	307.35	-	5,800	-	-	-	5,800	-
		5,98,925	5,45,178	35,757	1,11,165	-	9,97,181	2,60,897

* Includes 10803 equity shares allotted to Trust not exercised by employees.

The options outstanding at 31 March 2017 have an weighted average remaining contractual life of 3.27 years. The weighted average share price in respect of options exercised during the year was ₹305.

Particulars	Original/ (Revised) Exercise Price	Options outstanding as on 1st April 2015	Options granted/ revived during the year	Options exercised during the year	Options forfeited during the year	Expired during the period	2015-16	
							Options granted and outstanding as on 31st March 2016 **	Excercisable at the end of the period
A	240 (45.30)	2,018	-	747	-	-	1,271	1,271
D	27	9,000	-	-	-	-	9,000	9,000
F	45	1,71,560	-	1,00,373	-	-	71,187	71,187
G	119	44,161	-	17,731	12,500	-	13,930	6,965
H	126	41,181	-	-	14,075	-	27,106	13,553
I	418	47,793	-	-	38,837	-	8,956	4,478
J	744	25,726	-	-	2,097	-	23,629	4,726
K	735	3,579	-	-	3,579	-	-	-
L	743	4,64,130	-	-	1,03,440	-	3,60,690	72,138
M	753	21,690	-	-	7,864	-	13,826	-
N	375	-	76,570	-	7,240	-	69,330	-
		8,30,838	76,570	1,18,851	1,89,632	-	5,98,925	1,83,318

** Includes 16,074 equity shares allotted to Trust not exercised by employees

Notes accompanying consolidated financial statements for the year ended 31st March, 2017

30 Employee Stock Option Scheme: (contd.)

The options outstanding at 31 March 2016 have an weighted average remaining contractual life of 2.28 years. The weighted average share price in respect of options exercised during the year was ₹438.

b Measurement of fair value :

The fair value of stock option has been measured using the Black-Scholes formula.

The fair value of the stock options granted during the year and the inputs used in the measurement of the fair value at grant date of the stock option are as follows:

Particulars	Year ended 31st March, 2017 (₹)	Year ended 31st March, 2016 (₹)
Weighted average share price	309.01	374.60
Weighted average exercise price	309.01	374.60
Expected volatility (weighted average volatility)	60.51%	64.71%
Expected life (expected weighted average life)	4.65 years	4.65 years
Expected dividend	-	-
Risk-free interest rate (based on government bonds)	6.50%	7.79%

Volatility is the measure of the amount by which a price has fluctuated or is expected to fluctuate during a period. The measure of volatility used in the Black-Scholes options pricing model is the annualised standard deviation of the continuously compounded rates of return on the stock over a period of time. For calculating volatility, the daily volatility of the stock prices on the Bombay Stock Exchange (BSE), over a period prior to the date of grant, corresponding with the expected life of the options has been considered.

The weighted average fair value of options granted during the year ended 31 March 2017 is ₹162.36 (previous year ₹211).

c The following table illustrates the effect on earnings per share if the Company had applied the fair value method to stock-based employee compensation:

Particulars	Year ended 31st March, 2017 (₹)	Year ended 31st March, 2016 (₹)
Net profit attributable to equity shareholders	57,72,91,157	39,81,69,097
Add: Stock-based employee compensation expense included in reported net profit	-	-
Less: Stock-based employee compensation expense determined under fair value method	3,99,17,402	5,14,93,763
Proforma net profit	53,73,73,756	34,66,75,334
Weighted average number of equity shares outstanding during the year used in computing basic earnings per share	3,25,29,980	3,24,59,898
Basic and Diluted Earnings per share - adjusted pro forma	16.52	10.68

d A summary of movement in respect of the shares held by ESOP Trust is as follows :

Particulars	Year ended 31st March, 2017 (₹)	Year ended 31st March, 2016 (₹)
Opening balance of equity shares not exercised by employee and available with the ESOP Trust	16,074	22,177
Add: Shares allotted by the Company	30,486	1,12,748
Less : Shares exercised by employee :	35,757	1,18,851
Closing balance of equity shares not exercised by employee and available with the ESOP Trust	10,803	16,074

**Notes accompanying consolidated financial statements** for the year ended 31st March, 2017**31 Lease Commitments**

The VGL Group has taken office and other premises on cancellable and non-cancellable operating lease. The lease rental recognised in the Consolidated Statement of Profit and Loss for the year ended 31 March, 2017 are ₹11,60,79,148 (previous year ₹9,98,74,437).

With respect to non cancellable operating leases, the future minimum lease payments as at balance sheet date is as under :

Year	31.03.2017 (₹)	31.03.2016 (₹)
Not later than one year	10,21,56,770	10,17,19,184
Later than one year and not later than five years	17,55,61,183	22,25,97,411
Later than five years	3,20,65,239	6,83,89,934

32 Related Party Disclosures:**A. List of related parties :****Enterprises in which Key management personnels are interested :**

- | | |
|------------------------------|--------------------------------|
| 1. VGL Softech Limited | 2. Brett Plastics Pvt. Limited |
| 3. Sonymike's Holdings Ltd. | 4. Ganpati Chambers Pvt Ltd. |
| 5. Jaipur Gem Bourse Limited | |

Key Management Personnel (KMP):

- | | |
|--|--|
| 1. Shri Sunil Agrawal – Chairman & Managing Director | 2. Shri Rahimullah – Whole time Director |
|--|--|

Relative of Key Management Personnel

- | | |
|------------------------|---------------------------|
| 1. Smt. Deepti Agrawal | 2. Shri Ghanshyam Agarwal |
| 3. Smt. Sheela Agarwal | 4. Hursh Agrawal |
| 5. Master Neil Agrawal | 6. Smt. Fatima Be |
| 7. Smt. Batool Begum | 8. Shri Arifullah |
| 9. Shri Inamullah | 10. Shri Imranullah |
| 11. Shri Rizwanullah | 12. Shri Asifullah |
| 13. Ms. Amrin | 14. Shri Ikramullah |
| 15. Renu Raniwala | 16. Shri Sanjeev Agrawal |

B. Related Party Transactions

Amount in (₹)

Nature of Transactions	Key Managerial Person		Relative of Key Managerial Person		Enterprises over which significant influence exercised by Key Managerial Person	
	31.03.2017	31.03.2016	31.03.2017	31.03.2016	31.03.2017	31.03.2016
(i) Transactions During the year						
a. Remuneration	52,08,043	2,18,46,054	90,42,954	99,35,295	-	-
(ii) Balances as the end of the year						
a. Investment	-	-	-	-	52,07,000	52,07,000

Note: The working capital borrowings of the Company are secured by personal guarantee of Mr. Sunil Agrawal, Chairman and Managing Director of the Company. (Refer Note No. 6A)

Notes accompanying consolidated financial statements for the year ended 31st March, 2017

32 Related Party Disclosures: (contd.)

C. Details of Material Related Party Transactions

Nature of Transactions	Key Managarial Persons				Relative of Key Managerial						Enterprises over which significant influence exercised by Key Managerial Persons	
	Mr Sunil Agarwal		Mr Rahimullah		Rizwan Ullah		Hursh Agarwal		Sanjeev Agarwal		VGL Softech Limited	
	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16
(i) Transaction during the year												
a. Remuneration	10,08,043	1,76,46,054	42,00,000	42,00,000	89,75,985	87,57,424	66,969	7,83,880	-	3,93,991	-	-
(ii) Balances as at year end												
a. Investment	-	-	-	-	-	-	-	-	-	-	52,07,000	52,07,000

33 One of the subsidiaries in USA have recognised net aggregate Deferred Tax Assets of ₹1,45,42,130 as at 31 March, 2017 (₹3,69,56,333 as at 31 March, 2016). As virtual certainty supported by convincing evidence (as required under Accounting Standards 22 – “Accounting for Taxes on Income”) is yet to be established, no effect of such Deferred Tax Asset has been given in the Consolidated financial statements.

34 Earning Per Share (EPS)

	Year ended 31st March, 2017 (₹)	Year ended 31st March, 2016 (₹)
a. Profit after Tax (₹)	57,72,91,157	39,81,69,097
b. Profit attributable to Equity Shareholders for Basic and Diluted EPS (₹)	57,72,91,157	39,81,69,097
c. i) Weighted average number of Equity Shares outstanding during the year for Basic EPS	3,25,29,980	3,24,59,898
ii) No of Stock Option Outstanding	9,97,181	5,98,925
iii) No of Dilutive Potential Equity Shares	-	-
d. Weighted average number of Equity Shares outstanding during the year for Diluted EPS (d(i)+d(iii))	3,25,29,980	3,24,59,898
e. Basic Earning Per Share	17.75	12.27
f. Diluted Earning Per Share	17.75	12.27

35 The Board at its meeting held on 28 July, 2015 had approved a Scheme of Capital Reduction under section 100 to 104 of the Companies Act 1956 read with section 52 of the Companies Act 2013 for setting off of accumulated losses of the Company as on 31 March, 2015 of ₹2,642,718,509 against the securities Premium Account. The Shareholder approved Scheme via postal ballot on 16 January, 2016 & the Scheme is sanctioned by the Hon’ble High Court, Rajasthan (Jaipur) vide order dated 18 November, 2016. The effect of such reduction of capital has been taken in the financial statements during the year.

36 The Group is engaged in manufacturing/ trading and retail of “fashion and lifestyle products’ which is the primary business segment based on the nature of products manufactured/ traded and sold. In view of same, the Group has only one reportable segment viz ‘retail of fashion and lifestyle products’. Accordingly, the segment information as required by Accounting Standard -17 on “Segment Reporting” is not required to be disclosed.

**Notes accompanying consolidated financial statements** for the year ended 31st March, 2017**37 Disclosure Mandate by Schedule III of Companies Act 2013, by way of additional information**

	Net Assets i.e. Total Assets net of Total Liabilities		Share in Profit/(loss)	
	As a % of Consolidated Net Assets	Amount (in ₹)	As a % of Consolidated Net Assets	Amount (in ₹)
Parent				
Vaibhav Global Limited	119.2%	4,99,54,31,220	40.9%	23,64,56,267
Subsidiary				
Foreign				
STS Jewels Inc., USA	3.4%	14,40,76,786	7.7%	4,42,84,828
STS Gems Thai Limited, Thailand	0.9%	3,62,94,201	3.1%	1,78,57,755
STS Gems Limited, Hong Kong	8.1%	34,13,29,110	5.7%	3,30,76,836
STS Gems Japan Limited	0.0%	(4,22,952)	0.0%	(70,781)
Genoa Jewellers Limited, BVI	46.0%	1,92,85,42,444	65.3%	37,71,39,713
Step down foreign subsidiary				
Pt. STS Bali	0.5%	2,13,63,622	1.2%	67,16,519
Jewel Gem USA Inc.	-3.3%	(13,91,87,547)	5.6%	3,24,03,426
The Jewellery Channel Limited, UK	2.2%	9,42,00,087	18.9%	10,91,96,557
The Jewellery Channel Inc. USA	12.7%	53,27,41,371	10.3%	5,94,74,085
Sub Total				
Inter Company Elimination & Consolidation Adjustments	-89.7%	(3,76,18,50,807)	-67.5%	(33,88,61,594)
Grand Total		4,19,25,17,535		57,76,73,611
Minority Interest in Subsidiaries		4,67,075		3,82,454

38 Previous year's figure have been regrouped/ reclassified wherever necessary to conform to the current year classification.

For **HARIBHAKTI & CO. LLP**
Chartered Accountants
ICAI F.R. No.: 103523W/ W100048

BHAVIK L. SHAH
Partner
M.No.: 122071

Ahmedabad, 15th May 2017

For **B. KHOSLA & CO.**
Chartered Accountants
ICAI F.R. No.: 000205C

SANDEEP MUNDRA
Partner
M.No.: 075482

Jaipur, 15th May 2017

SUNIL AGRAWAL
Chairman & Managing Director
DIN: 00061142

PURU AGGARWAL
Group CFO

Jaipur, 15th May 2017

RAHIMULLAH
Whole Time Director
DIN :00043791



VAIBHAV GLOBAL LIMITED

CIN: L36911RJ1989PLC004945

Registered Office: K-6B, Fateh Tiba, Adarsh Nagar, Jaipur – 302004

Tele No.: 91-141-2601020 • Fax No: 91-141-2605077

Email: investor_relations@vaibhavglobal.com • Website: www.vaibhavglobal.com

PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

28th Annual General Meeting – 7th September, 2017

Name of the Member (s) :
Registered address :
Email ID :
Folio No./Client ID :
DP ID :

I/We, being the member(s) ofshares of Vaibhav Global Limited, hereby appoint:

Name :.....	Email Id:-.....
Address:	
Signature: or failing him / her;	

Name :.....	Email Id:-.....
Address:	
Signature: or failing him / her;	

Name :.....	Email Id:-.....
Address:	
Signature:	

as my / our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the 28th Annual General Meeting of the Company, to be held on Thursday, 7th September, 2017 at 10:00 A.M. (IST) at E-69, EPIP, Sitapura, Jaipur – 302022 and at any adjournment thereof in respect of such resolutions as are indicated below:

Item No.	Resolutions	Vote (Optional, see note 2) Please mention no. of shares	
		For	Against
	Ordinary Business		
1.	Adoption of Financial Statements		
2.	Re-appointment of Mrs. Sheela Agarwal as a Director liable to retire by rotation		
3.	To appoint Statutory Auditors and fix their remuneration		
	Special Business		
4.	Re-appointment of Mr. Sunil Agrawal as Chairman and Managing Director of the Company		
5.	Appointment of Mr. James Patrick Clarke as an Independent Director of the Company		
6.	Appointment of Mr. Sunil Goyal as an Independent Director of the Company		
7.	Appointment of Dr. Purushottam Agarwal as an Independent Director of the Company		
8.	Re-appointment of Mr. Santiago Roces Moran as an Independent Director of the Company		
9.	Re-appointment of Mr. Harsh Bahadur as an Independent Director of the Company		

Signed this.....day of.....2017.

Signature of Shareholder

Affix Revenue Stamp

Signature of first proxy holder

Signature of second proxy holder

Signature of third proxy holder

Note:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. It is optional to indicate your preference. If you leave the 'for' or 'against' column blank against any or all of the resolutions, your proxy will be entitled to vote in the manner as he / she may deem appropriate.



VAIBHAV GLOBAL LIMITED

CIN: L36911RJ1989PLC004945

Registered Office: K-6B, Fateh Tiba, Adarsh Nagar, Jaipur – 302004

Tele No.: 91-141-2601020 • Fax No: 91-141-2605077

Email: investor_relations@vaibhavglobal.com • Website: www.vaibhavglobal.com

ATTENDANCE SLIP

[Pursuant to section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

DP ID		Regd. Folio No.	
Client ID		No. of Shares Held	

I / we hereby record my / our presence at the 28th Annual General Meeting of the Company on Thursday, the 7th September, 2017 at 10:00 A.M (IST) at Corporate Office of the Company at E-69, EPIP, Sitapura, Jaipur-302022.

.....
Name of the Shareholder (in BLOCK LETTERS)

.....
Signature

.....
Name of the proxy (in BLOCK LETTERS)

.....
Signature

NOTE: PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING VENUE.

Route map of the AGM venue

VAIBHAV GLOBAL LIMITED
E-69, EPIP, Sitapura, Jaipur - 302022



Awards and accolades



Awarded certificate of merit and trophy for ranking first in the category of 'Highest CSR' for the year 2015-16, awarded by The Gem & Jewellery Export Promotion Council (GJEPC).



Awarded certificate of merit and trophy for ranking first in the category of 'Silver Jewellery' for the year 2015-16, awarded by The Gem & Jewellery Export Promotion Council (GJEPC).



Awarded Gold trophy and certificate for outstanding export performance in the category 'Top Exporter, Rajasthan, Non-MSME', awarded by the Federation of Indian Export Organisations (FIEO).



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