Vaibhav Global Limited
29th Annual Report 2017-18

Delivering JOY

BRINGING OUR PURPOSE TO LIFE

Welcome!

We are inspired by our purpose of delivering joy to our stakeholders. We bring this purpose to life by passionately delivering a technology-led, value-centric and choice-driven electronic retail experience to millions of homes in the US and the UK.

Other information

The e-version of our Annual Report 2017-18 is also available online at www.vaibhavglobal.com. For the latest financial information, including financial results presentations and results announcements, please refer to our investor relations page at www.vaibhavglobal.com. We welcome the views of our stakeholders on our reports. Please email your feedback to investor_relations@vaibhavglobal.com.

The 29th Annual Report 2017-18 of Vaibhav Global Limited is a fundamental description of the Company's purpose framework that comprises:

- **Delivering joy to our customers:** By continually improving customer experience at every touch point
- **Delivering joy to our team members:** By delivering at least 20 hours of training every year to each team member and enabling them to participate in the Company's success by way of profit sharing, ESOP, etc.
- **Delivering joy to our communities:** By providing one meal to a child in India, the UK and USA for every item sold at our retail operations
- **Delivering joy to our investors:** By generating sustainable growth year-over-year with improved bottomline

Report 2017-18 navigation

ABOUT VAIBHAV GLOBAL

Vaibhav Global is India's only profitable and vertically-integrated electronic B2C fashion retailer with proprietary TV home shopping and e-commerce platforms in the US and the UK.

Driven by state-of-the-art technology, the Company operates in an opportunity-rich environment, characterised by the enduring human need for entertainment, lifestyle and aspirational fulfillment.

Today, our combination of capabilities and resources has enabled us to serve our customers in their homes and online, thereby positioning us well for sustainable growth.

Vision

To be the value leader in electronic retailing of jewellery and lifestyle products

Mission

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

Core values

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

Our customer reach

96 million

TV households on FTE (full-time equivalent) basis across the US and the UK

- **USA, 71 mn:** Shop LC (TV channel and e-commerce website/mobile app)
- **UK, 25 mn:** The Jewellery Channel – TJC (TV channel and e-commerce website/mobile app)

Our worldwide sourcing capabilities

12 million

pieces approximately in global supply chain capability with access to the latest trends, scale flexibility and bottom price discovery

- **India:** Noida, Jaipur, Nagaland, Kashmir
- **Indonesia:** Bali, Yogyakarta, Sumatra, Madura Surabaya
- **Thailand:** Bangkok, Chang Mai, Mae Sai, Kanchanaburi, Chanthburi
- **China:** Guangzhou, Haifeng, Hauadu Shenzhen, Dongguan, Zhuji, Wenzhou, Wuzhou, Yiwu, Hunan

Our manufacturing assets

6 million

pieces jewellery production capacity in fully-integrated LEED-certified 'Gold level' facility at SEZ, Jaipur, and another ISO 9001:2008 unit in the same city

- **Mumbai:** Diamond sourcing and manufacturing unit – TJC (TV channel and e-commerce website/mobile app)

OUR PERFORMANCE IN 2017-18

The year 2017-18 witnessed Vaibhav Global reporting an 8.7% growth in revenues while net profit surged at a much sharper 74.2%.

Maintaining a positive business momentum throughout the year, the Company's retail platforms – Shop LC in the US and TJC in the UK – continued delivering joy to customers, offering deep value across a wide range of fashion jewellery and lifestyle products.

This translated into over 11% constant currency revenue growth in the US and almost 20% in the UK, which was in line with the double-digit growth guidance for the year.

NET PROFIT
₹113
crores

>> Up ₹48 crores or 74.2% over 2016-17

Q1 2017-18
₹15 crores

Q2 2017-18
₹20 crores

Q3 2017-18
₹46 crores

Q4 2017-18
₹32 crores

Analysis >>

- Consistent net profit growth powered by strong growth in revenues and stronger cost control
- Better absorption of fixed costs and expanded product portfolio will aid profit growth

REVENUES
₹1,564
crores

>> Up ₹125 crores or 8.7% over 2016-17

Q1 2017-18
₹330 crores

Q2 2017-18
₹352 crores

Q3 2017-18
₹460 crores

Q4 2017-18
₹422 crores

Analysis >>

- Strong constant-currency QoQ growth driven by expansion in both US and UK retail revenues
- Highest-ever quarterly sales in Q3 2017-18
- Combination of sustained value (reflected in pricing) and volume growth, powered by expansion in demand for Budget Pay products as well as strong digital sales
- Performance also powered by three million-dollar days in the US during the year

Television retail sales
₹993 crores >> Up ₹19 crores or 1.95% over 2016-17

Web retail sales
₹371 crores >> Up ₹96 crores or 34.90% over 2016-17

B2B sales
₹200 crores >> Up ₹10 crores or 5.26% over 2016-17

GROSS PROFIT
₹929
crores

>> Up ₹64 crores or 7.4% over 2016-17

Q1 2017-18
₹210 crores

Q2 2017-18
₹222 crores

Q3 2017-18
₹264 crores

Q4 2017-18
₹233 crores

Analysis >>

- Robust scale advantages in sourcing and manufacturing
- Enhancing people productivity through training and emphasis on minimizing wastages
- Marginal annual impact on gross profit margins because of increased opportunistic B2B sales and longer clearance sales season

Well-balanced product and geographic diversification meshed with our robust programming content anchored on compelling narrative and entertaining storytelling has enhanced customer engagement and delight, thereby enabling us to achieve stable, sustainable and predictable profitability.

RETAIL SALES DATA

TV SALES VOLUMES ('000)
5,737
-2.4% >> 5,877 in 2016-17

TV ASP
$26.9
+8.0% >> $24.9 in 2016-17

WEB SALES VOLUMES ('000)
2,840
+20.7% >> 2,353 in 2016-17

WEB ASP
$20.3
+16.0% >> $17.5 in 2016-17

BALANCE SHEET

NET CURRENT ASSETS
₹417 crores
+32.8% >> ₹314 crores in 2016-17

SHAREHOLDERS' EQUITY

(as on 31 March 2018)
₹550 crores
+26.7% >> ₹434 crores in 2016-17

SHAREHOLDER INFORMATION

RETURN ON CAPITAL EMPLOYED
24.8%
+830 bps >>16.5% in 2016-17

EARNINGS PER SHARE
₹34.6
+74.1% >> ₹19.9 in 2016-17

BOOK VALUE PER SHARE
₹168.8
+26.5% >> ₹133.4 in 2016-17

MARKET CAPITALISATION
₹2,245 crores
+79% >> ₹1,255 crores
(as on 31 March 2017, NSE: VAIBHAVGBL)

Previous year's numbers have been restated where necessary as per Ind AS

OUR BOARD AND LEADERSHIP TEAM

The experience, knowledge and diversity of the Board represents Vaibhav Global's principal asset.

Aligned with the Company's core business objectives and as part of its general oversight function, the Board takes the lead on decisions regarding long-term strategy and policies and on fostering the most appropriate corporate social responsibility policies. The Board is also responsible for governance and compliance with all legislations and statues.

The Company's Board is assisted by a highly professional and well-experienced leadership team with multi-faceted experience blended with proven capabilities.

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 Roces 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.

Mr. Rahimullah
Whole Time Director

Started his career in emerald trading and exports. 44 years of rich experience. 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 37 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 and completed his post-graduation from IIM Ahmedabad.

Mr. Harsh Bahadur
Director

MA in History from St. Stephen's College, Delhi, and MBA from Boston University, USA. 35 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 BCom (Hons), LL.B. from Delhi University, MBA from University of HULL, UK, and PhD from University of Rajasthan. Rich experience of 35 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 and Rajasthan Small Industries Corporation, etc.

OUR LEADERSHIP TEAM

Mr. Puru Aggarwal
Group Chief Financial Officer

Chartered Accountant, Cost & Management Accountant and Company Secretary. Rich and strong experience of over 26 years 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, Shop LC, USA

Graduate from Morehead State University and University of Kentucky. Over 20 years of retail experience at major US retailers, including Best Buy, Sears Holding and hhgregg. 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
Group 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, he oversaw architecture, development and integration of e-commerce. Strong expertise and proven track record in leading transformation of traditional IT organisations.

Mr. Amit Agarwal
Managing Director – TJC, UK

MBA marketing with over 17 years of experience with different companies, including BSL Ltd, Siddhartha Marble and also VGL group in sales and product merchandising in jewellery and textiles categories. Manages product merchandising, planning for TV and e-commerce platforms along with handling retail sales at TJC, UK. Part of core team that successfully launched the lifestyle category and achieved turnaround of TV retail sales growth in the last few years. In 2016, Amit became the Commercial Director for TJC and served in that role till March 2018. Currently, he is serving as the Managing Director at TJC, driving tremendous results.

Mr. Nitin Dugar
Chief Operating Officer, Shop LC, USA

Science graduate and MBA from Mumbai. Worked in the marketing department of the Godrej Group. Joined 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 overseas key strategic projects, new initiatives and process improvements.

Mr. Pushpendra 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 enlist VGL as a 'Great Place to Work'.

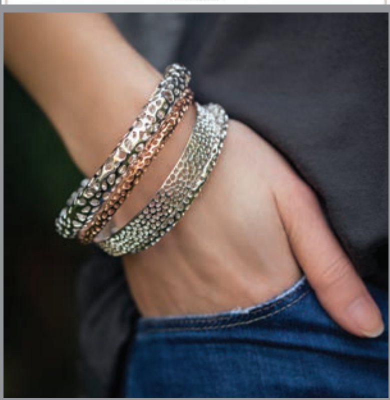
Mr. Raj Singh
Vice President, Supply Chain, VGL Group

Graduate in Chemistry and trained in mechanical maintenance. Rich career span of over 23 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 pioneering several automation drives resulting in significant cost efficiencies.


I U
Valentine's Day Gift Guide
Find the perfect gift here!
Valentine's Dtoy: Gift Bigger, Gift Better


MARROPINO MORGANITE
SMACKDOWN
Tune in ALL DAY


ETHIOPIAN WELO OPAL
SMACKDOWN
TUNE IN ALL DAY



Dear fellow shareholders,

Powered by momentum, fiscal 2017-18 was a milestone year for Vaibhav Global. As you would have read on the cover of this report, we are inspired by our purpose of delivering joy to our stakeholders and we believe this emphasis is crucial for long-term orientation, direction and eventual value creation.

As I will detail in this letter, we have articulated a clear purpose and strategy and a set of goals and investments in support of this purpose and strategy. Our financial performance for the year was particularly strong, which gives us the confidence that our strategy is resonating with our customers while unlocking value for all our stakeholders, including employees, vendors, shareholders and communities. At our enterprise, we are anchored on:

01 **Delivering joy to our customers:** By continually improving customer experience at every touch point

02 **Delivering joy to our team members:** By delivering at least 20 hours of training every year to each team member and enabling them to participate in the Company's success by way of profit sharing, ESOP, etc.

03 **Delivering joy to our communities:** By providing one meal to a school-going child in India, the UK and USA for every item sold at our retail operations

04 **Delivering joy to our investors:** By generating sustainable growth year-over-year with improved bottomline

Let me take on each of the components of our purpose framework.

Our purpose >> Delivering joy to our customers

At Vaibhav Global, we are passionate about delivering joy to our customers. Though trust is an important factor for any brand, it assumes a whole new meaning for an electronic retail brand that is limited in tangibility owing to only a one-way communication with the customer. At Vaibhav Global, in our longstanding years in business, we have built strong levels of trust with our customers, the ultimate reflection of which is evident in rising repeat purchases and average product quantities.

Repeat purchases	
19.6x	19x
2017-18	2016-17

Average quantity per customer (#pieces)	
28.6	27
2017-18	2016-17

We strive to deliver joy to our customers by offering a strong value proposition that encompasses low-cost, high-quality products. Our hosts engage our consumers through compelling storytelling while curating a vast collection of brands that are anchored on fashion relevance, novelty, value and affordability. Our far-reaching TV and online retail platforms have represented a persuasive case in inviting celebrities to showcase their personal line of brands in such lifestyle segments as perfumes, cosmetics, jewellery and handbags, among others. Our Budget Pay feature has created yet another consumer pull that enhances our customers' purchasing power in terms of opening-up their ability to amortise the payment. Our logistics and back-office teams work hard to ensure that our products reach our customers on time, ably supported by call centre and other customer-facing teams that are well-trained to respond to customer issues with sensitivity and speed.

Our purpose >> Delivering joy to our team members

At our Company, we have well-structured and meritocratic human resource policies that serve the purposes of retaining our talent while keeping our workforce engaged and motivated. Operating in a dynamic environment, we believe that knowledge and learning represent the foundations of sustainable growth and have mandated 20 hours of training each year for every member. In addition to helping us enhance productivity, this initiative will open up the scope for our team members to fast-track their careers, while also enabling us to create a management and leadership pipeline. We have also developed a robust employee engagement platform by sharing our success through such value-accretive initiatives as ESOP, profit share, etc. We are a proud equal opportunity employer.

Our workforce	
3,798	3,824
31 March 2018	31 March 2017

Women representation in our workforce	
31.9%	30.7%
31 March 2018	31 March 2017

Our purpose >> Delivering joy to our communities

At Vaibhav Global, we look at stakeholder engagement in a holistic way and, for us, community service and engagement is a central part of our business. I am happy to state that our unique 'One for One' program is linked to sales volumes in both the UK and USA and donates a hot refreshing meal to a school-going child in India and the UK for every product sold. I am proud to share that we have donated over 14 million meals till date. Besides, this nourishment program, we are also engaged in fundamental community development programs in the realm of education and healthcare in India.

'One for One' meals delivered	
6.1mn*	3.7mn
2017-18	2016-17

VGL Group 'One for One' spends (₹ in crores)	
1.88*	1.31
2017-18	2016-17

** FY18 includes contribution from Shop LC, USA's 'One for One' program which started in October 2017*

Our purpose >> Delivering joy to our investors

I believe that for our shareholders, we have come to represent an investment solution that treads both the technology and consumer spaces and is a rare instance of an India-domiciled electronic retailer that is profitable, scalable and sustainable in highly competitive developed markets.

Powered by the strategic investments of the past, our business gathered momentum with the result that we continued to return positive operating and free cash flow in 2017-18, representing the second consecutive year of these metrics being in the positive territory. Moreover, led by an unmatched value proposition, our products witnessed sustained demand with the result that we were able to clear our inventory faster and optimise working capital despite operating on an expanded base post the launch of our Budget Pay EMI initiative.

With most of the major capital expenditure behind us now, we believe that the benefits of modernised technology, widened household reach, improved customer interface across multiple touch-points and operating leverage have together combined to position us well for continued long-term value enhancement for all our shareholders.

Total shareholder returns (31st March closing price on NSE: VAIBHAVGBL)	
78.8%	20.4%
2017-18	2016-17

ROE	
20.6%	14.8%
2017-18	2016-17

In closing, I would like to mention that we have an exciting and opportunity-filled future ahead of us and deeply appreciate the trust that you have placed in us.

Best wishes,
Sunil Agrawal
Chairman

REPORT BY OUR CFO

Retail sales growth, cost efficiency and operating leverage resulted in excellent financial performance in 2017-18.

Taking off from 2016-17, we continued to maintain the strong growth momentum in 2017-18 too.

Revenues from operations during the fiscal year under review grew by 8.7% in INR terms YoY to ₹1,564 crores, gross profit increased by 7.4% to ₹929 crores while operating profit grew 55.9% to ₹159 crores and net profit surged by 74.2% to ₹113 crores. The year also witnessed our highest quarterly revenue (in Q3) of ₹460 crores, growing 14% YoY, which, together with our overall performance, including a 74.1% jump in earnings per share from ₹19.9 to ₹34.6 during the year, is an indication of the strong credence we have built as a value retailer delivering joy to our customers.

During 2017-18, our retail revenues continued to maintain healthy growth rates. In constant currency terms, which provides a more lucid view of our performance, retail revenues expanded by 11% in the US and as much as 20% in the UK. This robust retail performance was driven by a 4.2% increase in product volume growth and higher ASP of USD 24.7, which is 9% more than the year-ago average. On a more granular level, sales rose by 2% YoY on television and 35% YoY on the web, which includes WebTV also. On inclusion of WebTV in television, television growth works out to 4.9% YoY. The year had a healthy mix of competitive and relevant assortment of both familiar brands as well as fresh new products.

Our B2B business achieved a 5% revenue growth during the year under assessment, thereby contributing almost 13% to our consolidated revenues as we continue to use opportunities to our benefit. B2B sales stood at ₹200 crores during the year versus ₹190 crores last year.

A number of operational initiatives led to strengthened financial performance during 2017-18. Permit me to take you through the major ones.

Expanding Budget Pay on our web platforms spurred the demand for products, having a sharp impact on web sales leading to incremental revenues of about ₹96 crores during the year, also driving growth in sales volumes and ASPs. Web sales witnessed expansion across all segments, including full price catalogue, rising auctions and sales via TV content streaming on internet and app-based web platforms. Moreover, our TV broadcast available on web platforms also gained traction during the year and we believe this is going to have a stronger impact on web sales as we go forward. We see clear signs of the integration of both TV and web platforms, even as we believe that their synergistic inter-dependence will only grow in the future. Both our TV and web platforms are symbiotic in our B2C ecosystem.

Our sustained investments in technology has also yielded stronger financial benefits in terms of widening consumer access to our products through both Shop LC and TJC being now available as mobile apps and enhancing the quality of our virtual interface with our customers with the result that we are conveniently and seamlessly accessible on multiple screens now, including television, computers, tablets and smart-phones. We also expanded our warehousing capacity by establishing a new facility in the US and pursued technological integration with the rest of our backend operations to augment customer service and enhance productivity. In addition, we also leveraged technology to provide our customers with the benefit of up to 6 EMIs in payments from 3 EMIs earlier.

Leverage is an important aspect of our business and one-time investments have a disproportionate impact on profitability, more so as a large part of our cost structure is fixed with incremental gains directly flowing to the bottomline. With a view to maximise value, we have always had a very strong emphasis on cost optimisation and, towards achieving our objectives, we continually revisit our manufacturing processes to reduce wastages and enhance human resource productivity. We also push for technology incorporation wherever possible with a view to substitute labour-intensive processes, free-up manpower and also achieve high-quality product uniformity.

Key financial derivatives

Metric	2016-17	2017-18
Credit cost (average)	4.2%	3.3%
Capex	₹33 cr	₹17 cr
Employee cost as a percentage of revenues	17.4%	17.2%
Manufacturing and direct expenses as a percentage of revenues	4.9%	4.5%
Administrative and selling expenses as a percentage of revenues	36.8%	33.1%
EBIDTA margin	7.1%	10.2%
Net profit margin	4.5%	7.2%

In order to improve our processes, we embarked on the Baldrige Quality Framework journey at our US operations. We recently extended this initiative and launched it at our India operations with the help of the American Society for Quality or ASQ India. We expect this framework to achieve the three-pronged objectives of improving customer experience, enhancing employee engagement and reducing costs in the years to come.

Underlying our strong profitability growth is our ability to leverage the existing cost base to achieve higher topline sales. Moreover, manufacturing and sourcing quality products at highly competitive prices allows us to offer a deep value proposition to customers even while maintaining healthy margins. This represents the key USP of our operating model.

During the year under assessment, we resumed the status of being a negative debt Company at the net debt level. Another significant measure of success in our business is reflected in our cash flows. During the year 2017-18, we delivered positive operating and free cash flow to the tune of ₹36 crores and ₹18 crores, respectively, after the impact of budget pay debtors. With most of the major capital investments now behind us, we see a strong and positive upward bias in our cash flows, going forward.

On the capex for the year, we invested a major part in software and technology upgradation and in a new and larger studio facility and warehouse in the US. We expect the full benefits of these investments to accrue in the coming years.

In our constant endeavour to develop and embrace best practices across all areas of our business, KPMG affiliate BSR & Co. LLP was appointed as our statutory auditors for a five-year term, starting from the year under review.

In closing, I must reiterate that we are well-positioned for growth on the back of our ability to bring to our customers a deep value proposition by leveraging our globally well-entrenched micro-market product sourcing infrastructure paired with our low-cost manufacturing base. We will continue to undertake initiatives that maintain our business momentum and are confident that our robust business model will successfully deliver strong multi-year growth, leading to enduring long-term value enhancement for all our stakeholders.

I'd like to thank you for your continued support to our endeavours.

Sincerely,

Puru Aggarwal
Group CFO

CUSTOMER ENGAGEMENT

We held 9 customer open days in the UK and 5 in the US for interacting with specific customer groups to get deeper insights from them and also for previewing upcoming product launches

Objectives

>> Enrich our customers' lives through convenience and lifestyle fulfillment	*>> Delight our customers by taking them on a journey of discovery through compelling story-telling, familiar hosts, expert on-air guests and attractive programming*	*>> Continually expand and evolve our product range while aligning with the deep value proposition*

The year 2017-18

During the year, our multiple operational initiatives led to sustained inclusion of customer traffic across platforms.

BudgetPay
3 Easy Payments!
NO INTEREST!

>> The EMI initiative through Budget Pay represents 35.8% of gross retail sales in the US and 36.1% in the UK. Budget Pay is available on TV and web platforms across both the geographies

>> Successfully rebranded Liquidation Channel as Shop LC, which is evolving as a vibrant brand that showcases an ever-expanding range of lifestyle and fashion jewellery products

>> Mobile apps for ShopLC, USA and TJC, UK are garnering a great response. Mobile app sales now account for almost 7% of gross e-commerce sales at VGL. Total mobile sales, including responsive web pages, accounts for 56% of all VGL e-commerce sales

>> Marketplace listing is also attracting customers to our proprietary platforms but is still in a nascent stage

BALI LEGACY COLLECTION
Sleeping Beauty TURQUOISE
TANZANITE
ROYAL RUBIES
South Sea Pearl

>> Strong acceptance of our in-house brands, both in fashion jewellery and lifestyle products, such as Royal Jaipur, Everlasting by Katie Rooke, Nature's D' Ore, Giusseppe Perez, Milaan and beauty brands like Alicia Douvall, Courgar Beauty and Nvy Beauty, etc., registered well with our customers

Important customer data points

Metric	2016-17	2017-18
Household presence in the UK and USA (FTE basis)	98 mn	96 mn
New registrations	175,000	159,000
Unique customers	340,000	328,000
Average repeat purchase activity	19x	19.6x
Average purchase by each customer	27 pieces	28.6 pieces
Retail ASP	$22.7	$24.7

Future initiatives

>> Further expand the product range in the lifestyle portfolio

>> Continue to rope in brand ambassadors to strengthen customer affinity while also evolving and expanding the product range in the beauty, cosmetics and lifestyle spaces

>> Reinforce product utility for increasing functionality and versatility

HUMAN RESOURCE ENGAGEMENT

Objectives

>> Focus on employee learning and knowledge accretion	*>> Foster a productive and high-performance culture*	*>> Constantly enhance manpower productivity*

The year 2017-18

During the year, our ongoing training and skill development programs helped achieve desired manpower productivity and process benchmarking targets, while enabling us to retain our key personnel.

>> In our vision to build a learning organisation, we embraced such initiatives as:

- Pursuing the goal of empowering all employees with an individual development plan
- Engaging in leadership development via six conversations for achieving managerial success with the result that we forged a partnership with the University of Wisconsin for executive education and all our managers completed the program during the year
- Establishing learning partnerships with Lynda.com and LinkedIn
- Utilizing the 'Great Place To Work' (GPTW) survey to assess employee satisfaction with training opportunities

GREAT PLACE TO WORK®

>> In our emphasis on fostering a high-performance culture, we:

- Continued to focus on employee performance differentiation via the 20/70/10 model. Currently, we are at 18/74/8 appraisal differentiation, under which 18% of our employees are rated above or exceed expectations, 74% rated meet our expectations and 8% rated occasionally meet or are below expectations
- Leveraged our GPTW partnership under which we continued to improve our results towards relevant benchmarks in the four countries in which we are participating in the GPTW survey
- Ensured high levels of engagement via one-to-one conversations between managers and their team members with the outcome that over 80% of our team members had a one-to-one conversation with their managers every month

BALDRIGE FOUNDATION

>> We focused on achieving lower operational costs through:

- Reducing our HR costs as a percentage of revenues through shoring-up resource productivity
- Adopting the Baldrige Performance Excellence Framework to bolster performance excellence. We have obtained 'Commitment' level recognition from the Quality Texas Foundation

Important HR data points

Metric	2016-17	2017-18
HR costs as a percentage of sales	17.4%	17.2%
Net employee addition	+151	-26
Total employee base	3,824	3,798

Great Place to Work® Institute named Vaibhav Global's China subsidiary, STS Gems, among Greater China's 'Best Companies to Work For, 2017'

Future initiatives

>> Achieve the goal of having all full-time employees undergoing 20 hours of training per year

>> Be recognized as a 'Great Place To Work', taking-off from being recognized as such for two consecutive years at our STS China operations

>> With a view to enhance workforce productivity, we expect to implement a return on investment methodology on all HR proposals

>> We expect to apply for the 'Progress' level recognition with the Quality Texas Foundation, while commencing the process of the Baldrige Framework across our India operations. Our longer-term vision is to be recognized with the US Malcolm Baldrige Award for performance excellence

SOCIETAL ENGAGEMENT

Objectives

>> Engage in community development through high-impact foundational interventions	*>> Strengthen the grassroots of the society through initiatives in education and healthcare*	*>> Link customer and employee engagement to our CSR efforts for reinforcing sustainability*

The year 2017-18

During the year, we continued to engage in our now entrenched 'One for One' mid-day meal program, delivering hot meals to students in India and the UK.

>> Continued to champion our signature One for One program in the UK, donating a hot mid-day meal for every product sold, totalling over 11 million meals since the initiative began

>> Extended the program to our US operations under which we donated almost 3 million meals during the year

>> Sustained our engagement with Akshaya Patra in India for providing over 35,000 hot mid-day meals daily to almost 350 schools in and around Jaipur

>> Provided mid-day meals through Manav Seva Prem Niketan Bal Mandir

>> Offered scholarships for higher studies to deserving students through Sumedha

>> Provided resources for healthcare services improvement to Prem Niketan Hospital and for upgrade of facilities to Prem Niketan Ashram, an old-age home

Important CSR data points

Metric	2016-17	2017-18
Total CSR spends (₹ in crores)	1.52	1.44

Future initiatives

>> Expand our One for One program to all our business locations

>> Augment our CSR efforts in our core focus areas of food, education, healthcare and hygiene

INVESTOR ENGAGEMENT



Management Committee Meetings organised for business strategy and performance reviews

Objectives

>> Focus on sustainable long-term value creation	*>> Ensure the highest levels of governance and transparency with a view to build shareholder credibility*	*>> Emphasise on active engagement with shareholders/investors through quarterly post-results conference calls, among other engagements*

Important shareholder data points

Metric	2016-17	2017-18
Earnings per share (₹)	19.9	34.6
Shareholders' equity (₹ in crores)	434	550

Future initiatives

>> Continue to drive scale and operating leverage benefits for maximising shareholder value

>> Focus on process development and aggressive cost optimisation

>> Emphasise on taking decisions that are in the best long-term interests of shareholders/investors

Our product portfolio – Vibrant and continuously expanding

>> Fashion jewellery – Bracelets, bangles, earrings, studded jewellery, etc.

>> Fashion accessories – Watches, scarves, handbags, apparels, etc.

>> Lifestyle products – Home decor, bed linens, kitchen and beauty products, etc.








OUR VALUE CREATION MODEL

At Vaibhav Global, our business model requires the input of various stocks of capital in engaging with our customers, ensuring their delight and in the ultimate measure of encouraging repeat purchases, even as we showcase our inventory to a larger consumer audience.

Importantly, we operate our business model in a social and human context as we pursue value creation for a broad range of our stakeholders, including investors, employees, government, suppliers, communities and customers, while also proving that we are doing everything possible to fulfill the basic human needs of entertainment and lifestyle shopping and fulfillment.

INPUTS

Human and intellectual capital

	2016-17	2017-18
Employee base (including part-time workers)	3,824	3,798
Welfare, recruitment and training spends (₹ in crores)	7.3	6.6

Financial capital

	2016-17	2017-18
Equity (₹ in crores)	434	550
Borrowings (₹ in crores)	84.5	66.6

Natural capital

	2016-17	2017-18
Raw material expenses (₹ in crores)	310.2	309.4
Power and fuel charges (₹ in crores)	4.5	4.5

Our working business model

We source products leveraging our global supply chain, engage in world-class manufacturing at our state-of-the-art facilities in India and beam television content through our longstanding relationships with a large number of television networks in the US and the UK, while also streaming this content on the web. This is the heart of our business model.

1. Our global sourcing chain

Our global supply chain capability of 12 million pieces spans the micro-markets of India, Indonesia, Thailand and China. This worldwide exposure enables us to assess the latest fashion trends fast, resulting in rapid turnaround, also facilitated by our robust in-house designers and craftspeople.

2. Our world-class manufacturing assets

Our manufacturing processes and operations are characterised by low costs and minimal wastages, ensuring efficient resource use. Out of our two modern manufacturing units in Jaipur, while one is ISO 9001:2008-certified, the other is a fully integrated LEED-certified 'Gold level' building located in a SEZ with a capacity of six million pieces per annum.

3. Our end-user markets

Our US market is served by a large number of television networks, enabling us to beam content in 71.2 million households on FTE basis, out of the 120 million households. We have improved product presentation by investing in a large and state-of-the-art studio facility and also reinforced our back-end through operationalising a new warehouse. Our consumption market of the UK is also catered to by a broad range of television network carriers that enables us to have a 100% presence in 25 million households (FTE basis). With a view to understand customer psychology better, we incorporated the IBM Unica platform for targeted behavioural marketing.

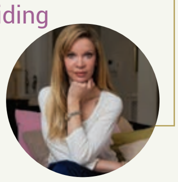
4. Our multi-screen presence

We beam live television content on the web, ensuring that we are present where our customers want us to be. We are witnessing rising sales traction on the web, validating our belief in the convergence of television and web. Also, both Shop LC and TJC have a mobile app and we are witnessing growing interest in these among our customers, reflected in the rising number of downloads every day.

Celebrity quote

Douvall's keeps it simple and gives the consumer what they are looking for - 100% natural organic argan oil beauty products. Featuring the brilliance of argan oil, Douvall's products are widely known for their magical transformation for a smooth and glowing skin. Douvall's are also proud to support organic farmers and women's co-operatives in Morocco. Their suppliers also help the children of rural Essaouira by providing education for the families of the co-operative's members.

Alicia Douvall, celebrity brand ambassador



OUTPUTS AND OUTCOMES

Financial capital – shareholders and employees

	2016-17	2017-18
Gross profit margin	60.1%	59.4%
EBIDTA margin	7.1%	10.2%
Net profit margin	4.5%	7.2%

Manufactured capital – customers

	2016-17	2017-18
Products purchased ('000)	8,230	8,577
Return rate	17.4%	19.1%

Human capital – employees

	2016-17	2017-18
Employee benefit expenses (₹ in crores)	250	271
Gross profit per employee (including part-time workers) (₹ in crores)	0.23	0.24

Social capital – local communities and exchequer

	2016-17	2017-18
CSR spends (₹ in crores)	1.52	1.44
Contribution to the exchequer (in the form of taxes, etc) (₹ in crores)	1.5	16.7

Major initiatives of the year

1. Information technology

The focus was on enhancing customer engagement and augmenting operational efficiency.

>> Upgraded e-commerce platform to Hybris 6.3 for imparting newer capabilities to both business operations and customer interface

>> Incorporated multi-EMI facility of up to 6 EMIs for customers, from the earlier 3 EMIs

>> Incorporated a program guide for better customer experience that ultimately enhanced viewership

>> Added the wish list feature, interactive chat service and other such UX upgrades for an improved shopping experience

>> Upgraded the ERP system for GST compatibility

>> Implemented bar code scanning for a Shop LC warehouse to expand productivity

2. Branding and customer service

The emphasis was on showcasing an even more attractive and compelling range of products to improve customer stickiness and fulfillment.

>> Shop LC is growing into a vibrant brand since its re-branding last year, with growing repeat purchases and increasing customer loyalty

>> Initiated multi-level auction to provide an easier way for our customers to see and order extended product selections. This also aided in achieving air-time efficiency

>> Enhanced digital engagement with customers through improved user interface (UI) with initiatives like live chat to help customers with product selection and AI to customize user experience

>> Focused on developing new brands and brand ambassador relationships for the live presentation of lifestyle product extensions for brands such as Sukriti, Vivid by Sukriti, Home Smart and Easy Wear Hair; designer collections included LucyQ by Lucy Quartermaine, Rachel Galley, Bali Goddess, Guiseppe Perez Collection, among others

>> Invested in a new studio facility and equipment in the UK for TJC for enabling a better showcase of our products towards achieving higher customer engagement

>> Operationalised a larger warehouse at Shop LC with technological integration through RF scanners etc. for reinforced customer service

>> Effected the live-streaming of The Jewelry Channel in the US on multiple platforms like Youtube as well as engaged customers through different sales channels like Facebook Shop

>> Launched multi-budget pay EMI option up from 3 installments to up to 6. Budget Pay is available across all our retail platforms in both the UK and USA and has enhanced customer sales momentum

>> Optimised our product mix to add lifestyle products, including beauty and cosmetics brands like Douvall's, DKNY, Calvin Klein, Nicole Scherzinger, Clinical Results and Opatra, etc

OUR STRATEGIC PRIORITIES

Focus on optimising the product mix through introducing a larger range of lifestyle products under mid-market brands to enhance customer base, drive repeat purchases and augment retention while engaging better with our customers.

Focus on digital engagement with customers through augmented user interface and customer-centric initiatives like Budget Pay and returnability. Also increasingly showcase our products on large marketplaces like Facebook Shop, Amazon, Walmart and e-bay.

Organisational reinforcement emphasis

Augment employee productivity through mandating fixed annual training hours and mapping the training journey. Also, shore-up hiring from top tech and management institutes while creating a leadership pipeline.

Focus on tech-centric innovation to improve our customers' experience with us, while also reinforcing the video retail model through enhanced presentation of products that are rare, have a compelling heritage and are driven by affordability.

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*
Amit Agarwal, *Managing Director, TJC, UK*
Nitin Dugar, *Chief Operating Officer, ShopLC, USA*
Pushpendra Singh, *Vice President, Human Resources, Asia*
Raj Singh, *Vice President, Supply Chain, VGL Group*

Statutory Auditors
M/s B S R & Co. LLP

Secretarial Auditor
M/s B.K. Sharma & Associates, Jaipur

Company Secretary
Sushil Sharma

Principal Bankers
Punjab National Bank, Jaipur
State Bank of India, Jaipur
Union Bank of India, Jaipur

Registrar & Share Transfer Agent
M/s Karvy Computershare Pvt. Ltd.
(Unit: Vaibhav Global Limited)
Karvy 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 29th Annual General Meeting (AGM) of the Members of **VAIBHAV GLOBAL LIMITED** will be held on Monday, 30th July, 2018 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 (Standalone and Consolidated) of the Company for the financial year ended 31st March, 2018, together with the Reports of the Board of Directors and Auditors thereon.

2. **Re-appointment of Mr. Pulak Chandan Prasad as a Director, liable to retire by rotation**
   To appoint a Director in place of Mr. Pulak Chandan Prasad (DIN: 00003557) who retires by rotation at this Annual General Meeting and, being eligible, offers himself for re-appointment.

3. **Ratification of the appointment of Statutory Auditors**
   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 Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013, read with rules thereunder (as amended from time to time), the appointment of M/s. B S R & Co. LLP, Chartered Accountants (ICAI Registration No.: 101248W/W-100022) be and is hereby ratified from the conclusion of 29th AGM till the conclusion of 33rd AGM to conduct the statutory audit of the Company, without further annual ratification in subsequent AGM, at such remuneration as may be decided by Board of Directors of the Company from time to time."

By Order of the Board of Directors
For Vaibhav Global Limited

Sd/-
Sushil Sharma
Company Secretary
(Membership No.: FCS-6535)

Date: 23rd May, 2018
Place: Jaipur

NOTES:

1. Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, ('the Act') in respect of item number 3 and the information required pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with Secretarial Standards-2 issued by ICSI, 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 **Monday, 23rd July, 2018 to Monday, 30th July, 2018** (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) till the date of the 29th 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 case of 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. Pursuant to SEBI circular, shareholders whose ledger folios do not have or have incomplete details with regard to PAN and Bank particulars are required to compulsorily furnish the details to the RTA/to the company for registration in their folio. The Companies Act, 2013, and rules made thereunder also require further details to be submitted to the Company like PAN, email address, father's/mother's/spouse's name and bank particulars. 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.

13. As per the provisions of Section 72 of the Act, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13.

14. Members wishing to claim dividends that remain unclaimed are requested to correspond with the RTA/Company Secretary. Members are requested to note that dividends that are not claimed within seven years from the date of transfer to the Company's Unpaid Dividend Account, will, as per section 124 of the Act, be transferred to the Investor Education and Protection Fund (IEPF). Shares on which dividends remain unclaimed for seven consecutive years will be transferred to the IEPF as per section 124 of the Act, and the applicable rules.

15. The Notice of AGM along with the Annual Report 2017-18 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 29th June, 2018 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 from part of the Notice.

20. The route map showing direction to reach the venue of the 29th AGM is annexed to this Annual 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:

M/s B S R & Co. LLP (ICAI Registration No.: 101248W/W-100022), Chartered Accountants had been appointed as statutory auditors of the Company at 28th Annual General Meeting (AGM) for a period of five years subject to ratification by members at every intervening Annual General Meeting.

Pursuant to the relevant provisions of Companies (Amendment) Act, 2017, as notified on 7th May, 2018 by the Ministry of Corporate Affairs, the appointment of Statutory Auditors is not required to be ratified at every intervening Annual General Meeting. Accordingly, in line with the aforesaid provisions and pursuant to the resolution passed at 28th AGM, the proposed resolution is being placed for the approval of members to ratify the appointment of auditors till the conclusion of 33rd AGM to conduct the statutory audit of the Company, without further annual ratification by members at every subsequent Annual General Meeting.

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

By Order of the Board of Directors
For Vaibhav Global Limited

Sd/-
Sushil Sharma
Company Secretary
(Membership No.: FCS-6535)

Date: 23rd May, 2018
Place: Jaipur

Details of Director seeking appointment/re-appointment at 29th Annual General Meeting

Name of the Director	Mr. Pulak Chandan Prasad (DIN: 00003557)
Date of birth	27th May, 1968
Date of first appointment on the Board	29th October, 2013
Date of re-appointment	30th July, 2018
Brief profile/expertise in specific field/qualification	Mr. Pulak Chandan Prasad is the founder of Nalanda Capital that holds large and long-term stakes in small to mid-cap listed Companies in India on behalf of US and European Institutional Investors (primarily Endowments and Foundations). Before Nalanda Capital, Mr. Prasad worked with the global private equity firm Warburg Pincus for more than eight years as the Managing Director and co-head of India. Before Warburg Pincus, Mr. Prasad was associated with McKinsey in India, South Africa and the US for six years. He joined McKinsey in 1992 after completing his post-graduation from IIM Ahmedabad, prior to which he worked with Unilever in India as a Production Management Trainee. He holds an engineering degree from IIT Delhi.
Board meetings held & attended during FY 2017-18	Four (held and attended)
Directorships held in other public companies (excluding foreign companies and Section 8 companies)	Berger Paints India Limited Just Dial Limited
Memberships/Chairmanships of committees of other public companies (includes only Audit Committee and Stakeholders' Relationship Committee)	Berger Paints India Limited – Audit Committee (Member)
Number of shares held in the Company	NIL
Remuneration paid during FY 2017-18 and proposed to pay	NIL
Relationships with other Directors/KMP	NIL

Board's Report

Dear Members,

Your Directors have pleasure in presenting the 29th Annual Report on the affairs of the Company together with the Audited Financial Statements for the financial year ended 31st March, 2018.

Financial Performance and Highlights

The Audited Financial Results (Standalone and Consolidated) of the Company for the year ended 31st March, 2018 are as follows:

(₹ in Lakhs)

Particulars	Standalone (F.Y)		Consolidated (F.Y)	
	2017-18	2016-17	2017-18	2016-17
Revenue from Operations and Other Income	47,448.62	48,466.91	1,58,587.04	1,45,464.21
Less: Operating Cost	43,128.26	44,335.56	1,42,697.35	1,35,273.27
Operating Profit / PBDIT	**4,320.36**	**4,131.35**	**15,889.69**	**10,190.94**
Less: Interest & Finance Charge	313.03	483.24	429.60	640.61
Less: Depreciation & Amortization Expenses	374.60	833.82	2,545.14	2,941.31
Profit Before Tax (PBT)	**3,632.73**	**2,814.29**	**12,914.95**	**6,609.02**
Less: Tax Expenses	553.44	582.06	1,668.31	151.15
Profit After Tax (PAT)	**3,079.29**	**2,232.23**	**11,246.64**	**6,657.87**
Other Comprehensive Income (Net of Tax)	3.36	(3.92)	(179.74)	(1,194.81)
Total Comprehensive Income	3,082.65	2,228.31	11,066.90	5,263.06

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

Indian Accounting Standards

The Ministry of Corporate Affairs (MCA), vide its notification in the official Gazette dated 16th February, 2015, notified the Indian Accounting Standards (IND AS) which has replaced the existing Indian GAAP prescribed under Section 133 of the Companies Act, 2013, read with rule 7 of the Companies (Accounts) Rules, 2014. Pursuant to the above said notification, the Indian Accounting Standards (IND AS) is applicable on the Company for the accounting periods beginning on or after 1st April, 2017.

Business Review

Vaibhav Global is an electronic retailer of fashion jewellery and lifestyle products in the US and UK markets, selling on our proprietary TV shopping and web platforms with direct access to almost 100 million TV households. The Company delivers deep value proposition to discount-seeking customers and has organically developed a robust B2C franchisee in its focus markets. This is an achievement very few Indian companies have been able to accomplish.

VGL has expanded its portfolio, focusing on adjacent product categories that target similar market segments. While fashion jewellery forms a large part of the portfolio, the Company also sells lifestyle accessories, home textiles, kitchenware 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. 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. Pursuant to Section 136 of the Companies Act, 2013, the audited financial statements for the financial year ended 31st March, 2018 in respect of each subsidiary are also 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 2017-18.

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 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 jewellery to departmental stores, TV channels and others in USA on wholesale basis.

c) STS Gems Limited, Hong Kong, a 100% subsidiary of the Company, engaged in outsourcing jewellery 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) The Jewellery Channel Ltd., UK (TJC UK), a wholly-owned step-down subsidiary of the Company, engaged in the sale and marketing of fashion jewellery and lifestyle accessories through electronic media and operates a dedicated 24x7 TV shopping channel & internet shopping website (www.tjc.co.uk) and also a mobile app in the UK.

b) Shop LC, USA (TJC USA), a wholly-owned step-down subsidiary of the Company, engaged in marketing of fashion jewellery and lifestyle accessories through electronic media and operates a dedicated 24x7 TV shopping channel & internet shopping website (www.shoplc.com) and also a mobile app in the US.

c) PT. STS BALI, a wholly-owned 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.

**During the year, Jewel Gem USA Inc. (a step down subsidiary of the Company) has been merged into The Jewelry Channel Inc., USA (a step down subsidiary of the Company) w.e.f. 28th February, 2018.*

Change in Capital Structure

During the year, there has been no change in the authorized share capital of the Company. The Company has allotted 45,236 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 has increased during the year, from ₹32,54,56,170/- (Rupees thirty two crores fifty four lac fifty six thousand one hundred and seventy only) to ₹32,59,08,530/- (Rupees thirty two crores fifty nine lac eight thousand five hundred and thirty only). Further, the Company has not issued shares with differential voting rights.

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

During the year, 3,40,649 (Three lac forty thousand six hundred forty nine) stock options convertible into 3,40,649 (Three lac forty thousand six hundred forty nine) 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 details are available on the Company's website: http://www.vaibhavglobal.com/esop.

Credit Rating

During the year, the Company's credit rating for long-term bank facilities were upgraded by one notch up from CARE BBB+ (Triple B Plus) to CARE A- (A minus), which denotes adequate degree of safety regarding timely servicing of financial obligations. Moreover, short-term bank facilities were also upgraded by one notch up from CARE A2 (A Two) to CARE A2+ (A Two Plus), which denotes strong degree of safety regarding timely servicing of financial obligations.

Directors and Key Managerial Personnel (KMP)

During the financial year, Dr. Purushottam Agarwal was appointed as Non-Executive Independent Director of the Company for a period of one year w.e.f. 15th May, 2017. Mr. Sushil Sharma was appointed as Company Secretary and Compliance Officer of the Company w.e.f. 6th July, 2017.

The Board of Directors has approved/recommended the re-appointment of Dr. Purushottam Agarwal as an Independent Director for a further term of one year w.e.f. 15th May, 2018, which was duly approved by shareholders on 10th May, 2018 through postal ballot.

In accordance with the provisions of the Companies Act, 2013 and in terms of the Memorandum and Articles of Association of the Company, Mr. Pulak Chandan Prasad, Director, is liable to retire by rotation at ensuing Annual General Meeting and, being eligible, offers himself for reappointment.

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, 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, which is available on the Company's website, i.e. http://www.vaibhavglobal.com/vgl-policies.

b) Board Meetings

During the year, four (4) Board Meetings were convened and held, the details of which are given in the "Report on Corporate Governance", a part of this Annual Report.

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, i.e. Audit Committee; Nomination, Remuneration & Compensation Committee; Corporate Social Responsibility (CSR) Committee and Stakeholders' Relationship Committee. Details of these 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 compliance 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, 2018 and state that :

a) in the preparation of the annual accounts for the financial year ended 31st March, 2018, the applicable accounting standards have been followed along with proper explanation relating to material departures;

b) 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, 2018 and profit of the Company for that period;

c) 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;

d) the annual accounts have been prepared on a going concern basis;

e) proper internal financial controls have been laid down which are adequate and were operating effectively and

f) 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 2**.

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 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 the procedures, guidelines and regulations as applicable in a transparent manner.

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 2018-19 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, 2018.

Awards and Recognitions

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

a) State Award for Export Excellence in recognition of best performance in the category of Gold, Silver & Platinum Jewelry during the year 2014-15 by Department of Industries, Government of Rajasthan.

b) Certificate of Excellence under Noida Special Economic Zone for best EOU (other than MSME) in the product group: Gems & Jewellery for outstanding export performance for the year 2015-16.

c) "ECGC Indian Exporter Excellence Awards 2017" under the category as winner in Overall Exporter (Medium).

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 3**.

Auditors and Auditors' Report

A. Statutory Auditors

M/s B S R & Co. LLP, Chartered Accountants (ICAI Firm Registration Number 101248W/ W-100022), was appointed as the statutory auditors of the Company for a period of five years 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 shareholders at every intervening Annual General Meeting.

Pursuant to the provisions of Companies (Amendment) Act, 2017, as notified on 7th May, 2018 by the Ministry of Corporate Affairs, the appointment of Statutory Auditors is not required to be ratified at every intervening Annual General Meeting (AGM). Accordingly, in line with the aforesaid provisions and pursuant to the resolution passed at 28th AGM, the Company, at ensuing AGM, is proposing to ratify the appointment of auditors from the conclusion of 29th AGM till the conclusion of 33rd AGM to conduct the statutory audit of the Company, without further annual ratification by members at every subsequent AGM.

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, 2018. 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 B. K. Sharma & Associates, Company Secretaries, was appointed as secretarial auditor to conduct the secretarial audit of the Company for the financial year 2017-18. The Secretarial Audit Report for the financial year 2017-18 is attached herewith as **Annexure 4**. The report does not contain any reservation, qualification or adverse remark. Information referred in the Secretarial Auditor Report are self-explanatory and do not call for any further comments.

Investor Relations

Your Company interacted with Indian and overseas investors and analysts, through one-on-one meetings and regular quarterly meetings 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.

Your Company has contributed a sum of ₹143.81 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 which contains composition of the CSR committee is annexed herewith as **Annexure 5**.

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 6**.

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 made 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 Company Secretary in Practice 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 personnel have affirmed compliance with the code of conduct.

Secretarial Standards

During the year, the Company has complied with all applicable secretarial standards.

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 occurred between the end of the financial year 2017-18 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. However, the Company always focuses on conservation of energy, wherever possible. The energy conservation team continuously meets, conducts studies, verifies and monitors the consumption and utilisation of energy, including identification of energy conservation areas in different manufacturing units of the Company. The 200-KW solar plant installed at the SEZ unit meets around 10% of the electricity needs of the said unit. During the year, the Company has taken the following steps to reduce energy consumption:

1. Installation of wind cyclone fan in LSP store and laundry room for ventilation at E-69.
2. Installation of VRV plant in the gems unit at E-68 which consume less power than the old plant.
3. Replacement of old conventional burn out with new burn out which consume less electricity.
4. Certification of 'Green Building' status with Gold rating from IGBC for our new SEZ unit.

B. Technology Absorption

Your Company possesses an in-house research and development team, 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 installed wet sprue grinding machine at the SEZ unit for better recovery.

C. Foreign Exchange Earnings and Outgo

The information on foreign exchange earnings and outgo is furnished in the notes to accounts of 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 shareholders for reposing their unstinted trust and confidence in the management of the Company.

For and on behalf of the Board of Directors

Sunil Agrawal
Chairman & Managing Director
DIN: 00061142

Place: Jaipur
Date: 23rd May, 2018

Annexure-1

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

(Amount in ₹)

Particulars	Subsidiaries					Step Down Subsidiaries		
Sl. No.	1	2	3	4	5	6	7	8
Name of Subsidiary	STS Jewels Inc., USA	STS Gems Thai Limited, Thailand	STS Gems Limited, Hong Kong	STS Gems Japan Limited	Genoa Jewellers Limited, BVI	PT. STS Bali	The Jewellery Channel Limited, UK	The Jewelry 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	15th December, 2005	30th January 2007
Reporting Period for the Subsidiary Concerned, if different from the holding Company's reporting period	1st April 2017 to 31st March 2018	1st April 2017 to 31st March 2018	1st April 2017 to 31st March 2018	1st April 2017 to 31st March 2018	1st April 2017 to 31st March 2018	1st April 2017 to 31st March 2018	1st April 2017 to 31st March 2018	1st April 2017 to 31st March 2018
Reporting Currency and exchange rate as on the last date of the relevant Financial Year in the case of Foreign Subsidiaries	USD 1 = ₹64.8230	THB 1 = ₹2.0698	HKD 1 = ₹8.2578	JPY 1 = ₹0.6097	USD 1 = ₹64.8230	Rupiah 1 = ₹0.0047	GBP 1 = ₹90.8067	USD 1 = ₹64.8230
Share Capital	3,30,49,450	6,56,46,000	7,45,78,875	4,41,00,000	3,09,48,58,438	67,26,337	83,76,36,096	21,97,93,849
Reserves & Surplus	15,22,10,539	(1,04,76,979)	32,86,87,742	(4,45,84,764)	(1,15,01,79,961)	2,00,67,859	(52,69,89,098)	70,97,73,729
Total Assets	85,57,25,897	27,19,54,539	1,03,97,44,788	2,969	1,95,44,01,927	4,68,84,035	1,28,79,05,092	2,26,17,72,465
Total Liabilities	67,04,65,908	21,67,85,517	64,31,26,345	5,18,216	97,23,450	2,00,89,839	97,72,58,094	1,33,22,04,888
Investments	-	-	66,48,174	30,484	1,03,73,27,854	-	-	-
Turnover	1,37,28,60,033	50,19,41,065	2,06,19,09,821	-	-	18,51,09,183	3,55,09,38,527	10,12,99,03,902
Profit Before Taxation	3,45,97,106	1,87,45,165	7,88,30,948	(37,643)	1,57,29,367	63,71,683	12,35,07,318	41,31,62,652
Provision for Taxation	1,53,89,874	44,78,946	1,42,80,805	-	-	19,95,322	(2,51,48,873)	9,92,14,174
Profit after Taxation	1,92,07,233	1,42,66,219	6,45,50,143	(37,643)	1,57,29,367	43,76,361	14,86,56,191	31,39,48,477
Proposed Dividend	-	-	-	-	-	-	-	-
% of shareholding	100%	100%	100%	100%	100%	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: Jewel Gem USA Inc. (step down subsidiary) merged into The Jewelery Channel Inc. USA (step down subsidiary) on 28th, February 2018.

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 2018

For and on behalf of the Board

	Sunil Agrawal	**Rahimullah**	**Puru Aggarwal**	**Sushil Sharma**
	Chairman & Managing Director	*Whole Time Director*	*Group CFO*	*Company Secretary*
Jaipur, 23rd May, 2018	DIN: 00061142	DIN: 00043791		Membership no: F6535

Annexure-2

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 Jewelry Channel Inc. (100% step down Subsidiary)	Purchase	Ongoing	120 Days for Payment from the Date of Invoice ₹88,70,990	N.A	N.A
	Sales	Ongoing	180 Days for Payment from the Date of Invoice ₹82,45,73,738	N.A	N.A
STS Gems Ltd. (100% Subsidiary)	Purchase	Ongoing	120 Days for Payment from the Date of Invoice ₹19,09,03,661	N.A	N.A
	Sales	Ongoing	180 Days for Payment from the Date of Invoice ₹23,07,05,860	N.A	N.A
STS Gems Thai Ltd. (100% Subsidiary)	Purchase	Ongoing	120 Days for Payment from the Date of Invoice ₹13,77,84,626	N.A	N.A
	Sales	Ongoing	180 Days for Payment from the Date of Invoice ₹1,02,70,464	N.A	N.A
STS Jewels Inc. (100% Subsidiary)	Purchase	Ongoing	120 Days for Payment from the Date of Invoice ₹34,89,83,059	N.A	N.A
	Sales	Ongoing	180 Days for Payment from the Date of Invoice ₹58,99,48,262	N.A	N.A
The Jewellery Channel Limited (100% step down Subsidiary)	Purchase	Ongoing	120 Days for Payment from the Date of Invoice ₹1,11,67,481	N.A	N.A
	Sales	Ongoing	180 Days for Payment from the Date of Invoice ₹71,83,28,293	N.A	N.A
Jewel Gem USA Inc. (100% step down Subsidiary)	Sales	Ongoing	180 Days for Payment from the Date of Invoice ₹1,50,03,04,054	N.A	N.A

Sunil Agrawal
Chairman & Managing Director
DIN:00061142

Date: 23rd May, 2018
Place: Jaipur

Annexure-3

Form No. MGT-9
EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31st March, 2018

[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 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 main products / services	NIC Code of the product / service	% to total turnover of the company
1.	Manufacturing and export of all kinds of jewellery, colored gems stones, precious and semi-precious stones and studded jewellery.	321	96.26

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, Hunghom, 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, Thailand	Foreign Company	Wholly-owned subsidiary	100%	2(87)
5.	STS Gems Japan Limited 602 Kotokudo Building, 5-7-7 UENO, TAITO-KU TOKYO – 110-0005, Japan	Foreign Company	Wholly-owned subsidiary	100%	2(87)
6.	The Jewellery Channel Ltd. Surrey House, Plane Tree, Crescent, Feltham TW13 7HF, UK	Foreign Company	Step-down subsidiary	100% through subsidiary company	2(87)
7.	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)
8.	PT. STS Bali Jl. Sekar Tunjung No. 6A, Ds Kesiman, Kertalangu Denpasar, Bali, Indonesia	Foreign Company	Step-down subsidiary	100% through subsidiary company	2(87)

**Jewel Gem USA Inc., (Step-down subsidiary) has been merged with The Jewelery Channel Inc., USA (Step-down subsidiary) w.e.f 28th February 2018.*

IV. Shareholding Pattern (Equity Share Capital breakup as a percentage of total equity)

(i) Category-wise shareholding:

Sl. No.	Category of Shareholder	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)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)	(X)	(XI)
(A)	**Promoters**									
(1)	**Indian**									
(a)	Individual /HUF	36,95,013	-	36,95,013	11.35	33,68,974	-	33,68,974	10.34	(1.02)
(b)	Central Government	-	-	-	-	-	-	-	-	-
(c)	State Government(s)	-	-	-	-	-	-	-	-	-
(d)	Bodies Corporate	85,64,124	-	85,64,124	26.31	83,34,124	-	83,34,124	25.57	(0.74)
(e)	Banks / FI	-	-	-	-	-	-	-	-	-
(f)	Any Other	-	-	-	-	-	-	-	-	-
	Sub-total A(1) :	**1,22,59,137**	**-**	**1,22,59,137**	**37.67**	**1,17,03,098**	**-**	**1,17,03,098**	**35.91**	**(1.76)**
(2)	**Foreign**									
(a)	NRIs-Individuals	44,206	-	44,206	0.14	47,070	-	47,070	0.14	0.01
(b)	Other-Individuals	-	-	-	-	-	-	-	-	-
(c)	Bodies Corporate	99,18,640	-	99,18,640	30.48	99,18,640	-	99,18,640	30.43	(0.04)
(d)	Banks / FI	-	-	-	-	-	-	-	-	-
(e)	Any others	-	-	-	-	-	-	-	-	-
	Sub-total A(2) :	**99,62,846**	**-**	**99,62,846**	**30.61**	**99,65,710**	**-**	**99,65,710**	**30.58**	**(0.03)**
	Total shareholding of Promoter (A) = (A)(1)+(A)(2)	**2,22,21,983**	**-**	**2,22,21,983**	**68.28**	**2,16,68,808**	**-**	**2,16,68,808**	**66.49**	**(1.79)**
(B)	**Public Shareholding**									
(1)	**Institution**									
(a)	Mutual Funds	99,396	-	99,396	0.31	2,48,957	-	2,48,957	0.76	0.46
(b)	Banks / FI	430	-	430	0.00	9,911	-	9,911	0.03	0.03
(c)	Central Government	-	-	-	-	-	-	-	-	-
(d)	State Government(s)	-	-	-	-	-	-	-	-	-
(e)	Venture Capital Funds	-	-	-	-	-	-	-	-	-
(f)	Insurance Companies	-	-	-	-	-	-	-	-	-
(g)	Foreign Institutional Investors (FIIs)	58,74,699	-	58,74,699	18.05	57,64,674	-	57,64,674	17.69	(0.36)
(h)	Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	-
(i)	Others (specify)	-	-	-	-	-	-	-	-	-
	Sub-total B(1) :	**59,74,525**	**-**	**59,74,525**	**18.36**	**60,23,542**	**-**	**60,23,542**	**18.48**	**0.12**
(2)	**Non-Institutions**									
(a)	**Bodies Corporate**									
(i)	Indian	6,95,330	600	6,95,930	2.14	7,54,396	600	7,54,996	2.32	0.18
(ii)	Overseas	-	-	-	-	-	-	-	-	-
(b)	**Individual**									
(i)	Individuals holding nominal share capital upto ₹1 lakh	8,88,476	29,157	9,17,633	2.82	13,58,761	23,357	13,82,118	4.24	1.42
(ii)	Individuals holding nominal share capital in excess of ₹1 lakh	19,19,746	-	19,19,746	5.90	22,14,554	-	22,14,554	6.80	0.90
(c)	**Others (Specify)**									
(i)	Clearing Members	36,359	-	36,359	0.11	3,194	-	3,194	0.01	(0.10)
(ii)	Non-Resident Indians	7,43,818	2,700	7,46,518	2.29	5,31,102	2,700	5,33,802	1.64	(0.66)
(iii)	Trusts	10,803	-	10,803	0.03	5,803	660	6,463	0.02	(0.01)
(iv)	NBFC registered with RBI	22,120	-	22,120	0.07	3,376	-	3,376	0.01	(0.06)
	Sub-total B(2) :	**43,16,652**	**32,457**	**43,49,109**	**13.36**	**48,71,186**	**27,317**	**48,98,503**	**15.03**	**1.67**
	Total Public Shareholding (B)=(B)(1)+ (B)(2)	**1,02,91,177**	**32,457**	**1,03,23,634**	**31.72**	**1,08,94,728**	**27,317**	**1,09,22,045**	**33.51**	**1.79**
(C)	**Shares held by Custodian for GDRs & ADRs**	-	-	-	-	-	-	-	-	-
	Grand total (A+B+C):	**3,25,13,160**	**32,457**	**3,25,45,617**	**100.00**	**3,25,63,536**	**27,317**	**3,25,90,853**	**100.00**	**0.00**

(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.	99,18,640	30.48	-	99,18,640	30.43	-	(0.04)
2	Brett Plastics Pvt. Ltd.	85,64,124	26.31	-	83,34,124	25.57	-	(0.74)
3	Nirmal Kumar Bardiya	17,91,628	5.50	-	17,91,628	5.50	-	(0.01)
4	Rahimullah	11,86,500	3.65	-	8,62,751	2.65	-	(1.00)
5	Deepti Agrawal	5,29,854	1.63	-	5,26,990	1.62	-	(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	-	22,400	0.07	-	0.00
9	Sanjeev Agrawal	8,320	0.03	-	8,320	0.03	-	(0.00)
10	Harsh Agrawal	7,000	0.02	-	10,000	0.03	-	0.01
11	Neil Agrawal	746	0.00	-	610	0.00	-	(0.00)

(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	99,18,640	30.48	99,18,640	30.48
	Increase / Decrease	No Change			
	At the end of the year			99,18,640	30.43
2	Brett Plastics Pvt. Ltd.				
	At the beginning of the year	85,64,124	26.31	85,64,124	26.31
	22/05/2017 (Market Sale)	(2,50,000)	(0.77)	83,14,124	25.55
	05/12/2017 (Market Purchase)	20,000	0.06	83,34,124	25.58
	At the end of the year			83,34,124	25.58
3	Nirmal Kumar Bardiya				
	At the beginning of the year	17,91,628	5.50	17,91,628	5.50
	Increase / Decrease	No change			
	At the end of the year			17,91,628	5.50
4	Rahimullah				
	At the beginning of the year	11,86,500	3.65	11,86,500	3.65
	18/05/2017 (Market Sale)	(1,00,000)	(0.31)	10,86,500	3.34
	13/12/2017 (Market Sale)	(9,362)	(0.03)	10,77,138	3.31
	15/12/2017 (Market Sale)	(1,825)	(0.01)	10,75,313	3.30
	18/12/2017 (Market Sale)	(88,813)	(0.27)	9,86,500	3.03
	21/12/2017 (Market Sale)	(6,280)	(0.02)	9,80,220	3.01
	22/12/2017 (Market Sale)	(1,17,469)	(0.36)	8,62,751	2.65
	At the end of the year			8,62,751	2.65
5	Deepti Agrawal				
	At the beginning of the year	5,29,854	1.63	5,29,854	1.63
	20/06/2017 (Inter se transfer)	(1,500)	(0.00)	5,28,354	1.62
	13/07/2017 (Inter se transfer)	86	0.00	5,28,440	1.62
	15/09/2017 (Inter se transfer)	50	0.00	5,28,490	1.62
	05/10/2017 (Inter se transfer)	(1,500)	(0.00)	5,26,990	1.62
	At the end of the year			5,26,990	1.62
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

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
8	Sheela Agarwal				
	At the beginning of the year	21,826	0.07	21,826	0.07
	02/02/2018 (Market Purchase)	100	0.00	21,926	0.07
	09/02/2018 (Market Purchase)	188	0.00	22,114	0.07
	09/03/2018 (Market Purchase)	218	0.00	22,332	0.07
	16/03/2018 (Market Purchase)	68	0.00	22,400	0.07
	At the end of the year			22,400	0.07
9	Sanjeev Agarwal				
	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	7,000	0.02	7,000	0.02
	20/06/2017 (Inter se transfer)	1,500	0.00	8,500	0.02
	05/10/2017 (Inter se transfer)	1,500	0.00	10,000	0.03
	At the end of the year			10,000	0.03
11	Neil Agrawal				
	At the beginning of the year	746	0.00	746	0.00
	13/07/2017 (Inter se transfer)	(86)	0.00	660	0.00
	15/09/2017 (Inter se transfer)	(50)	0.00	610	0.00
	At the end of the year			610	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	12.63	41,10,600	12.63
	05/01/2018 (Market Sale)	(5,000)	(0.02)	41,05,600	12.60
	12/01/2018 (Market Sale)	(3,05,017)	(0.94)	38,00,583	11.66
	19/01/2018 (Market Sale)	(20,000)	(0.06)	37,80,583	11.60
	At the end of the year			37,80,583	11.60
2	Malabar India Fund Limited				
	At the beginning of the year	8,65,334	2.66	8,65,334	2.66
	12/05/2017 (Market Purchase)	40,000	0.12	9,05,334	2.78
	19/05/2017 (Market Purchase)	46,548	0.14	9,51,882	2.92
	30/06/2017 (Market Purchase)	10,027	0.03	9,61,909	2.96
	07/07/2017 (Market Purchase)	13,783	0.04	9,75,692	3.00
	14/07/2017 (Market Purchase)	16,805	0.05	9,92,497	3.05
	21/07/2017 (Market Purchase)	7,793	0.02	10,00,290	3.07
	28/07/2017 (Market Purchase)	5,464	0.02	10,05,754	3.09
	04/08/2017 (Market Purchase)	23,265	0.07	10,29,019	3.16
	11/08/2017 (Market Purchase)	16,246	0.05	10,45,265	3.21
	18/08/2017 (Market Purchase)	37,137	0.11	10,82,402	3.33
	25/08/2017 (Market Purchase)	11,016	0.03	10,93,418	3.36
	01/09/2017 (Market Purchase)	5,001	0.02	10,98,419	3.37
	15/09/2017 (Market Purchase)	6,263	0.02	11,04,682	3.39
	22/09/2017 (Market Purchase)	19,791	0.06	11,24,473	3.45
	29/09/2017 (Market Purchase)	7,418	0.02	11,31,891	3.48
	06/10/2017 (Market Purchase)	32,035	0.10	11,63,926	3.58
	13/10/2017 (Market Purchase)	4,971	0.02	11,68,897	3.59
	20/10/2017 (Market Purchase)	366	0.00	11,69,263	3.59
	27/10/2017 (Market Purchase)	16,205	0.05	11,85,468	3.64
	09/02/2018 (Market Purchase)	7,926	0.02	11,93,394	3.66
	09/03/2018 (Market Purchase)	481	0.00	11,93,875	3.66
	16/03/2018 (Market Purchase)	870	0.00	11,94,745	3.67
	31/03/2018 (Market Purchase)	16,968	0.05	12,11,713	3.72
	At the end of the year			12,11,713	3.72

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
3	Ashish Kacholia*				
	At the beginning of the year	0	0.00	0	0.00
	27/10/2017 (Market Purchase)	1,00,137	0.31	1,00,137	0.31
	31/10/2017 (Market Purchase)	65,882	0.20	1,66,019	0.51
	03/11/2017 (Market Purchase)	46,287	0.14	2,12,306	0.65
	10/11/2017 (Market Purchase)	63,728	0.20	2,76,034	0.85
	17/11/2017 (Market Purchase)	24,103	0.07	3,00,137	0.92
	15/12/2017 (Market Purchase)	23,300	0.07	3,23,437	0.99
	22/12/2017 (Market Purchase)	42,700	0.13	3,66,137	1.12
	29/12/2017 (Market Purchase)	1,07,500	0.33	4,73,637	1.45
	At the end of the year			4,73,637	1.45
4	Panyaek Jainkijmanee				
	At the beginning of the year	4,21,137	1.29	4,21,137	1.29
	17/11/2017 (Market Sale)	(391)	0.00	4,20,746	1.29
	22/12/2017 (Market Sale)	(32)	0.00	4,20,714	1.29
	29/12/2017 (Market Sale)	(10,752)	(0.03)	4,09,962	1.26
	05/01/2018 (Market Sale)	(384)	0.00	4,09,578	1.26
	12/01/2018 (Market Sale)	(42,867)	(0.13)	3,66,711	1.13
	At the end of the year			3,66,711	1.13
5	Vijay Kishanlal Kedia				
	At the beginning of the year	3,45,000	1.06	3,45,000	1.06
	23/03/2018 (Market Purchase)	2,276	0.01	3,47,276	1.07
	At the end of the year			3,47,276	1.07
6	Malabar Value Fund*				
	At the beginning of the year	99,396	0.31	99,396	0.31
	05/05/2017 (Market Purchase)	2,675	0.01	1,02,071	0.31
	12/05/2017 (Market Purchase)	27,325	0.08	1,29,396	0.40
	02/06/2017 (Market Purchase)	3,160	0.01	1,32,556	0.41
	23/06/2017 (Market Purchase)	7,149	0.02	1,39,705	0.43
	30/06/2017 (Market Purchase)	39,691	0.12	1,79,396	0.55
	28/07/2017 (Market Purchase)	69,561	0.21	2,48,957	0.76
	At the end of the year			2,48,957	0.76
7	Taiyo Greater India Fund Ltd*				
	At the beginning of the year	0	0.00	0	0.00
	15/09/2017 (Market Purchase)	6,631	0.02	6,631	0.02
	22/09/2017 (Market Purchase)	18,158	0.06	24,789	0.08
	29/09/2017 (Market Purchase)	4,834	0.01	29,623	0.09
	06/10/2017 (Market Purchase)	46,377	0.14	76,000	0.23
	23/02/2018 (Market Purchase)	76,796	0.24	1,52,796	0.47
	02/03/2018 (Market Purchase)	1,783	0.01	1,54,579	0.47
	09/03/2018 (Market Purchase)	8,049	0.02	1,62,628	0.50
	16/03/2018 (Market Purchase)	31,617	0.10	1,94,245	0.60
	23/03/2018 (Market Purchase)	49,932	0.15	2,44,177	0.75
	At the end of the year			2,44,177	0.75
8	Grandeur Peak Emerging Markets Opportunities Fund				
	At the beginning of the year	2,51,319	0.77	2,51,319	0.77
	12/05/2017 (Market Sale)	(29,500)	(0.09)	2,21,819	0.68
	19/05/2017 (Market Sale)	(21,500)	(0.07)	2,00,319	0.62
	At the end of the year			2,00,319	0.61
9	Hem Chand Jain				
	At the beginning of the year	205,421	0.63	2,05,421	0.63
	07/04/2017 (Market Purchase)	1,168	0.00	2,06,589	0.63
	21/04/2017 (Market Purchase)	411	0.00	2,07,000	0.64
	23/06/2017 (Market Purchase)	2,600	0.01	2,09,600	0.64
	11/08/2017 (Market Sale)	(14,000)	(0.04)	1,95,600	0.60
	18/08/2017 (Market Sale)	(24,617)	(0.08)	1,70,983	0.53
	25/08/2017 (Market Sale)	(500)	0.00	1,70,483	0.52
	15/09/2017 (Market Sale)	(2,000)	(0.01)	1,68,483	0.52
	17/11/2017 (Market Sale)	(14,624)	(0.04)	1,53,859	0.47

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
	01/12/2017 (Market Purchase)	311	0.00	1,54,170	0.47
	08/12/2017 (Market Sale)	(4,949)	(0.02)	1,49,221	0.46
	22/12/2017 (Market Purchase)	779	0.00	1,50,000	0.46
	26/01/2018 (Market Purchase)	1,000	0.00	1,51,000	0.46
	At the end of the year			1,51,000	0.46
10	Mentor Capital Limited				
	At the beginning of the year	1,55,075	0.48	1,55,075	0.48
	15/12/2017 (Market Sale)	(16,745)	(0.05)	1,38,330	0.42
	22/12/2017 (Market Sale)	(25,000)	(0.08)	1,13,330	0.35
	At the end of the year			1,13,330	0.35
11	Grandeur Peak Global Opportunities Fund#				
	At the beginning of the year	1,58,363	0.49	1,58,363	0.49
	12/05/2017 (Market Sale)	(8,137)	(0.03)	1,50,226	0.46
	19/05/2017 (Market Sale)	(6,363)	(0.02)	1,43,863	0.44
	16/06/2017 (Market Sale)	(1,930)	(0.01)	1,41,933	0.44
	23/06/2017 (Market Sale)	(10,500)	(0.03)	1,31,433	0.40
	14/07/2017 (Market Sale)	(4,500)	(0.01)	1,26,933	0.39
	13/10/2017 (Market Sale)	(30,000)	(0.09)	96,933	0.30
	27/10/2017 (Market Sale)	(63,728)	(0.20)	33,205	0.10
	31/10/2017 (Market Sale)	(33,205)	(0.10)	0	0.00
	At the end of the year			0	0.00
12	Amit Kumar Dugar#				
	At the beginning of the year	1,72,374	0.53	1,72,374	0.53
	19/05/2017 (Market Sale)	(50,050)	(0.15)	1,22,324	0.38
	24/11/2017 (Market Sale)	(50)	0.00	1,22,274	0.38
	15/12/2017 (Market Sale)	(1,583)	0.00	1,20,691	0.37
	22/12/2017 (Market Sale)	(10,597)	(0.03)	1,10,094	0.34
	29/12/2017 (Market Sale)	(5,875)	(0.02)	1,04,219	0.32
	12/01/2018 (Market Sale)	(1,000)	0.00	1,03,219	0.32
	02/02/2018 (Market Sale)	(20,000)	(0.06)	83,219	0.26
	16/03/2018 (Market Sale)	(50,000)	(0.15)	33,219	0.10
	At the end of the year			33,219	0.10
13	Grandeur Peak International Opportunities Fund#				
	At the beginning of the year	2,58,200	0.79	2,58,200	0.79
	12/05/2017 (Market Sale)	(25,865)	(0.08)	2,32,335	0.71
	19/05/2017 (Market Sale)	(18,635)	(0.06)	2,13,700	0.66
	16/06/2017 (Market Sale)	(4,472)	(0.01)	2,09,228	0.64
	23/06/2017 (Market Sale)	(16,044)	(0.05)	1,93,184	0.59
	07/07/2017 (Market Sale)	(1,000)	0.00	1,92,184	0.59
	14/07/2017 (Market Sale)	(5,500)	(0.02)	1,86,684	0.57
	06/10/2017 (Market Sale)	(1,419)	0.00	1,85,265	0.57
	13/10/2017 (Market Sale)	(50,109)	(0.15)	1,35,156	0.42
	20/10/2017 (Market Sale)	(26,899)	(0.08)	1,08,257	0.33
	27/10/2017 (Market Sale)	(69,047)	(0.21)	39,210	0.12
	31/10/2017 (Market Sale)	(39,210)	(0.12)	0	0.00
	At the end of the year			0	0.00

1. **Not in the list of top-10 shareholders as on 01-04-2017. The same has been reflected above since the shareholder was one of the top-10 shareholders as on 31-03-2018.*
2. *#Ceased to be in the list of top-10 shareholders as on 31-03-2018. The same is reflected above since the shareholder was one of the top-10 shareholders as on 01-04-2017*
3. *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				
	At the beginning of the year	21,826	0.07	21,826	0.07
	02/02/2018 (Market Purchase)	100	0.00	21,926	0.07
	09/02/2018 (Market Purchase)	188	0.00	22,114	0.07
	09/03/2018 (Market Purchase)	218	0.00	22,332	0.07
	16/03/2018 (Market Purchase)	68	0.00	22,400	0.07
	At the end of the year			22,400	0.07
2.	Rahimullah, Whole Time Director				
	At the beginning of the year	11,86,500	3.65	11,86,500	3.65
	18/05/2017 (Market Sale)	(1,00,000)	(0.31)	10,86,500	3.34
	13/12/2017 (Market Sale)	(9,362)	(0.03)	10,77,138	3.31
	15/12/2017 (Market Sale)	(1,825)	(0.01)	10,75,313	3.30
	18/12/2017 (Market Sale)	(88,813)	(0.27)	9,86,500	3.03
	21/12/2017 (Market Sale)	(6,280)	(0.02)	9,80,220	3.01
	22/12/2017 (Market Sale)	(1,17,469)	(0.36)	8,62,751	2.65
	At the end of the year			8,62,751	2.65
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	5.51
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
5.	Puru Aggarwal, Group CFO				
	At the beginning of the year	4,830	0.01	4,830	0.01
	16 & 17/10/2017 (Market Purchase)	2,600	0.00	7,430	0.02
	02/02/2018 (Market Purchase)	1,500	0.00	8,930	0.03
	At the end of the year			8,930	0.03

Note: No other Director and KMP held any shares during the financial year 2017-18.

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	72,37,32,654	-	-	72,37,32,654
(ii) Interest due but not paid	-	-	-	-
(iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	**72,37,32,654**	**-**	**-**	**72,37,32,654**
Change in Indebtedness during the financial year				
Addition	-	-	-	-
Reduction	5,79,50,180	-	-	5,79,50,180
Net Change	5,79,50,180	-	-	5,79,50,180
Indebtedness at the end of the financial year				
(i) Principal amount	-	-	-	-
(ii) Interest due but not paid	-	-	-	-
(iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	**66,57,82,474**	**-**	**-**	**66,57,82,474**

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 & Managing Director	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			
	- others			
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
1.	Independent Directors	Mr. Sunil Goyal	Mr. Harsh Bahadur	Dr. Purushottam Agarwal	Mr. James Patrick Clarke	Mr. Santigo Roces Moran	
	• Fee for attending board/ committee meetings	6,90,000	6,90,000	5,80,000	-	-	19,60,000
	• Commission	-	15,10,000	-	41,79,192	17,50,853	74,40,045
	• Others	-	-	-	-	-	-
	Total (B) (1)	**6,90,000**	**22,00,000**	**5,80,000**	**41,79,192**	**17,50,853**	**94,00,045**

2.	Other Non -Executive Directors	Mrs. Sheela Agarwal	Mr. Nirmal Kumar Bardiya	Mr. Pulak Chandan Prasad	Total Amount
	• Fee for attending board / committee meetings	3,00,000	3,20,000	-	6,20,000
	• Commission	-	-	-	-
	• Others	-	-	-	-
	Total (B) (2)	**3,00,000**	**3,20,000**		**6,20,000**
	Total (B) = (B)(1)+(B)(2)				**1,00,20,045**

Note: The remuneration paid to Executive & 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. Sushil Sharma, Company Secretary[1]	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	84,45,218	9,03,908	93,49,126
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	7,00,600	-	7,00,600
	(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	-	-
	- Others	-	-	-
5	Others	-	-	-
	Total	**1,06,45,818**	**9,03,908**	**1,15,49,726**

[1]Mr. Sushil Sharma, Company Secretary was appointed w.e.f. 6th July, 2017.

VII. Penalties / Punishment/ Compounding of Offences:

There is no penalty/punishment/compounding of offences levied against company, its directors and officers in default under Companies Act by RD/NCLT/ Court.

Annexure-4

SECRETARIAL AUDIT REPORT

For the Financial year ended on 31st March, 2018

[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 our 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, 2018, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism 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, 2018 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 BSE Limited (BSE) and National Stock Exchange of India Limited (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, the company has allotted 45,236 Equity Shares to the Employees of the Company and of its subsidiaries through Trust under Employees Stock Option Plan.

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 B K Sharma & Associates
Company Secretaries
FRN -P2013RJ233500

[Brij Kishore Sharma]
Proprietor
M. No.: FCS - 6206
COP No.: 12636

Place: Jaipur
Date: 23rd May, 2018

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, & Finance Acts, the Customs Act, 1962, the Central Excise Act, 1944, Service Tax and GST Acts.
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.

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 B K Sharma & Associates
Company Secretaries
FRN -P2013RJ233500

[Brij Kishore Sharma]
Proprietor
M. No.: FCS - 6206
COP No.: 12636

Place: Jaipur
Date: 23rd May, 2018

Annexure-5

Annual Report on Corporate Social Responsibility (CSR) Activities 2017-18

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

Vaibhav Global Limited is committed to build a sustainable enterprise for the benefit of its present and future generations of stakeholders. The Company shall integrate and follow best practices into its business strategies and operations, to manage the three challenges - economic prosperity, social development and environmental integrity.

The projects/ programs under CSR policy inter-alia includes Eradicating hunger, poverty and malnutrition; Promoting health care including preventive health care facilities to the society through recognized trust or societies and hospitals; Promoting education through schools and other organization; Employment enhancing vocational skills; Promoting gender equality and empowering women; Ensuring environmental sustainability; Rural development projects etc.

[Refer to CSR activities mentioned in Management Discussion and Analysis (MDA) Report]

CSR Policy is available at Company's website: http://www.vaibhavglobal.com/vgl-policies

2. Composition of Corporate Social Responsibility Committee:

Sr. No.	Name of Director	Category	Position
1.	Mr. Sunil Agrawal	Chairman & Managing 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

3. Average net profit of the Company for last three financial years:

Average Net Profit/(Loss): ₹3,213.04 lacs

4. Prescribed CSR Expenditure (two percent of the amount as in item 3 above): ₹64.26 lacs

5. Detail of CSR spends for the financial year:

a. Total amount spent for the financial year: ₹143.81 lacs

b. Amount unspent, if any: N.A.

c. Manner in which the amount spent during the financial year is detailed below: (Amt 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 was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Subheads: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 organisation	Support needy and meritorious students	Jaipur, (Rajasthan)	1.00	1.00	1.00	Through implementing agency (Sumedha, Jaipur)
2	Eradicating hunger, poverty and malnutrition	Providing mid-day meal through recognized trust & other institutions	Jaipur, (Rajasthan)	124.05	124.05	125.05	Through implementing agency (Akshya Patra Foundation, Jaipur)
3	Eradicating hunger, poverty and malnutrition	Providing mid-day meal through recognized trust & other institutions	Jaipur, (Rajasthan)	10.36	10.36	135.41	Through implementing agency (Manav Seva Sangh Prem Niketan Bal Mandir)

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 was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Subheads:1) Direct Expenditure on project or programs 2) Overheads:	Cumulative expenditure up to the reporting period	Amount spent: Direct or through implementing agency
4	Promoting healthcare including preventive health care facilities to the society through recognized trust or societies and hospitals	Taking care of old age people.	Jaipur, (Rajasthan)	4.20	4.20	139.61	Through agency (Manav Seva Sangh Prem Niketan Ashram, Jaipur)
5	Promoting education through schools and other organisation	Support the schools for meeting the expenses relating to educational aids and other expenses.	Jaipur, (Rajasthan)	1.80	1.80	141.41	Through implementing agency (Akshar Society, Jaipur)
6	Promoting healthcare including preventive healthcare facilities to the society through recognized trust or societies and hospitals	Taking care of old age people.	Jaipur, (Rajasthan)	2.40	2.40	143.81	Through agency (Manav Seva Sangh Prem Niketan Hospital, Jaipur)
	Total				**143.81**		

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 monitor the implementation of the CSR projects and activities in compliance with our CSR objectives.

Sunil Agrawal
Chairman & Managing Director
& Chairman of CSR Committee
DIN: 00061142

Annexure-6

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

Sr. No.	Name of Person	Designation	Ratio of Remuneration to MRE[1]	% Increase / (Decrease) in Remuneration[2]
1.	Mr. Rahimullah	Whole Time Director	19.26	0.00
2.	Mrs. Sheela Agarwal	Non-Executive Non-Independent Director	1.38	(25.00)
3.	Mr. Nirmal Kumar Bardiya	Non-Executive Non-Independent Director	1.47	(29.67)
4.	Mr. Harsh Bahadur	Independent Director	10.09	83.33
5.	Mr. Sunil Goyal[3]	Independent Director	3.16	NA
6.	Dr. Purushottam Agarwal[3]	Independent Director	2.66	NA
7.	Mr. James Patrick Clarke	Independent Director	19.16	0.00
8.	Mr. Santiago Roces Moran	Independent Director	8.03	0.00

[1] *Including sitting fees and profit related commission paid/payable during the financial year 2017-18. MRE – Median Remuneration of employees.*

[2] *Based on annualized remuneration including sitting fees and profit related commission.*

[3] *Mr. Sunil Goyal and Dr. Purushottam Agarwal were appointed w.e.f. 8th March, 2017 and 15th May, 2017 respectively.*

2 The percentage increase in gross remuneration of Group CFO was 19.69% during the year. The increase in gross remuneration of Company Secretary is not applicable as he was appointed w.e.f. 6th July, 2017.

3. The median remuneration of employees was ₹2,18,064 as on 31st March, 2018 and ₹2,00,400 as on 31st March, 2017. There was an increase of 8.81% in MRE during the financial year 2017-18.

4. Number of permanent employees on the rolls of Company was 1,110 employees as on 31st March, 2018.

5. Average salary increase of non-managerial personnel was 17.39% and that of managerial personnel was 4.76% (annualised) during financial year 2017-18. There are no exceptional circumstances in increase in managerial remuneration.

6. Remuneration paid during the financial year ended 31st March, 2018 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 31st March, 2018

Sr. No.	Employee name	Designation	Remuneration Received (CTC)*	Date of Commencement of employment	Education qualification	Age (in Years)	Experience (in Years)	Last employment
1	Puru Aggarwal	Group CFO	1,50,11,201	26-Aug-15	C.M.A, C.A, C.S	51	21	Teva India Pvt. Ltd.
2	Pushpendra Singh	Vice President - HR	50,50,248	1-Dec-12	M.B.A, L.L.B	48	23	Kalptaru Group
3	Raj Kumar Singh	Vice President - Supply Chain Management	50,00,004	9-Mar-11	M.B.A, B.Sc.	47	24	Steckbeck Jewelery Pvt. Ltd.
4	Koteswara Rao Nallapu	General Manager - IT	46,67,504	7-Oct-15	M.B.A, B.E.	47	22	Infosys Ltd.
5	Rahimullah	Whole Time Director	42,00,000	25-Jan-99	B.Com	62	44	Self Employed
6	Om Prakash Agarwal	Deputy General Manager	29,99,996	21-Dec-17	B.Com	49	13	Jewelry Television (JTV)
7	Alok Dadheech	Assistant General Manager - F&A	28,00,008	20-Feb-17	C.A.	36	11	BSR & Co. LLP
8	Kedar Suresh Raul	General Manager - Operations	25,29,996	1-Dec-16	B.E.	43	20	Gitanjali Gems Ltd
9	Anshuman Khandelwal	Assistant General Manager – F&A	22,47,192	1-Mar-11	C.A, M.B.A	38	14	Deloitte Touche Tohmatsu India Pvt. Ltd.
10	Gunjan Darbari	Senior Manager	20,34,000	10-Aug-16	M.B.A	46	19	Jabong.com

**Based on annualized salary*

Note:

1. All employments are contractual, terminable by notice from either side.
2. No employee of the Company hold 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 hold 2.65% of equity shares of the Company.
3. No employee is 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) No employee of the Company was falling under criteria prescribed in Rule 5(2)(ii) & 5(2)(iii) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Management Discussion and Analysis

Industry Structure and Developments

Vaibhav Global Limited (VGL) has its retail operations spread in two of the largest developed economies of the world where consumer spending makes up roughly two-thirds of their respective GDPs. As such, the immense market size and steady recovery of the United States and the United Kingdom on the back of a robust 2017, augurs well for our continued growth in the years to come.

US retail sales grew 5.4% YoY in December 2017, crossing the historic $5 trillion mark in 2017 over 2016. This expansion was supported by a 4.9% rise in holiday retail sales (from Nov 1st to Dec 24th) over the last year, one of the true benchmarks of consumer spending behaviour. With favorable tax cuts and near-full employment, consumer spending is only going to improve in the near future. US e-commerce sales contributed 9% to total retail sales, growing almost 17% YoY in 2017.

The UK, however, has witnessed a more modest economic recovery with retail sales of over £ 400 billion growing almost 4% YoY in 2017. The sharp fall of the Pound and the impending 'Brexit' negotiations gave a rough start in 2017 to UK consumers. However, retail sales rebounded with a growth of 3.7% YoY in March 2018, demonstrating signs of better days to come, driven by a rapidly growing e-commerce market which contributed 17% to the total retail sales during the same period.

PricewaterhouseCoopers' Total Retail 2017 report highlights the growing influence of digital commerce on the overall retail landscape, with digital presence and association becoming critical in every industry. Over 80% of UK respondents said they shop online at least once a month, including over 38% shopping on tablets and mobile phones. In the US, nearly 30% of consumers used tablets and mobile phones for online shopping. VGL has benefited from this dramatic shift in the retail landscape, having executed all major infrastructural enhancements in the past few years, with the result that our digital sales grew rapidly in both the markets.

As always, it has been our continued effort to reach our customers wherever they are, be it TV, mobile or any other electronic retail channel they prefer. VGL strives to engage with them in a meaningful way with quality products, better presentation and unforgettable stories. We are in the process of further streamlining our marketing efforts and developing a better understanding of the various customer touch-points that have been central to digital retailing, such as mobile and social. We are confident that these initiatives will bolster customer acquisition in the years to come.

Concurring with McKinsey's Future of Jewellery: 2020 report, another trend identified in PWC's Total Retail 2017 report is the large presence of loyal shoppers, despite changing consumption patterns, with 65% of UK respondents knowing the brands and products they like and buy the most, compared to 61% loyal consumers globally. Branding has been identified as a major driver of future growth in jewellery retail and there are many like Pandora that are already benefiting from this trend. Our retail brands, including Shop LC, USA, and TJC, UK, have also made great strides towards building an appealing brand identity and recall based on a unique value proposition of affordable, high-quality jewellery and lifestyle products. Our stable of brands comprise both internationally-acclaimed and locally-renowned jewellery designers, design collections inspired by exotic locations from around the world, in-house brands like Iliana, Strada, etc., local boutique beauty brands from the US and UK and an ever-growing list of branded lifestyle product offerings.

Overall, the retail industry is largely dependent on macro-economic factors such as GDP, disposable incomes and consumer spending behavior, but with levers in affordable branding, sales channel experience and digital engagement. Firmly lodged on the affordability and value retail platform, VGL will continue 'delivering joy' to all its stakeholders, irrespective of the economic cycle.

References:

https://www2.deloitte.com/us/en/pages/consumer-business/articles/retail-distribution-industry-outlook.html

https://www.mckinsey.com/industries/retail/our-insights/a-multifaceted-future-the-jewelry-industry-in-2020

https://www.pwc.com/gx/en/industries/assets/total-retail-2017.pdf

https://www.pwc.co.uk/services/economics-policy/insights/uk-economic-outlook.html

https://www.cnbc.com/2018/01/03/amazon-grabbed-4-percent-of-all-us-retail-sales-in-2017-new-study.html

https://www.emarketer.com/Report/UK-Retail-Ecommerce-eMarketers-Updated-Estimates-Forecast-20162021/2002188

https://researchbriefings.parliament.uk/ResearchBriefing/Summary/SN02818#fullreport

https://www.pwc.co.uk/services/economics-policy/insights/uk-economic-outlook.html

https://tradingeconomics.com/united-kingdom/consumer-confidence

https://www2.deloitte.com/uk/en/pages/consumer-business/articles/consumer-tracker.html

http://researchbriefings.parliament.uk/ResearchBriefing/Summary/SN02818

https://www.ons.gov.uk/businessindustryandtrade/retailindustry/bulletins/retailsales/december2017

https://www.moneycontrol.com/news/business/us-retail-sales-increased-by-5-4-percent-in-december-2017-2482373.html

https://www.forbes.com/sites/deborahweinswig/2017/12/29/seven-retail-surprises-from-2017-and-the-opportunities-they-present-for-2018/#43914012562b

https://www.plunkettresearch.com/statistics/Industry-Statistics-US-Retail-Industry-Statistics-and-Market-Size-Overview/

https://www.census.gov/retail/mrts/www/data/pdf/ec_current.pdf

https://www.cbsnews.com/news/retail-sales-rise-december-inflation-falls/

https://tradingeconomics.com/united-states/retail-sales

https://ycharts.com/indicators/retail_sales

Business Overview

Vaibhav Global is an electronic retailer of fashion jewellery and lifestyle products in the US and UK markets, selling on our proprietary TV shopping and web platforms with direct access to almost 100 million TV households. The Company delivers deep value proposition to discount-seeking customers and has organically developed a robust B2C franchisee in its focus markets. This is an achievement very few Indian companies have been able to accomplish.

VGL has expanded its portfolio, focusing on adjacent product categories that target similar market segments. While fashion jewellery forms a large part of the portfolio, the Company also sells lifestyle accessories, home textiles, kitchenware 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 the developed markets are manufactured at the Company's facilities located in Jaipur, India, and additionally sourced from micro-markets across India, China, Thailand and Indonesia.

During 2017-18, revenues were up by 8.7% YoY at ₹1,564 crores. The technological and strategic enhancements of the previous years have been steadily yielding consistent returns and the Company's robust performance in the year gone by and for the quarter ended 31st March, 2018, is an affirmation that the Company is headed in the right direction. Retail revenues increased by 9% over the last year, while wholesale revenues were up by 5% YoY. EBITDA margin for the year was at 10% of revenues, compared to 7% in the previous year. This was the impact of higher topline and your Company's sustained emphasis on cost-effective operations, which helped utilize operating leverage during the year. With a healthy topline growth, profit after tax (before exceptional items) was 7.2% of revenues at ₹113 crores.

The year under review saw cash flows soar with a return to the levels enjoyed by a free-cash generating business like ours, with operating cash flow at ₹36 crores and free cash flow at ₹17.5 crores. Our customer-centric initiatives such as easy returns policy and Budget Pay installment payment have been beneficial to the business and have been very well received. Return rate for the retail business was 19% for the year and Budget Pay contributed 36% to the total retail sales during the year under assessment. 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, given that all major capital expenditures have been completed over the last couple of years. These investments have already started bearing fruit and should continue to support our endeavours to build an enduring relationship with our customers, based on our shared love for exquisite designs of exceptional quality at outstanding price value.

CSR Activities

The Company believes that corporate social responsibility (CSR) delivered in the context of its business makes it more effective and sustainable. VGL is sensitive to the needs of the local community and the impact of 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 to manage self-supportive community-based institutions. We encourage collaboration with various NGOs to support CSR activities at all the locations we operate in. During the period under review, VGL contributed a sum of ₹143.8 lacs to various social institutions in areas of mid-day meal, education, health and scholarship. The main beneficiaries have been Akshaya Patra Foundation, Manav Seva Sangh Prem Niketan Ashram/ Bal Mandir/Hospital and Akshar Society. At the Group level, the following major initiatives were undertaken:

- Sponsor of one Akshaya Patra mid-day meal for every item sold at The Jewellery Channel, a step-down subsidiary, UK, even as we have started a similar program at our US step-down subsidiary, Shop LC
- The program spans across 350 schools in Jaipur with 15+ vehicles providing logistical support to this initiative, which feeds over 35,000 meals everyday on behalf of TJC and Shop LC
- Donation of ₹1,00,000 to Sumedha, a NGO that strives for an inclusive society by supporting needy meritorious students through scholarships for higher education

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 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, Bali Legacy, Bali Goddess, D'Italia, Milaan, etc.
- Exclusive designer brands such as Guiseppe Perez, Rachel Galley, Lucy Q, etc.
- Scalable business model with limited capex requirements
- Entertaining and educating storytelling-based selling model leading to high customer engagement
- In-depth knowledge and vast senior management experience in the gems, jewellery and retail industries

Weaknesses

- Exposure to foreign exchange and raw material price instabilities
- Fewer cutting-edge technologies when compared with European jewellery manufacturing centers in countries like Italy, Spain and France

Opportunities

- Large potential of increasing revenue per household
- Deeper penetration into adjacent product categories
- Enhance digital marketing efforts to add a new dimension to our digital customer engagement initiatives
- Faster electronic retail segment growth vis-à-vis the overall retail segment growth (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

The upheaval in the world of retailing seemed even more turbulent in 2017 with almost 7,000 store closures and more than 15 major retail bankruptcies in the US alone, leading to calls for retail space rightsizing. Added to this was the flurry of M&A activity with big names like Amazon and Walmart snapping up companies to drive growth through innovative solutions and business synergies. All this makes 2018 a seminal year to watch out for the rise of omni-channel retail, explosive growth of e-commerce and further consolidation of the retail landscape. Going forward, our endeavour will be to develop a loyal consumer base through our deep value proposition and unique video selling model, utilizing both entertainment and education. We will continue to focus on our chosen markets to improve our market penetration through deeper digital customer engagement and more compelling lifestyle offerings. Our retail units have been able to carve out a niche brand following for themselves and we will continue to evolve them as we did with the Shop LC (formerly Liquidation Channel) branding campaign in the US.

As any growing business should, we will continue to invest selectively in the business. However, it is safe to say that most major investments have already been completed over the last few years and this has been evident with the emergence of free cash flows.

Today, we believe that VGL is one of the very 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 our deep value products and we continue to streamline operations through process optimization. Given that most of the initiatives have been completed successfully, we see strong reason to grow reasonably over a period of time and deliver strong returns to our shareholders.

Risk and Concerns

VGL 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 account all possible risks. Our risk management system enables us 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 followed by decisive action, which is then monitored closely.

Discussion on Financial Performance with respect to Operational Performance

On a consolidated basis, the Company recorded total operating revenues of ₹1,564 crores in 2017-18, an increase of almost 8.7% compared with ₹1,439* crores achieved in 2016-17. The Company registered a net profit of ₹113 crores in 2017-18 as compared with ₹65 crores* for the financial year 2016-17. The increase of 74% in profits is mainly due to higher topline and efficiencies in operations.

A. Retail via a 24x7 TV Shopping Network

TV home shopping sales comprises 73% of the total retail sales and includes live shows on all major cable, satellite and DTH platforms. Your Company sold 5.7 million pieces on TV during the current year, against 5.9* million pieces during the last year. Average selling price per piece was $26.9 as compared with $24.8* in the previous year.

B. Web Sales

Almost 27% of our total retail sales came from the web, increasing from ₹275* crores in 2016-17 to ₹371 crores in 2017-18. Web sales comprise catalogue sales, rising auction and live TV streaming. Volumes under this segment increased slightly from 2.3* million pieces in 2016-17 to 2.8 million pieces in 2017-18, despite increased ASP per piece at $20.3, as compared to $17.5* in the previous year.

C. B2B Sales

B2B sales comprise wholesale distribution to various retail chains in the US and UK as well as opportunistic sale of rough gemstones to various manufacturers. B2B sale was ₹200 crores for the current financial year, as compared to ₹190 crores in the previous financial year, increasing 5% due to improved selling to major retail chains in these markets.

** Previous year numbers have been restated as per Ind-AS*

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 to deliver a deep value proposition to discount-seeking consumers.

Human Resources, Material Developments and Industrial Relations

Your Company recognizes the importance of its human capital and continues to focus on holistic human resource development. The Company firmly believes that engaged and competent employees are critical to fulfill its business objectives and hence, all 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 offer career advancement and growth opportunities to our people. We provide dual opportunities for people to augment their managerial and technical capabilities, aligned with their career aspirations. The Company is committed to create an environment of learning and development, while promoting internal talent and developing cross-functional expertise.

The Company has embarked on several human resource initiatives to enhance organisational productivity and that of each individual. VGL has invested a high emphasis on driving an effective and transparent performance culture. Top performers and achievers are recognized for their exemplary performance in 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 our HR initiatives / achievements include:

i) Regular medical examination of all employees

ii) SDMH blood donation camp organised in April 2017

iii) Mehek Diya Foundation blood donation camp held in May 2017

iv) Employees Stock Option Plan (ESOP)

v) Performance-based incentive plan

vi) Suggestion-based reward program

vii) Succession planning through identification of second-level of managers of all units, locations and functions

viii) Established 'Delivering joy' as VGL's corporate purpose

ix) Improved performance management with more effective employee differentiation

x) Enhanced learning capabilities by delivering innovative leadership development programs, partnering with the University of Wisconsin, USA Executive Education program as well as a partnership with Lynda.com and LinkedIn Learning

xi) STS Gems was recognized as a 'Great Place to Work' in Greater China

xii) Forged a partnership globally with Great Place to Work, conducting employee engagement surveys in all countries where we have a major presence

xiii) Adopted the Malcolm Baldrige Performance Excellence model as a key continuous improvement management model. Our US business unit, Shop LC, has been recognized at the Commitment Award level by the Quality Texas Foundation

xiv) Enhanced our management trainee leadership development program

xv) Organised a reward program for employees who have obtained qualification while working in the Company

xvi) Executed a 360-degree appraisal system

xvii) Trained and employed specially-abled people in association with Youth for Jobs (NGO)

xviii) Rewarded and encouraged employees with weekly quality awards

xix) Fostered employee and family engagement through celebrations of festivals like Christmas and functions like Children's Day, Women's Day, etc.

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

As on 31st March 2018, the Company had 3,798 employees, including outsourced labour, on its rolls, which will increase in line with the growing business aspirations in the current fiscal year.

Disclaimer Clause

Statements in Management Discussion and Analysis 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 operation 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

Sunil Agrawal
Chairman & Managing Director
DIN: 00061142

Place: Jaipur
Date: 23rd May, 2018

Corporate Governance Report

1. Statement on the 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.

The Company is in compliance with the requirements stipulated under Regulations 17 to 27 read with Schedule V and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as applicable, with regard to corporate governance.

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 2017-18 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	3	Mr. Nirmal Kumar Bardiya	Yes
		Mrs. Sheela Agarwal	Yes
		Mr. Pulak Chandan Prasad	No
Independent Directors	5	Mr. Santiago Roces Moran	No
		Mr. Harsh Bahadur	No
		Mr. James Patrick Clarke	No
		Mr. Sunil Goyal	No
		Dr. Purushottam Agarwal	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.*

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

Independent Directors are Non-Executive Directors as defined under Regulation 16(1)(b) of the SEBI (LODR) Regulations and Section 149(6) of Companies Act, 2013 ('the Act'). The maximum tenure of Independent Directors is in compliance with the Act. All the Independent Directors have confirmed that they meet the criteria of independence as mentioned under Regulation 16(1)(b) of the SEBI (LODR) Regulations and Section 149(6) of the Act.

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 of the Company. All information stipulated in the Companies Act and SEBI (LODR) Regulations, 2015 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 are present at other locations to participate in the meeting. Decisions are taken after proper and thorough discussions. 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 four 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 28th AGM held on 7th September, 2017	Attendance at Board Meeting held during 2017-18			
		15th May, 2017	7th September, 2017	31st October, 2017	29th January, 2018
Mr. Sunil Agrawal	√	√	√	√	√
Mr. Rahimullah	√	√	√	√	√
Mr. Nirmal Kumar Bardiya	Leave	√	Leave	√	Leave
Mrs. Sheela Agarwal	√	√	√	√	√
Mr. Pulak Chandan Prasad	√	√	√	√	√
Mr. Santiago Roces Moran	√	Leave	√	√	√
Mr. Harsh Bahadur	√	√	√	√	√
Mr. James Patrick Clarke	√	√	√	√	√
Mr. Sunil Goyal	√	√	√	√	√
Dr. Purushottam Agarwal	√	√	√	√	√

Directorship and Committee's 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	2	1	Nil
Mrs. Sheela Agarwal	Nil	Nil	Nil
Mr. Pulak Chandan Prasad	2	1	Nil
Mr. Santiago Roces Moran	Nil	Nil	Nil
Mr. Harsh Bahadur	1	3	Nil
Mr. James Patrick Clarke	Nil	Nil	Nil
Mr. Sunil Goyal	1	1	2
Dr. Purushottam Agarwal	1	3	Nil

[1] *Excludes Directorship in Foreign Companies, Private Limited Companies and Section 8 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 has been considered.*

Board Committees

The Board has four committees namely, Audit Committee; Nomination, Remuneration & 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 the 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 take note of the process 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, Regulation 18 of the SEBI (LODR) Regulations, 2015 and as determined by the Board.

The Audit Committee was re-constituted during the year on 15th May, 2017. The composition of the Committee, details of meetings held and attendance of the members is given hereunder:

Name of the Director	Category of the Director	Position held in the Committee	Attendance at Audit Committee Meeting held during 2017-18			
			15th May, 2017	7th September, 2017	31st October, 2017	29th January, 2018
Mr. Sunil Goyal	Non–Executive Independent Director	Chairman	√	√	√	√
Mr. Harsh Bahadur	Non–Executive Independent Director	Member	√	√	√	√
Mr. Nirmal Kumar Bardiya	Non–Executive Non–Independent Director	Member	√	Leave	√	Leave
Dr. Purushottam Agarwal	Non–Executive Independent Director	Member	NA	√	√	√

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

(B) Nomination, Remuneration & 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 Nomination, Remuneration & Compensation Committee (NRC Committee) has carried out performance evaluation of the every Director. The Board has carried out an annual performance evaluation of its own performance, the Directors individually (including Independent Directors) as well as the evaluation of the working of its Audit Committee, NRC Committee and Stakeholders' Relationship Committee as per the criteria defined in the policy. The selection and remuneration criteria of Directors, senior management personnel and performance evaluation of Directors/ Board/Committees/Chairman are defined in the Nomination and Remuneration Policy.

As per Nomination and Remuneration Policy of the Company, performance of the Board and Board Committees were evaluated on various parameters such as structure, composition, quality, diversity, experience, competencies, performance of specific duties and obligations, quality of decision-making and overall Board effectiveness. Performance of individual directors was evaluated on parameters, such as meeting attendance, participation and contribution, responsibility towards stakeholders and independent judgement. The Independent Directors were evaluated at additional parameters as provided in the policy, such as external expertise, devotion of sufficient time, strategic guidance to the Company etc.

The NRC Committee was re-constituted during the year on 15th May, 2017. The composition of the Committee, details of meetings held and attendance of the members is given hereunder:

Name of the Director	Category of the Director	Position held in the Committee	Attendance at NRC Committee Meeting held during 2017-18		
			15th May, 2017	7th September, 2017	29th January, 2018
Mr. Sunil Goyal	Non–Executive Independent Director	Chairman	√	√	√
Mr. Harsh Bahadur	Non–Executive Independent Director	Member	√	√	√
Mr. Nirmal Kumar Bardiya	Non–Executive Non - Independent Director	Member	√	Leave	Leave
Dr. Purushottam Agarwal	Non–Executive Independent Director	Member	NA	√	√

The Company Secretary of the Company acts as Secretary to the Nomination, Remuneration & 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 a percentage of the net profits of the Company computed as per the applicable provisions of the Companies Act, 2013, and rules framed thereunder. Independent Directors shall not be entitled to any stock option of the Company.

Details of remuneration, sitting fees, etc. paid/payable/entitlement to Directors for the year ended 31st March, 2018

Name of the Director	Details of remuneration paid/payable during the year				Shares of VGL held as on 31st March, 2018
	Remuneration (₹)	Sitting Fees (₹)	Profit Related Commission (₹)	Total (₹)	
Mr. Sunil Agrawal	-	-	-	-	28,140
Mr. Rahimullah	42,00,000	-		42,00,000	8,62,751
Mr. Nirmal Kumar Bardiya	-	3,20,000	-	3,20,000	17,91,628
Mrs. Sheela Agarwal	-	3,00,000	-	3,00,000	22,400
Mr. Pulak Chandan Prasad	-	-	-	-	-
Mr. Santiago Roces Moran		-	17,50,853	17,50,853	-
Mr. Harsh Bahadur		6,90,000	15,10,000	22,00,000	-
Mr. James Patrick Clarke		-	41,79,192	41,79,192	-
Mr. Sunil Goyal	-	6,90,000	-	6,90,000	-
Dr. Purushottam Agarwal		5,80,000	-	5,80,000	-

(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. During the year, the Committee passed a resolution by circulation.

The Committee was re-constituted during the year on 15th May, 2017. The composition of the Committee is given hereunder:

Name of the Director	Category of the Director	Position held in the Committee
Mr. Sunil Goyal	Non–Executive Independent Director	Chairman
Mr. Harsh Bahadur	Non–Executive Independent Director	Member
Dr. Purushottam Agarwal	Non–Executive Independent Director	Member
Mr. Rahimullah	Executive 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, 2017	Nil
Complaints received during the period from 1st April, 2017 to 31st March, 2018	03
Complaints disposed off during the period from 1st April, 2017 to 31st March, 2018	03
Complaints outstanding as on 31st March, 2018	Nil

Name and designation of the Compliance Officer

Name: Mr. Sushil Sharma

Designation: Company Secretary & Compliance Officer

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

(D) 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.

The Committee was re-constituted during the year on 15th May, 2017. The composition of the Committee is given hereunder:

Name of the Director	Category of the Director	Position held in the Committee
Mr. Sunil Agrawal	Executive Director	Chairman
Mr. Nirmal Kumar Bardiya	Non-Executive Non-Independent Director	Member
Mr. Harsh Bahadur	Non-Executive Independent Director	Member
Dr. Purushottam Agarwal	Non-Executive Independent Director	Member

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

3. General Body Meetings

Details of last three Annual General Meetings (AGM):

Meeting	Date	Time (IST)	Venue	No. of Special Resolution(s) Passed
28th AGM	7th September, 2017	10.00 A.M.	E-69, EPIP, Sitapura, Jaipur – 302022 (Rajasthan)	3
27th AGM	28th July, 2016	10.00 A.M.	E-69, EPIP, Sitapura, Jaipur – 302022 (Rajasthan)	Nil
26th AGM	28th July, 2015	10.00 A.M.	E-69, EPIP, Sitapura, Jaipur – 302022 (Rajasthan)	Nil

Special Resolutions passed through Postal ballot

No resolution was passed through postal ballot during the financial year 2017-18. However, the Company has proposed to conduct the following resolutions through postal ballot notice dated 3rd April, 2018, which have been duly passed on 10th May, 2018:

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	98.28	1.72
2.	Special Resolution	Approval for granting Stock Options to the eligible employees of Subsidiaries under VGL ESOP (As Amended) – 2006	98.28	1.72
3	Special Resolution	Re-appointment of Dr. Purushottam Agarwal as an Independent Director of the Company	99.94	0.06

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 sent 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 query, shareholders may write to the 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 – Monday, 30th July, 2018 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, 2018 to 31st March, 2019.

(iii) Date of book closure:

Monday, 23rd July, 2018 to Monday, 30th July, 2018 (both days inclusive)

(iv) Dividend payment date: NA

(v) Stock Exchanges where equity shares are listed and scrip code:

(a) **BSE Limited (BSE)**
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai- 400 001
Scrip Code: 532156

(b) **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 2018-19 to BSE Limited and National Stock Exchange of India Limited.

(vii) Registrar & Share Transfer Agent (RTA):

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 authorized 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

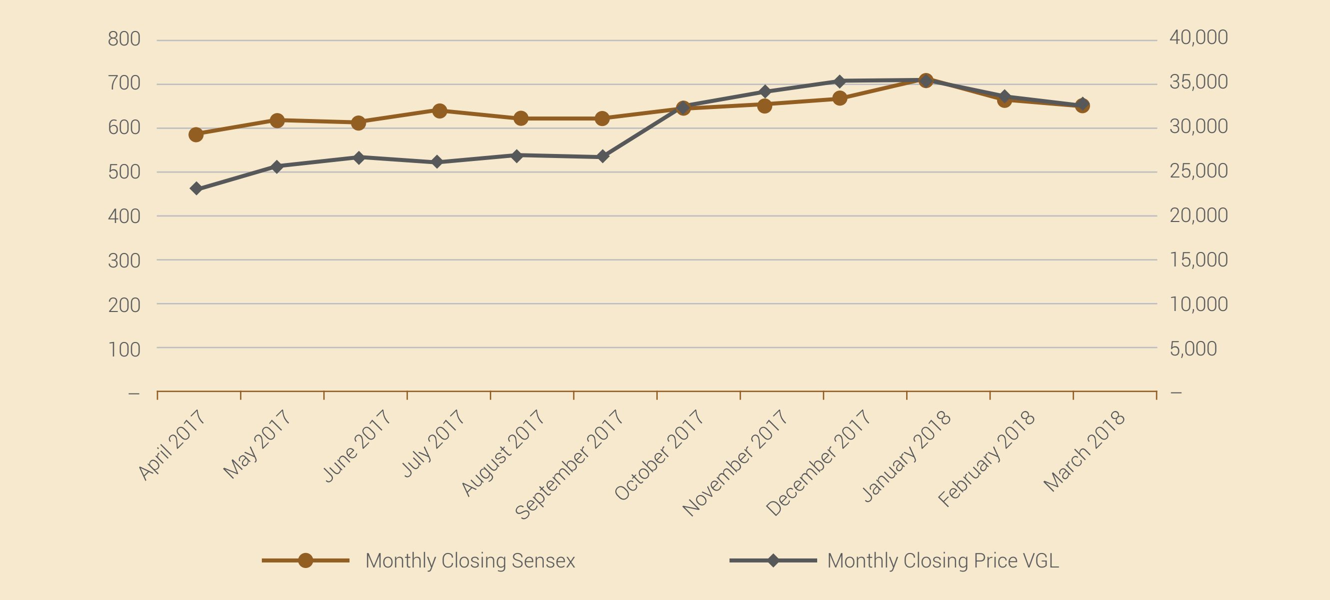
The Company has set up requisite facilities for dematerialization of its equity shares in accordance with the provisions of Depositories Act, 1996, with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). The Company has entered into agreements with both the depositories. International Securities Identification Number (ISIN) for equity shares is INE884A01019. The status of dematerialization/physical as on 31st March, 2018 is as under:

Mode		No. of Shares	% (Percentage)
Physical Form		27,317	0.09
Sub-total		**27,317**	**0.09**
Dematerialization Form	NSDL	3,00,53,190	92.21
	CDSL	25,10,346	7.70
Sub-total		**3,25,63,536**	**99.91**
Total		**3,25,90,853**	**100.00**

(x) Market price data

Month	VGL Price at BSE (₹)		VGL Price at NSE (₹)	
	High price	Low price	High price	Low price
April, 2017	488.95	385.00	485.00	385.00
May, 2017	557.00	450.10	559.40	457.65
June, 2017	585.80	501.00	579.90	504.75
July, 2017	550.00	502.95	540.30	500.05
August, 2017	564.90	476.00	567.00	477.00
September, 2017	619.00	520.50	623.00	520.00
October, 2017	665.00	522.80	660.00	526.55
November, 2017	750.00	645.00	745.00	641.70
December, 2017	768.00	655.00	770.20	642.00
January, 2018	795.00	671.65	797.85	669.60
February, 2018	730.70	639.00	736.90	637.25
March, 2018	757.05	641.50	720.50	630.05

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



(xi) Distribution of shareholding as on 31st March, 2018

Sr. No	No. of equity shares	Number of shares	% of shareholding	No. of shareholders
1.	1-5000	5,41,720	88.41	5,371
2.	5001-10000	2,18,955	4.89	297
3.	10001-20000	2,32,475	2.59	157
4.	20001-30000	1,54,356	0.99	60
5.	30001-40000	1,14,745	0.54	33
6.	40001-50000	91,888	0.33	20
7.	50001-100000	3,83,172	0.87	53
8.	100001 & Above	3,08,53,542	1.38	84
	Total	**3,25,90,853**	**100.00**	**6,075**

(xii) Shareholding pattern as on 31st March, 2018

Category	Number of shares	% of shareholding
Promoters		
Indian Promoters	1,17,03,098	35.91
Foreign Promoters	99,65,710	30.58
Sub-total	**2,16,68,808**	**66.49**
Public		
FIIs including Foreign Portfolio Investors	57,64,674	17.68
Corporate Bodies	7,54,996	2.32
Individuals	35,96,672	11.04
NRIs	5,33,802	1.64
Alternative Investment Fund (AIF)	2,48,957	0.76
Financial Institution / Banks	9,911	0.03
Trusts	6,463	0.02
Clearing Member	3,194	0.01
NBFC	3,376	0.01
Sub-total	**1,09,22,045**	**33.51**
Grand total	**3,25,90,853**	**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 – 302 022

- 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 at:

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) The Company has no outstanding GDR/ADR/warrants as on 31st March, 2018.

(xvii) Details of Directors seeking appointment/reappointment

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, PAN, 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 PAN, 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 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 the 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 provide 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. 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.

(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) 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 2017-18, 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 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 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, 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 on 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, 2018. 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-codeof-conduct.

14. Compliance Certificate

The Compliance Certificate on the financial statements for the financial year ended 31st March, 2018 is enclosed at the end of this report.

15. Corporate Governance Certificate

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

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 2017-18.

For and on behalf of the Board of Directors

Sunil Agrawal
Chairman & Managing Director
DIN: 00061142

Place: Jaipur
Date: 23rd May, 2018

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, 2018, 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 2017-18 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

Place: Jaipur
Date: 23rd May, 2018

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, 2018, 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 compliance of the conditions of 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, 2018.

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 B K Sharma & Associates
Company Secretaries
FRN - P2013RJ233500

[Brij Kishore Sharma]
Proprietor
M. No.: FCS - 6206
COP No.: 12636

Place: Jaipur
Date: 23rd May, 2018

Independent Auditors' Report

To the Members of
Vaibhav Global Limited

Report on the Audit of the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of Vaibhav Global Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2018, the Statement of Profit and Loss, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Ind AS 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 Ind AS financial statements that give a true and fair view of the state of affairs, profit and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone Ind AS 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 of the standalone Ind AS financial statements 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 Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS 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 Ind AS 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 the 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 Ind AS financial statements.

We are also responsible to conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the opinion. Our conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause an entity to cease to continue as a going concern.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS 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 31 March 2018, its profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Other Matters

The comparative financial information of the Company for the year ended 31 March 2017 and the transition date opening balance sheet as at 01 April 2016 included in these standalone Ind AS financial statements, are based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by the predecessor auditor whose report for the year ended 31 March 2017 and 31 March 2016 dated 15 May 2017 and 19 May 2016 respectively expressed an unmodified opinion on those standalone financial statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, which have been audited by us.

Our opinion is not modified in respect of above matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.

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, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.

e) On the basis of the written representations received from the directors as on 31 March 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2018 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 with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

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 Ind AS financial statements; refer Note 35(B) to the standalone Ind AS financial statements.

   ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts; Refer Note 39 to the standalone Ind AS financial statements.

   iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

   iv. The disclosures in the financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made since they do not pertain to the financial year ended 31 March 2018.

For B S R & Co. LLP
Chartered Accountants
ICAI Firm Registration No.: 101248W/W-100022

Rajiv Goyal
Partner
Membership No. 094549

Place: Jaipur
Date: 23 May 2018

Annexure A to the Independent Auditor's Report

Referred to in our Independent Auditor's Report to the members of Vaibhav Global Limited on the standalone Ind AS financial statements for the year ended 31 March 2018

(i) (a) According to information and explanation given to us, the Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) According to information and explanation given to us, the Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified by the management every year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. As informed to us, no material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and based on the direct confirmation received from bank, where such deeds are kept as security against loan, title deed of immovable properties are held in the name of the Company as on balance sheet date.

(ii) According to the information and explanations given to us, the inventories except for stock lying with third parties have been physically verified, at reasonable intervals by management during the year. For the stock lying with the third parties as on balance sheet date written confirmations were obtained. As informed to us, no material discrepancies were noted on such verification.

(iii) According to the information and explanations given to us, 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. Accordingly, the provisions of paragraph 3 (iii) of the Order are not applicable to the Company.

(iv) According to the information and explanations given to us, the Company has complied with the provision of section 185 and 186 of the Act, where applicable, in respect of loan, guarantees and security given/made by it during the year.

(v) As per the information and explanations given to us, the Company has not accepted any deposits covered under section 73 to 76 of the Act. Accordingly, paragraph 3(v) of the Order is not applicable.

(vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under sub-section (1) of section 148 of the Act, for any of the services rendered by the Company. Accordingly, paragraph 3(vi) of the Order is not applicable.

(vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including provident fund, employee state insurance, income-tax, sales tax, duty of excise, service tax, duty of customs, value added tax, goods and services tax, cess and other statutory dues to the extent applicable have been generally been deposited during the current year by the Company with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employee state insurance, income-tax, sales tax, duty of excise, service tax, duty of customs, value added tax, goods and services tax, cess and other statutory dues to the extent applicable were in arrears as at 31 March 2018 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no disputed dues of income tax, service tax, sales tax, value added tax, goods and service tax and duty of customs which have not been deposited by the Company with the appropriate authorities on account of any dispute as at 31 March 2018 except as follows:

(Amount in lacs)

Name of statute	Nature of dues	Amount of dispute *	Amount paid under protest	Period to which amount relates	Forum where dispute pending
Income tax Act, 1961	Income tax	4.08	10.00	Assessment Year 2007-08	Assessing Officer
		73.97	73.97	Assessment Year 2009-10	Income Tax Appellate Tribunal
		33.66	33.66	Assessment Year 2010-11	
		8.10	1.61	Assessment Year 2008-09	Commissioner of Income Tax (Appeal)
		195.51	47.76	Assessment Year 2013-14	Rajasthan High Court
Custom Act, 1962	Duty of Custom	8.65	10.00	Assessment Year 2003-04 to 2010-11	Customs, Excise and Service Tax Appellate Tribunal

*including interest/penalties, where quantified and demanded by authorities.

(viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans or borrowings to financial institutions. Further, no loans or borrowings were taken from government and there were no debentures issued during the year or outstanding as at 31 March 2018.

(ix) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company did not raise money by way of initial public offer or further public offer (including debt instruments) and the Company did not have any term loans outstanding during the year. Accordingly, paragraph 3(ix) of the Order is not applicable.

(x) According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.

(xi) According to information and explanations given to us and on the basis of our examination of the records of the Company, the company has paid/provided for managerial remuneration in accordance with the requisites approvals mandated by the provisions of section 197 read with Schedule V of the Act.

(xii) According to the information and explanations given to us, the Company is not a nidhi Company. Accordingly paragraph 3(xii) of the Order is not applicable.

(xiii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the transactions entered into by the Company with the related parties are in compliance with Section 177 and 188 of the Act where applicable and have been disclosed in the accompanying standalone financial statements of the Company in accordance with the applicable accounting standards.

(xiv) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the company has not made any preferential allotment or private placement of its shares or fully or partly convertible debenture during the year. Accordingly paragraph 3(xiv) of the order is not applicable.

(xv) According to information and explanations given to us, the Company has not entered into any non-cash transaction with directors or persons connected with them. Accordingly, paragraph 3(xv) of the Order is not applicable.

(xvi) According to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3(xvi) of the Order is not applicable.

For B S R & Co. LLP
Chartered Accountants
ICAI Firm Registration No.: 101248W/W-100022

Rajiv Goyal
Partner
Membership No. 094549

Place: Jaipur
Date: 23 May 2018

Annexure B to the Independent Auditor's Report

Referred to in our Independent Auditor's Report to the members of Vaibhav Global Limited on the standalone Ind AS financial statements for the year ended 31 March 2018

Report on the Internal Financial Controls 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 31 March 2018 in conjunction with our audit of the standalone Ind AS 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. 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 Act.

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, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls and both issued by the Institute of Chartered Accountants of India. 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.

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 31 March 2018, 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.

For B S R & Co. LLP
Chartered Accountants
ICAI Firm Registration No.: 101248W/W-100022

Rajiv Goyal
Partner
Membership No. 094549

Place: Jaipur
Date: 23 May 2018

Balance Sheet as at 31 March 2018

(All amount in lacs of Indian Rupees, except share data and as stated otherwise)

Particulars	Notes No.	31 March 2018	31 March 2017	01 April 2016
Assets				
Non-current assets				
Property, plant and equipment	4	3,984.85	4,096.33	4,091.52
Capital work in progress	4	-	-	282.06
Intangible assets	5	104.72	141.79	71.27
Financial assets				
Investments	6	29,256.31	29,256.31	29,256.31
Others	7	180.18	241.25	216.93
Deferred tax asset (net)	8(a)	341.98	130.14	184.50
Other non-current assets	9	463.26	398.61	386.40
Total non-current assets		**34,331.30**	**34,264.43**	**34,488.99**
Current assets				
Inventories	10	10,981.64	9,727.41	13,300.93
Financial assets				
Investments	6	1,150.85	420.97	75.28
Trade receivables	11	12,285.78	14,807.60	12,793.88
Cash and cash equivalents	12(a)	2,904.96	1,341.65	751.44
Bank balance other than above cash and cash equivalents	12(b)	0.51	0.50	7.78
Loans	13	1,663.85	1,654.11	1,690.94
Others	7	11.16	33.27	61.49
Other current assets	14	1,208.57	843.48	729.70
Total current assets		**30,207.32**	**28,828.99**	**29,411.44**
Total assets		**64,538.62**	**63,093.42**	**63,900.43**
Equity and liabilities				
Equity				
Equity share capital	15(a)	3,258.44	3,253.48	3,249.91
Other equity	15(b)	51,111.90	47,487.52	44,957.46
Total equity		**54,370.34**	**50,741.00**	**48,207.37**
Liabilities				
Non-current liabilities				
Provisions	16	283.44	274.46	229.71
Total non-current liabilities		**283.44**	**274.46**	**229.71**
Current liabilities				
Financial Liabilities				
Borrowings	17	6,657.82	7,237.33	9,342.41
Trade payables	18			
- Dues of micro enterprises and small enterprises		-	-	-
- Other trade payables		2,801.09	4,380.62	5,179.65
Other financial liabilites	19	233.46	238.54	418.59
Other current liabilities	20	64.00	94.92	117.53
Provisions	16	128.47	126.55	106.01
Current tax liabilities (net)	8(b)	-	-	299.16
Total current liabilities		**9,884.84**	**12,077.96**	**15,463.35**
Total liabilities		**10,168.28**	**12,352.42**	**15,693.06**
Total equity and liabilities		**64,538.62**	**63,093.42**	**63,900.43**
Significant accounting policies	3			

* The accompanying notes form an integral part of the financial statements

As per our attached report of even date

For **B S R & Co. LLP**
Chartered Accountants
ICAI Firm Registration No.: 101248W/W-100022

Rajiv Goyal
Partner
Membership No. : 094549
Place: Jaipur
Date: 23 May 2018

For and on behalf of the Board of Directors of
Vaibhav Global Limited

Sunil Agrawal
Chairman & Managing Director
DIN Number: 00061142
Place: Jaipur
Date: 23 May 2018

Rahimullah
Whole Time Director
DIN Number: 00043791
Place: Jaipur
Date: 23 May 2018

Puru Aggarwal
Group CFO
Place: Jaipur
Date: 23 May 2018

Sushil Sharma
Company Secretary
ICSI Membership No: F6535
Place: Jaipur
Date: 23 May 2018

Statement of Profit and Loss for the year ended 31 March 2018

(All amount in lacs of Indian Rupees, except share data and as stated otherwise)

Particulars	Notes No.	Year ended 31 March 2018	Year ended 31 March 2017
Revenue from operations	21	47,001.86	48,183.95
Other income	22	446.76	282.96
Total income		**47,448.62**	**48,466.91**
Expenses			
Cost of material consumed	23	30,907.04	31,018.68
Purchases of Stock-in-trade	24	1,358.94	1,188.01
Decrease/(increase) of inventories	25	(22.83)	1,122.17
Employee benefits expense	26	3,845.32	3,830.65
Finance costs	27	313.03	483.24
Depreciation and amortization expense	28	374.60	833.82
Other expenses	29	7,039.79	7,176.05
Total expense		**43,815.89**	**45,652.62**
Profit before tax		**3,632.73**	**2,814.29**
Tax expense			
Current tax including MAT		777.90	688.00
Adjustment of tax relating to earlier periods		(11.17)	(160.40)
Deferred tax		(213.29)	54.46
Income tax expense		**553.44**	**582.06**
Profit for the year (A)		**3,079.29**	**2,232.23**
Other comprehensive income (OCI)			
(i) Items that will not be reclassified to profit or loss		5.14	(5.99)
(ii) Income tax relating to items that will not be reclassified to profit or loss		(1.78)	2.07
Other comprehensive expenses for the year, net of tax (B)		**3.36**	**(3.92)**
Total comprehensive income for the year (A) + (B)		**3,082.65**	**2,228.31**
Earnings per equity share	**30**		
Basic		9.46	6.86
Diluted		9.20	6.69
Significant accounting policies	3		

The accompanying notes form an integral part of the financial statements

As per our attached report of even date

For **B S R & Co. LLP**
Chartered Accountants
ICAI Firm Registration No.: 101248W/W-100022

Rajiv Goyal
Partner
Membership No. : 094549
Place: Jaipur
Date: 23 May 2018

For and on behalf of the Board of Directors of
Vaibhav Global Limited

Sunil Agrawal
Chairman & Managing Director
DIN Number: 00061142
Place: Jaipur
Date: 23 May 2018

Rahimullah
Whole Time Director
DIN Number: 00043791
Place: Jaipur
Date: 23 May 2018

Puru Aggarwal
Group CFO
Place: Jaipur
Date: 23 May 2018

Sushil Sharma
Company Secretary
ICSI Membership No: F6535
Place: Jaipur
Date: 23 May 2018

Statement of changes in Equity for the year ended 31 March 2018

(All amount in lacs of Indian Rupees, except share data and as stated otherwise)

A. Equity Share Capital:

Equity shares of ₹10 each issued, subscribed and fully paid	31 March 2018		31 March 2017		01 April 2016	
	No. of shares	Amount	No. of shares	Amount	No. of shares	Amount
Balance at the beginning of the year	3,25,45,617	3,254.56	3,25,15,131	3,251.51	3,24,02,383	3,240.24
Change in equity share capital during the year (refer note 15a)	45,236	4.52	30,486	3.05	1,12,748	11.27
Balance at the end of the year	3,25,90,853	3,259.08	3,25,45,617	3,254.56	3,25,15,131	3,251.51
Less: Treasury shares (refer note 41)	6,463	0.64	10,803	1.08	16,074	1.60
	3,25,84,390	**3,258.44**	**3,25,34,814**	**3,253.48**	**3,24,99,057**	**3,249.91**

B. Other Equity

For the year ended 31 March 2018

	Share application money pending allotment	Reserves and Surplus						Total
		Securities premium	Share based payment reserve	Capital redemption reserve	Capital reserve	General reserve	Retained earnings	
As at 1 April 2017	1.49	32,748.88	1,150.37	4,400.00	812.64	1,296.47	7,077.67	47,487.52
Profit of the period	-	-	-	-	-	-	3,079.29	3,079.29
Other comprehensive income (net of tax)	-	-	-	-	-	-	3.36	3.36
Total comprehensive income	-	-	-		-		**3,082.65**	**3,082.65**
Share options exercised	2.73	171.58	(32.96)	-	-	-	-	141.35
Share based payments to employees	-	-	409.12	-	-	-	-	409.12
Treasury shares	-	(8.74)	-	-	-	-	-	(8.74)
At 31 March 2018	**4.22**	**32,911.72**	**1,526.53**	**4,400.00**	**812.64**	**1,296.47**	**10,160.32**	**51,111.90**

For the year ended 31 March 2017

	Share application money pending allotment	Reserves and Surplus						Total
		Securities premium	Share based payment reserve	Capital redemption reserve	Capital reserve	General reserve	Retained earnings	
As at 1 April 2016	0.89	59,154.73	870.55	4,400.00	812.64	1,296.47	(21,577.82)	44,957.46
Profit of the period		-	-		-		2,232.23	2,232.23
Other comprehensive income (net of tax)		-	-	-	-	-	(3.92)	(3.92)
Total comprehensive income		-	-	-	-	-	**2,228.31**	**2,228.31**
Reduction in share capital (Refer note 15b)		(26,427.19)	-	-	-		26,427.19	-
Share options exercised	0.60	28.93	(9.07)	-	-	-	-	20.45
Share based payments to employees		-	288.89	-	-	-	-	288.89
Treasury shares		(7.59)	-	-	-	-	-	(7.59)
At 31 March 2017	**1.49**	**32,748.88**	**1,150.37**	**4,400.00**	**812.64**	**1,296.47**	**7,077.67**	**47,487.52**

Significant Accounting Policies 3

The accompanying notes form an integral part of the financial statements

As per our attached report of even date

For **B S R & Co. LLP**
Chartered Accountants
ICAI Firm Registration No.: 101248W/W-100022

Rajiv Goyal
Partner
Membership No. : 094549
Place: Jaipur
Date: 23 May 2018

For and on behalf of the Board of Directors of
Vaibhav Global Limited

Sunil Agrawal
Chairman & Managing Director
DIN Number: 00061142
Place: Jaipur
Date: 23 May 2018

Rahimullah
Whole Time Director
DIN Number: 00043791
Place: Jaipur
Date: 23 May 2018

Puru Aggarwal
Group CFO
Place: Jaipur
Date: 23 May 2018

Sushil Sharma
Company Secretary
ICSI Membership No: F6535
Place: Jaipur
Date: 23 May 2018

Cash Flow Statement for the year ended 31 March 2018

(All amount in lacs of Indian Rupees, except share data and as stated otherwise)

Particulars		Year ended 31 March 2018	Year ended 31 March 2017
A	**Cash flow from operating activities**		
	Profit for the year	**3,632.73**	**2,814.29**
	Adjustment for :		
	Depreciation and amortisation	374.60	833.82
	Unrealised foreign exchange difference (net)	(356.28)	(81.98)
	Equity-setteled share-based payments	159.22	101.51
	Loss/(Gain) on sale of fixed assets	4.22	(0.48)
	Liabilities no longer required written back	(11.09)	(18.98)
	Gain on sale of current investments (including change in fair value)	(131.54)	(6.10)
	Provision for doubtful advances	-	10.09
	Interest income	(95.41)	(70.94)
	Finance costs	313.03	483.24
	Operating profit before working capital changes	**3,889.48**	**4,064.47**
	Working capital adjustments :		
	Decrease/(Increase) in trade receivable	2,521.82	(2,013.71)
	(Increase)/decrease in inventories	(1,254.23)	3,573.52
	(Increase)/decrease in other assets	(1,202.96)	(134.67)
	Decrease in trade payables, provisions, other current liabilities	(1,384.16)	(1,271.60)
	Cash generated from operating activities	**2,569.95**	**4,218.01**
	Income tax paid	831.60	891.35
	Net cash generated from operating activities (A)	**1,738.35**	**3,326.66**
B	**Cash flow from investing activities**		
	Purchase of fixed assets	(231.28)	(628.14)
	Proceeds from sale of fixed assets	1.00	1.52
	Movement in deposits	61.08	(24.32)
	Interest received	90.61	72.62
	Purchase of current investments (net)	729.87	345.69
	Gain on sale of current investments	130.70	5.13
	Net cash used in investing activities (B)	**781.98**	**(227.50)**

Cash Flow Statement for the year ended 31 March 2018

(All amount in lacs of Indian Rupees, except share data and as stated otherwise)

Particulars		Year ended 31 March 2018	Year ended 31 March 2017
C Cash flow from financing activities			
Proceeds from issue of equity share and securities premium		135.55	18.09
Repayment of short term borrowings		(803.20)	(2,026.05)
Interest paid on borrowings		(289.37)	(500.99)
Net cash (used in) financing activities (C)		**(957.02)**	**(2,508.95)**
Net Increase/(Decrease) in cash and cash equivalents (A+B+C)		**1,563.31**	**590.21**
Opening balance of cash and cash equivalents		1,341.65	751.44
Closing balance of cash and cash equivalents		**2,904.96**	**1,341.65**
Cash and cash equivalents comprises			
Cash, cheques and drafts in hand		10.09	12.57
Balance with scheduled bank in current accounts		394.87	1,329.08
Bank Deposits- Unpledged (maturity within 3 months)		2,500.00	-
		2,904.96	**1,341.65**
Significant accounting policies	3		

The accompanying notes form an integral part of the financial statements

Significant accounting policies

1. The Cash Flow Statement has been prepared under the 'indirect method' as set out in Ind AS-7 "Statement of Cash Flows", as specified under section 133 of the Companies Act, 2013.

As per our attached report of even date

For **B S R & Co. LLP**
Chartered Accountants
ICAI Firm Registration No.: 101248W/W-100022

Rajiv Goyal
Partner
Membership No. : 094549
Place: Jaipur
Date: 23 May 2018

For and on behalf of the Board of Directors of
Vaibhav Global Limited

Sunil Agrawal
Chairman & Managing Director
DIN Number: 00061142
Place: Jaipur
Date: 23 May 2018

Rahimullah
Whole Time Director
DIN Number: 00043791
Place: Jaipur
Date: 23 May 2018

Puru Aggarwal
Group CFO
Place: Jaipur
Date: 23 May 2018

Sushil Sharma
Company Secretary
ICSI Membership No: F6535
Place: Jaipur
Date: 23 May 2018

Notes to Standalone Financial Statements for the year ended 31 March 2018

(All amount in lacs of Indian Rupees, except share data and as stated otherwise)

1. Reporting entity

Vaibhav Global Limited (hereinafter referred to as 'the Company' or 'VGL') is a company domiciled in India, with its registered office situated at K-6B, Fateh Tiba, Adarsh Nagar, Jaipur - 302004. The Company has been incorporated under the provisions of Indian Companies Act and its equity shares are listed on the National Stock Exchange (NSE) and Bombay Stock Exchange (BSE) in India. The Company deals in fashion jewellery and lifestyle products.

2. Basis of preparation

a. Statement of compliance

These standalone financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013, (the 'Act') and other relevant provisions of the Act.

The Company's financial statements up to and for the year ended 31 March 2017 were prepared in accordance with the Companies (Accounting Standards) Rules, 2006, notified under Section 133 of the Act and other relevant provisions of the Act hereinafter referred as Previous GAAP ('IGAAP').

As these are the Company's first standalone financial statements prepared in accordance with Indian Accounting Standards (Ind AS), Ind AS 101, First-time Adoption of Indian Accounting Standards has been applied. An explanation of how the transition to Ind AS has affected the previously reported financial position, financial performance and cash flows of the Company is provided in note 43.

The standalone financial statements were authorised for issue by the Company's Board of Directors on 23 May 2018.

Details of the Company's accounting policies are included in Note 3.

b. Functional and presentation currency

The standalone financial statements are presented in Indian Rupees (INR) which is also the Company's functional currency. All amounts have been rounded off to the nearest lacs, except share data and as stated otherwise.

c. Basis of measurement

The standalone financial statements have been prepared on the historical cost basis except for the following items:

Items	Measurement basis
Certain financial assets and liabilities (including derivatives instruments)	Fair value
Liabilities for equity-settled share-based payment arrangements	Fair value
Net defined benefit (assets)/liability	Fair value of plan assets less present value of defined benefit obligation

d. Use of estimates and judgements

In preparing these standalone financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Assumption and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending 31 March 2018 is included in the following notes:

- Note 42 – recognition of deferred tax assets: availability of future taxable profit against which tax losses carried forward can be used;
- Note 31 – measurement of defined benefit obligations: key actuarial assumptions;
- Notes 35 – recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources;

e. Measurement of fair value

The Company records certain financial assets and liabilities at fair value on a recurring basis.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

Notes to Standalone Financial Statements for the year ended 31 March 2018

(All amount in lacs of Indian Rupees, except share data and as stated otherwise)

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

In accordance with Ind AS 113, assets and liabilities are to be measured based on the following valuation techniques:

a) Market approach – Prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities.

b) Income approach – Converting the future amounts based on market expectations to its present value using the discounting methodology.

c) Cost approach – Replacement cost method.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

Further information about the assumptions made in measuring fair values is included in the following notes:

- Note 41– share-based payment; and
- Note 38 and 39 – financial instruments;

f. **Current and non-current classification**

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

3. Significant accounting policies

a. **Foreign currency transactions**

Transactions in foreign currencies are translated into the functional currencies of Company at the exchange rates at the dates of the transactions.

Notes to Standalone Financial Statements for the year ended 31 March 2018

(All amount in lacs of Indian Rupees, except share data and as stated otherwise)

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Exchange differences are recognised in statement of profit or loss.

b. Financial Instruments

i. Recognition and initial measurement

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

ii. Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at

- amortized cost;
- FVTPL

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Company's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets: assessment whether contractual cash flows are solely payments of principal and interest.

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable interest rate features;
- prepayment and extension features; and
- terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a significant discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Financial assets: subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.
Financial assets at amortized cost	These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Equity investments in subsidiaries, joint ventures, associates and investments for which sufficient more recent information to measure fair value are not available are measured at cost. Other equity investments in scope of Ind AS 109 are measured at fair value through profit and loss.

Notes to Standalone Financial Statements for the year ended 31 March 2018

(All amount in lacs of Indian Rupees, except share data and as stated otherwise)

Financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in statement of profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in statement of profit or loss. Any gain or loss on derecognition is also recognised in statement of profit or loss.

iii. **De-recognition**

Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit or loss.

iv. **Offsetting**

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

v. **Derivative financial instruments and hedge accounting**

The Company holds derivative financial instruments to hedge its foreign currency. Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and certain criteria are met.

Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognised in statement of profit or loss.

c. **Property, plant and equipment**

i. **Recognition and measurement**

Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and accumulated impairment losses, if any.

Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labour, any other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in statement of profit or loss.

ii. **Transition to Ind AS**

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at 1 April 2016, measured as per the previous GAAP, and use that carrying value as the deemed cost of such property, plant and equipment (see Note 43).

iii. **Subsequent expenditure**

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

iv. **Depreciation**

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual values over their estimated useful lives using the straight-line method, and is generally recognised in the statement of profit and loss. Assets acquired under finance leases are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Company will obtain ownership by the end of the lease term.

Notes to Standalone Financial Statements for the year ended 31 March 2018

(All amount in lacs of Indian Rupees, except share data and as stated otherwise)

The estimated useful lives of items of property, plant and equipment for the current and comparative periods are as follows:

Asset	Estimated useful life (in years)	Useful life as per schedule II (in years)
Building	30	30
Plant and machinery	15	15
Electric installation	10	10
Furniture and fixtures	10	10
Office equipment	5	5
Computer*	3	3
Vehicles	8	8
Lease hold improvement	Over the lease period or useful life of the asset, whichever is lower	Over the lease period or useful life of the asset, whichever is lower

Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

*Based on technical assessment performed by management, the Company have reassessed the estimated useful lives of certain property, plant and equipment during the current year. Such estimated useful lives are different from the estimated useful life used in previous financial year and also different from the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives reflect fair approximation of the period over which the assets are likely to be used.

The revised the estimated useful lives during the current year and estimated useful life used in previous financial year is as follows:

Category of Assets	Revised estimated useful life (in years)	Previous estimated useful life (in years)
Computers	3	3-4

v. **Leased assets**

Leasehold improvements are amortized over their useful life or the lease period, whichever is lower.

Leasehold lands are amortized over the period of lease. Building constructed on leasehold land are depreciated based on the useful life as stated above, where the lease period of land is beyond the life of the building.

In other cases, buildings constructed on leasehold lands are amortized over the primary lease period of the lands.

d. **Intangible assets**

i. **Recognition and measurement**

Intangible assets includes computer software. Such intangible assets are subsequently measured at cost less accumulated amortisation and any accumulated impairment losses.

ii. **Subsequent expenditure**

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in statement of profit or loss as incurred.

iii. **Transition to Ind AS**

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its intangible assets recognised as at 1 April 2016, measured as per the previous GAAP, and use that carrying value as the deemed cost of such intangible assets.

iv. **Amortisation**

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values over their estimated useful lives using the straight-line method, and is included in depreciation and amortisation in statement of profit and loss.

The estimated useful lives are as follows:

Asset	Estimated useful life (in years)	Useful life as per schedule II (in years)
Computer software	3-5	4

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

Based on technical assessment performed by management, the Company have reassessed the estimated useful lives of computer software during the current year. The management believes that these estimated useful lives reflect fair approximation of the period over which the assets are likely to be used.

The revised the estimated useful lives during the current year and estimated useful life used in previous financial year is as follows:

Category of Assets	Revised estimated useful life (in years)	Previous estimated useful life (in years)
Computer software	4	3 - 5

The change of the above estimate is applied during the current year.

Notes to Standalone Financial Statements for the year ended 31 March 2018

(All amount in lacs of Indian Rupees, except share data and as stated otherwise)

e. **Inventories**

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the moving weighted average formula, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their present location and condition. In the case of manufactured inventories, semi-finished inventory and material-in-progress, cost includes an appropriate share of fixed production overheads based on normal operating capacity.

Slow and non-moving material, obsolesces, defective inventories are duly provided for and valued at net realisable value. Goods and materials in transit are valued at actual cost incurred up to the date of balance sheet.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. The comparison of cost and net realisable value is made on an item-by-item basis.

Identification of a specific item and determination of estimated net realizable value involve technical judgments of the management supported by valuation from an independent valuer.

Raw materials, components and other supplies held for use in the production of finished products are not written down below cost except in cases where material prices have declined and it is estimated that the cost of the finished products will exceed their net realisable value.

f. **Impairment**

i. **Impairment of financial instruments**

Financial instruments that potentially subject the Company to concentration of credit risk consist principally of cash and bank balances, short term deposits with banks, trade receivables, investment securities and derivative instruments. The cash resources of the Company are invested banks and liquid funds after an evaluation of the credit risk. By their nature, all such financial instruments involve risks, including the credit risk of non-performance by counterparties.

In accordance with Ind-AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on trade receivables. The Company follows 'simplified approach'. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss (P&L). This amount is reflected in a separate line in the P&L as an impairment gain or loss. In balance sheet ECL is presented as an allowance, i.e. as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount.

The gross carrying amount of a financial asset is written-off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

ii. **Impairment of non-financial assets**

The Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of profit and loss. Impairment loss recognised in respect of a CGU is allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets of the CGU (or group of CGUs) on a pro rata basis.

g. **Employee Benefits**

i. **Short-term employee benefits**

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid e.g., under short-term cash bonus, if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

ii. **Share based payments**

Employees of the Company receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions).

The cost of transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

That cost is recognised, together with a corresponding increase in share-based payment (SBP) reserves in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. The statement of profit and loss expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense. Cost in respect of the awards given to the employees of the subsidiary companies is charged from such companies.

The Company measures the cost of equity-settled transactions with employees using a Black-Scholes model to determine the fair value of

Notes to Standalone Financial Statements for the year ended 31 March 2018

(All amount in lacs of Indian Rupees, except share data and as stated otherwise)

the liability incurred. Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Company's best estimate of the number of equity instruments that will ultimately vest. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there is also service conditions.

No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met.

When the terms of an equity-settled award are modified, the minimum expense recognised is the expense had the terms had not been modified, if the original terms of the award are met. An additional expense is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

iii. Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. The Company makes specified monthly contributions towards Government administered provident fund scheme. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in statement of profit or loss in the periods during which the related services are rendered by employees.

Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

iv. Defined benefit plan

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan ('the asset ceiling'). In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised in OCI. The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in statement of profit or loss.

v. Other long term employee benefits

The employees of the Company are entitled to compensated absences which are both accumulating and non-accumulating in nature. The expected cost of accumulating compensated absences is determined by actuarial valuation (using the projected unit credit method) based on the additional amount expected to be paid as a result of the unused entitlement that has accumulated at the balance sheet date. The expense on non-accumulating compensated absences is recognized in the statement of profit and loss in the period in which the absences occur. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred.

h. Provision (other than for employee benefits)

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liability is disclosed in the case of:

- a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation;
- a present obligation arising from past events, when no reliable estimate is possible;

Notes to Standalone Financial Statements for the year ended 31 March 2018

(All amount in lacs of Indian Rupees, except share data and as stated otherwise)

- a possible obligation arising from past events, unless the probability of outflow of resources is remote.

Commitments include the amount of purchase order (net of advances) issued to parties for completion of assets.

Provisions, contingent liabilities, contingent assets and commitments are reviewed at each balance sheet date.

i. **Revenue**

Sale of products

Revenue from the sale of goods in the course of ordinary activities is measured at the fair value of the consideration received or receivable, net of returns, trade discounts and volume rebates. This inter alia involves discounting of the consideration due to the present value if payment extends beyond normal credit terms. Revenue is recognised when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing effective control over, or managerial involvement with, the goods, and the amount of revenue can be measured reliably.

Taxes collected from customers and remitted to governmental authorities are accounted for on a net basis and, therefore, are excluded from net revenue in the standalone statements of operations.

j. **Recognition of dividend income, interest income or expense**

Dividend income is recognised in the statement of profit or loss on the date on which the Company's right to receive payment is established.

Interest income or expense is recognised using the effective interest method.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortized cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortized cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortized cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

k. **Leases**

i. **Determining whether an arrangement contains a lease**

At inception of an arrangement, it is determined whether the arrangement is or contains a lease.

At inception or on reassessment of the arrangement that contains a lease, the payments and other consideration required by such an arrangement are separated into those for the lease and those for other elements on the basis of their relative fair values. If it is concluded for a finance lease that it is impracticable to separate the payments reliably, then an asset and a liability are recognised at an amount equal to the fair value of the underlying asset. The liability is reduced as payments are made and an imputed finance cost on the liability is recognised using the incremental borrowing rate.

ii. **Assets held under lease**

Leases of property, plant and equipment that transfer to the Company substantially all the risks and rewards of ownership are classified as finance leases. The leased assets are measured initially at an amount equal to the lower of their fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the assets are accounted for in accordance with the accounting policy applicable to similar owned assets.

Assets held under leases that do not transfer to the Company substantially all the risks and rewards of ownership (i.e. operating leases) are not recognised in the Company's Balance Sheet.

iii. **Lease payments**

Payments made under operating leases are generally recognised in statement of profit or loss on a straight-line basis over the term of the lease unless such payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases. Lease incentives received are recognised as an integral part of the total lease expense over the term of the lease.

Minimum lease payments made under finance leases are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

For arrangements entered into prior to 1 April 2016, the date of inception is deemed to be 1 April 2016 in accordance with Ind-AS 101 First-time Adoption of Indian Accounting Standard.

l. **Income Tax**

Income tax comprises current and deferred tax.

i. **Current tax**

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be

Notes to Standalone Financial Statements for the year ended 31 March 2018

(All amount in lacs of Indian Rupees, except share data and as stated otherwise)

paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

ii. **Deferred tax**

Deferred tax is provided using the balance sheet approach on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Company recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised. Deferred tax assets – unrecognised or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

iii. **Minimum Alternative Tax (MAT)**

Minimum Alternative Tax (MAT) is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognized as an asset the said asset is created by way of credit to the statement of profit and loss and included in deferred tax assets. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal income tax during the specified period.

m. **Sales/ value added taxes (VAT)/ goods and services tax (GST)**

Expenses and assets are recognised net of the amount of sales/ value added taxes/ goods and services tax paid, except:

- When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable; and
- When receivables and payables are stated with the amount of tax included.

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

n. **Borrowing cost**

Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalised as part of the cost of that asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

o. **Treasury shares**

The Company has created an Employee Benefit Trust (EBT) for providing share-based payment to its employees. The Company uses EBT as a vehicle for distributing shares to employees under the employee remuneration schemes. The EBT buys shares of the Company from the Company, for giving shares to employees. The Company creats EBT as its extension and shares held by EBT are treated as treasury shares. Such equity instruments deducted from equity.

p. **Cash and short-term deposits**

Cash and short-term deposits in the balance sheet comprise cash at banks and on hand and short-term deposits with a maturity of three months or less, which are subject to an insignificant risk of changes in value.

q. **Dividend**

Final dividends proposed by the Board of Directors are recognized upon approval by the shareholders who have the right to decrease but not increase the amount of dividend recommended by the Board of Directors. Interim dividends are recognized on declaration by the Board of Directors.

Notes to Standalone Financial Statements for the year ended 31 March 2018

(All amount in lacs of Indian Rupees, except share data and as stated otherwise)

r. **Earnings per share (EPS)**

Basic EPS amounts are computed by dividing the net profit attributable to the equity holders of the parent company by the weighted average number of equity shares outstanding during the period.

Diluted EPS amounts are computed by dividing the net profit attributable to the equity holders of the parent company by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The diluted 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). Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

s. **Significant accounting estimates and assumptions**

The preparation of the Company's standalone financial statements requires management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the standalone financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

t. **Recent accounting pronouncements**

Standards issued but not yet effective

Appendix B to Ind AS 21, Foreign currency transactions and advance consideration:

On 28th March 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendments Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of transaction for the purpose of determining the exchange rate to use on initial recognition of the related assets, expense or income, when an entity has received or paid advance consideration in a foreign currency.

The amendment will come into force from 1st April 2018 and the Company is in process of evaluating its impact on the standalone financial statement.

Ind AS 115, Revenue from contracts with customers:

On 28th March 2018, Ministry of Corporate Affairs ("MCA") has notified the Ind AS 115, Revenue from contract with customers. The core principle of the new standard is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

Under Ind AS 115, an entity recognizes revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer.

Moreover, the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

The effective date for adoption of Ind AS 115 is financial periods beginning on or after 1st April 2018. The Company will adopt the standard on 1st April 2018 by using the cumulative catch-up transition method as defined under standard and accordingly, comparatives for the year ending or ended 31st March 2018 will not be retrospectively adjusted.

The Company is in process of evaluating its impact on the standalone financial statements.

Notes to Standalone Financial Statements for the year ended 31 March 2018

(All amount in lacs of Indian Rupees, except share data and as stated otherwise)

4 Property, plant and equipment *

Reconciliation of carrying amount

	Leasehold land	Building	Plant and equipment	Electric installation	Furniture & fixture	Office equipment	Computers	Vehicles	Total	Capital work in progress
A. Gross carrying amount										
Deemed cost as at 01 April 2016	380.61	1,644.93	1,199.67	545.99	98.49	69.90	127.80	24.13	4,091.52	282.06
Additions	-	112.30	503.16	20.61	21.92	10.79	71.79	7.42	747.99	-
Disposals	-	-	-	-	-	-	(0.83)	(3.82)	(4.65)	(282.06)
As at 31 March 2017	**380.61**	**1,757.23**	**1,702.83**	**566.60**	**120.41**	**80.69**	**198.76**	**27.73**	**4,834.86**	**-**
Additions	-	2.89	92.01	6.25	19.51	17.61	65.35	21.61	225.23	-
Written off	-	-	(6.68)	(3.42)	(0.96)	(0.11)	(20.99)	(8.23)	(40.39)	-
Disposals	-	-	(13.86)	-	-	-	(0.78)	-	(14.64)	-
As at 31 March 2018	**380.61**	**1,760.12**	**1,774.30**	**569.43**	**138.96**	**98.19**	**242.34**	**41.11**	**5,005.06**	**-**
B. Accumulated depreciation										
Charge for the year	3.55	157.88	273.42	144.11	29.94	32.60	91.62	9.02	742.14	-
Disposals	-	-	-	-	-	-	(0.79)	(2.82)	(3.61)	-
As at 31 March 2017	**3.55**	**157.88**	**273.42**	**144.11**	**29.94**	**32.60**	**90.83**	**6.20**	**738.53**	**-**
Charge for the year	11.46	54.73	106.52	44.99	11.26	50.42	42.73	4.89	327.00	-
Disposals	-	-	(8.88)	-	-	-	(0.39)	(0.14)	(9.41)	-
Written off	-	-	(4.26)	(3.25)	(0.86)	(0.09)	(20.02)	(7.43)	(35.91)	-
As at 31 March 2018	**15.01**	**212.61**	**366.80**	**185.85**	**40.34**	**82.93**	**113.15**	**3.52**	**1,020.21**	**-**
Net carrying value										
As at 01 April 2016	**380.61**	**1,644.93**	**1,199.67**	**545.99**	**98.49**	**69.90**	**127.80**	**24.13**	**4,091.52**	**282.06**
As at 31 March 2017	**377.06**	**1,599.35**	**1,429.41**	**422.49**	**90.47**	**48.09**	**107.93**	**21.53**	**4,096.33**	**-**
As at 31 March 2018	**365.60**	**1,547.51**	**1,407.49**	**383.58**	**98.62**	**15.26**	**129.19**	**37.59**	**3,984.85**	**-**

* Refer note 36 for Company assets hypothecated as security against bank borrowings.

Notes:

1. The Company has availed deemed cost exemption for the valuation of Property, Plant and Equipment. Hence the Net block as per Ind AS as on 1 April 2016 represents carrying value as per previous GAAP as on 31 March 2017.

2. Change in estimates Based on the technical evaluation, the Company has reassessed the depreciation method and useful life of certain property, plant and equipment. Accordingly, the following changes have been made with effect from 1 April 2017:

Category of Assets	Revised estimated useful life (in years)	Previous estimated useful life (in years)
Computer	3	3-4

Had the Company continued with the previously assessed useful lives , charge for depreciation for the year ended 31 March 2018 would have been higher by ₹335.13 lacs with consequent impact on profit before tax for the period.

Notes to Standalone Financial Statements for the year ended 31 March 2018

(All amount in lacs of Indian Rupees, except share data and as stated otherwise)

5. Intangible assets

	Computer Softwares
A. Gross carrying amount	
Deemed cost as at 01 April 2016	71.27
Additions	162.20
Disposals	-
As at 31 March 2017	**233.47**
Additions	10.53
Disposals	-
As at 31 March 2018	**244.00**
B. Accumulated amortisation	
Charge for the year	91.68
Disposals	-
As at 31 March 2017	**91.68**
Charge for the year	47.60
Disposals	-
As at 31 March 2018	**139.28**
Net carrying value	
As at 01 April, 2016	**71.27**
As at 31 March 2017	**141.79**
As at 31 March 2018	**104.72**

Notes:

1. **Change in estimates**

Based on the technical evaluation, the Company has reassessed useful life of intangible assets. Accordingly, the following changes have been made with effect from 1 April 2017:

Category of Assets	Revised estimated useful life (in years)	Previous estimated useful life (in years)
Computer Softwares	4	3 - 5

Had the Company continued with the previously assessed useful lives, amortization charge for the year ended 31 March 2018 would have been higher by ₹88.00 lacs with consequent impact on profit before tax for the period.

6 Financial assets - (non-current) - investments

	31 March 2018	31 March 2017	01 April 2016
A Investments at cost			
Unquoted equity shares			
a) Wholly owned subsidiaries			
1. 4,68,21,633 (31 March 2017 - 4,68,21,633, 01 April 2016 - 3,88,76,633) ordinary shares of US $ 1 each of Genoa Jewelers Limited *	22,841.49	22,841.49	22,841.49
Amount of impairment in value of investment	-	-	-
	22,841.49	**22,841.49**	**22,841.49**
2. 3,50,000 (31 March 2017 - 3,50,000, 01 April 2016 - 3,50,000) ordinary shares of Baht 100 each STS Gems Thai Limited	11,125.99	11,125.99	11,125.99
Amount of impairment in value of investment	(11,125.99)	(11,125.99)	(11,125.99)
	-	-	-
3. 500 (31 March 2017- 500, 01 April 2016 - 500) common shares with no par value of STS Jewels Inc. *	19,950.80	19,950.80	19,950.80
Amount of impairment in value of investment	(15,110.98)	(15,110.98)	(15,110.98)
	4,839.82	**4,839.82**	**4,839.82**
4. 1,500 (31 March 2017 - 1,500, 01 April 2016 - 1,500) ordinary shares of Yen 50,000 each STS Gems Japan Limited	199.18	199.18	199.18
Amount of impairment in value of investment	(199.18)	(199.18)	(199.18)
	-	-	-
5. 87,500 (31 March 2017 - 87,500, 01 April 2016 - 87,500) ordinary shares of HK $100 each STS Gems Limited, Hong Kong *	1,575.00	1,575.00	1,575.00
Amount of impairment in value of investment	-	-	-
	1,575.00	**1,575.00**	**1,575.00**

Notes to Standalone Financial Statements for the year ended 31 March 2018

(All amount in lacs of Indian Rupees, except share data and as stated otherwise)

	31 March 2018	31 March 2017	01 April 2016
b) Investment in unquoted equity :			
3,60,000 (31 March 2017: 3,60,000, 01 April 2016: 3,60,000) equity shares of ₹10 each of VGL Softech Limited	52.07	52.07	52.07
Amount of impairment in value of investment	(52.07)	(52.07)	(52.07)
Investment at cost	**55,692.46**	**55,692.46**	**55,692.46**
Impairment on the investment	**26,436.15**	**26,436.15**	**26,436.15**
Total investments at cost (a)	**29,256.31**	**29,256.31**	**29,256.31**
* Refer note 36 for investment hypothecated as security against bank borrowings.			
B Financial assets - (current) - investments			
Unquoted investments at FVTPL			
Principal cash management fund - regular plan growth - 59,372 Units (31 March 2017 - 25,352 Units, 01 April 2016 - 5,119)	1,000.67	400.97	75.28
Principal balanced fund - regular plan growth - nil (31 March 2017- 33,204 Units, 1 April 2016 - nil)	-	20.00	-
Principal low duration fund - regular plan growth - 5,429 Units (31 March 2017 - nil, Units, 01 April 2016 - nil)	150.18	-	-
Total investments at FVTPL (b)	**1,150.85**	**420.97**	**75.28**
Total investment (a+b)	**30,407.16**	**29,677.28**	**29,331.59**
Aggregate book value of unquoted investments	1,150.00	420.00	75.00
Aggregate market value of unquoted investments	1,150.85	420.97	75.28
Aggregate value of unquoted investments	55,692.46	55,692.46	55,692.46
Aggregate amount of impairment in value of investments	26,436.15	26,436.15	26,436.15

7 Other financial assets

	31 March 2018	31 March 2017	01 April 2016
Non-Current			
Security deposits	104.54	140.37	132.48
Bank deposits- pledged *	75.64	100.88	84.45
	180.18	**241.25**	**216.93**
Current			
Interest accrued on bank deposits	10.79	5.99	7.66
Amount recoverable from subsidiaries	0.37	27.28	53.83
	11.16	**33.27**	**61.49**

* Pledged against the procurement of the raw material with vendors, custom authority and bank for credit card.

8 Income tax

	31 March 2018	31 March 2017	01 April 2016
(a) Deferred tax asset (net)			
Deferred tax	38.21	130.14	184.50
MAT credit entitlement	303.77	-	-
	341.98	**130.14**	**184.50**
(b) Current tax liabilities (net)			
Income tax payable	-	-	299.16
	-	-	299.16

Also refer notes 42.

9 Other non-current assets

	31 March 2018	31 March 2017	01 April 2016
Tax assets (deposits with tax authorities)	463.26	395.13	330.54
Capital advances	-	3.48	55.86
	463.26	**398.61**	**386.40**

Notes to Standalone Financial Statements for the year ended 31 March 2018

(All amount in lacs of Indian Rupees, except share data and as stated otherwise)

10 Inventories*

	31 March 2018	31 March 2017	01 April 2016
Materials-in-process#	10,408.78	9,109.68	11,471.79
Semi finished goods	115.41	110.05	948.15
Finished goods	352.02	334.55	618.62
Stores and consumables	105.43	173.13	262.37
Total inventories at the lower of cost and net realisable value	10,981.64	9,727.41	13,300.93

Includes inventory lying with third parties amounting to ₹40.23 lacs (31 March 2017 - nil, 1 April 2016 - nil).

* Refer note 36 for inventories hypothecated as security against bank borrowings.

11 Financial assets - (current) - trade receivables *

	31 March 2018	31 March 2017	01 April 2016
Unsecured, considered good	12,285.78	14,807.60	12,793.88
	12,285.78	14,807.60	12,793.88

* Refer note 36 for trade receivables hypothecated as security against bank borrowings.
Of the above, trade receivables from related parties are given in note 40.

12(a) Financial assets - (current) - cash and cash equivalents *

	31 March 2018	31 March 2017	01 April 2016
Balances with banks - on current accounts	394.87	1,329.08	739.03
Cash in hand	10.09	12.57	12.41
Bank deposits- un-pledged (maturity within 3 months)	2,500.00	-	-
	2,904.96	1,341.65	751.44

* Refer note 36 for current assets hypothecated as security against bank borrowings.

12(b) Financial assets - (current) - bank balance other than above *

	31 March 2018	31 March 2017	01 April 2016
Unpaid dividend account	0.51	0.50	0.76
Bank deposits- un-pledged (maturity within 12 months)	-	-	7.02
	0.51	0.50	7.78

* Refer note 36 for current assets hypothecated as security against bank borrowings.

13 Financial assets - (current) - loans*

	31 March 2018	31 March 2017	01 April 2016
Advance to staff	33.52	28.93	28.31
Loan to subsidiaries	1,630.33	1,625.18	1,662.63
	1,663.85	1,654.11	1,690.94

* Refer note 36 for current assets hypothecated as security against bank borrowings.

14 Other current assets

	31 March 2018	31 March 2017	01 April 2016
Balances with tax authorities	817.55	279.47	489.40
Advance to suppliers	222.29	385.94	102.96
Prepaid expenses	145.05	156.80	106.38
Export incentive recievable	23.68	21.26	30.96
	1,208.57	843.48	729.70

* Refer note 36 for current assets hypothecated as security against bank borrowings.

Notes to Standalone Financial Statements for the year ended 31 March 2018

(All amount in lacs of Indian Rupees, except share data and as stated otherwise)

15(a) Equity share capital

Particulars	31 March 2018	31 March 2017	01 April 2016
Authorised shares			
4,10,00,000 (31 March 2017: 4,10,00,000, 01 April 2016: 4,10,00,000) equity shares of ₹10 each	4,100.00	4,100.00	4,100.00
45,00,000 (31 March 2017: 45,00,000 01 April 2016: 45,00,000) unclassified equity shares of ₹100 each	4,500.00	4,500.00	4,500.00
	8,600.00	8,600.00	8,600.00
Issued, subscribed and fully paid-up shares			
3,25,84,390 (31 March 2017 : 3,25,34,814, 01 April 2016 : 3,24,99,057) equity shares of ₹10 each	3,258.44	3,253.48	3,249.91
Total issued, subscribed and fully paid-up share capital	3,258.44	3,253.48	3,249.91

(a) Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting year.

Equity shares of ₹10 each issued, subscribed and fully paid	31 March 2018		31 March 2017		01 April 2016	
	No. of shares	Amount	No. of shares	Amount	No. of shares	Amount
Balance at the beginning of the year	3,25,45,617	3,254.56	3,25,15,131	3,251.51	3,24,02,383	3,240.24
Change in equity share capital during the year	45,236	4.52	30,486	3.05	1,12,748	11.27
Balance at the end of the year	3,25,90,853	3,259.08	3,25,45,617	3,254.56	3,25,15,131	3,251.51
Less: Treasury shares (refer note 41)	6,463	0.64	10,803	1.08	16,074	1.60
	3,25,84,390	3,258.44	3,25,34,814	3,253.48	3,24,99,057	3,249.91

(b) Terms/rights attached to equity shares

The company has only one class of equity shares having par value of ₹10 per share. Each holder of equity shares is entitled to one vote per share except those held as underlying for GDR. The company declares and pays dividends in Indian rupees. 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 of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(c) Details of shareholders holding more than 5% shares in the company

Name of the shareholder	31 March 2018		31 March 2017		01 April 2016	
	Number	% holding in the class	Number	% holding in the class	Number	% holding in the class
Equity shares of ₹10 each fully paid						
Sonymike`s Holdings Ltd.	99,18,640	30.44%	99,18,640	30.49%	59,68,640	18.37%
Shivram Global Pvt Ltd.	-	-	-	-	53,11,865	16.34%
Nalanda India Fund Limited	37,80,583	11.60%	41,10,600	12.63%	41,10,600	12.65%
Sonymike`s Holdings Ltd.#	-	-	-	-	39,50,000	12.15%
Brett Plastics Pvt Ltd.	83,34,124	25.58%	85,64,124	26.32%	28,54,516	8.78%
Nirmal Kumar Bardiya	17,91,628	5.50%	17,91,628	5.51%	17,91,628	5.51%

Held through Global Depositories Receipt (GDR) till 01 April 2016. During the previous year, the Company has delisted all GDRs from Luxembourg Stock Exchange on 17 May 2016 and converted into equity shares,

(d) Shares reserved for issue under options

	31 March 2018		31 March 2017	
	No. of shares	Amount	No. of shares	Amount
Under VGL Employee Stock Option Scheme, 2006: Equity shares of ₹10 each, at weighted average exercise price of ₹474.73 per share (previous year ₹442.17 per share) (refer note 41)	12,01,500	120.15	9,97,181	99.72

Notes to Standalone Financial Statements for the year ended 31 March 2018

(All amount in lacs of Indian Rupees, except share data and as stated otherwise)

15(b) Other Equity

		31 March 2018	31 March 2017
A	**Reserves and surplus**		
	1. **Share premium**		
	As at the beginning of the year	32,748.88	59,154.73
	Reduction in share capital *	-	(26,427.19)
	Share options exercised	171.58	28.93
	Treasury shares	(8.74)	(7.59)
	As at the end of the year	**32,911.72**	**32,748.88**
	2. **Share based payment reserve**		
	As at the beginning of the year	1,150.37	870.55
	Share options exercised	(32.96)	(9.07)
	Share based payment	409.12	288.89
	As at the end of the year	**1,526.53**	**1,150.37**
	3. **Capital redemption reserve**		
	As at the beginning and at the end of the year	**4,400.00**	**4,400.00**
	4. **Capital reserve**		
	As at the beginning and at the end of the year	**812.64**	**812.64**
	5. **General reserve**		
	As at the beginning and at the end of the year	**1,296.47**	**1,296.47**
	6. **Retained earning**		
	As at the beginning of the year	7,077.67	(21,577.82)
	Net profit for the year	3,079.29	2,232.23
	Other comprehensive income for the year	3.36	(3.92)
	Reduction in share capital *	-	26,427.19
	As at the end of the year	**10,160.32**	**7,077.67**
		51,107.68	**47,486.03**
B	**Share application money pending allotment**		
	As at the beginning of the year	1.49	0.89
	Movement during the year	2.73	0.60
	As at the end of the year	**4.22**	**1.49**
		51,111.90	**47,487.52**

* 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 as on 31 March, 2015 of ₹26,427.19 lacs against the Security 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 is taken in the financial statements of the previous year.

Nature of reserve

1 **Share premium**

Securities premium reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with the provision of the Companies Act, 2013.

2 **Share based payment reserve**

The share option outstanding account is used to recognise the grant date fair value of options issued to employees under the Employees Stock Option Schemes. Refer to note 41 for further details of the plan.

3 **Capital redemption reserve**

As per Companies Act, 2013, capital redemption reserve is created when company purchases its own shares out of free reserves or securities premium. A sum equal to the nominal value of the shares so purchased is transferred to capital redemption reserve.

4 **Capital reserve**

The Company recognises profit and loss on purchase, sale, issue or cancellation of the Company's own equity instruments to capital reserve.

5 **General reserve**

The general reserve is used from time to time to transfer profit from retained earnings for appropriation purposes. As the general reserve is created by transfer from one component of equity to another and is not an item of other comprehensive income items included in the general reserve will not be reclassified subsequently to statement of profit and loss.

6 **Retained earning**

Retained earning comprises of undistributed earnings after taxes.

Notes to Standalone Financial Statements for the year ended 31 March 2018

(All amount in lacs of Indian Rupees, except share data and as stated otherwise)

16. Provisions

Particulars	Non-Current			Current		
	31 March 2018	31 March 2017	01 April 2016	31 March 2018	31 March 2017	01 April 2016
Provision for employee benefits (refer note 31)						
Gratuity	177.58	191.69	164.30	110.27	109.81	95.16
Compensated absences	105.86	82.77	65.41	18.20	16.74	10.85
	283.44	274.46	229.71	128.47	126.55	106.01

17. Borrowings

Particulars	31 March 2018	31 March 2017	01 April 2016
Loan repayable on demand - from bank			
Pre-shipment credit (secured) ^	4,864.56	4,518.91	5,964.12
Post-shipment credit (secured) ^	1,793.26	2,718.42	3,378.29
Total borrowings	6,657.82	7,237.33	9,342.41

^ Nature of security :-

(i) Secured by charge on all the current assets viz inventory, bill receivable, book debts and all other movable assets.

(ii) Further secured, on parri-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) 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 of Genoa Jewelers Ltd .

(vi) Personal Guarantee of Mr. Sunil Agrawal, Chairman and managing director of the Company.

18. Trade payables

Particulars	31 March 2018	31 March 2017	01 April 2016
Trade payables			
Total outstanding dues of micro enterprises and small enterprises (refer note 32)	-	-	-
Others	2,801.09	4,380.62	5,179.65
	2,801.09	4,380.62	5,179.65

19. Other financial liabilities

Particulars	31 March 2018	31 March 2017	01 April 2016
Employee benefits payable	169.46	230.44	411.70
Forward contract payable	58.28	-	-
Other payables (financial)	5.21	7.60	6.13
Unclaimed dividend	0.51	0.50	0.76
	233.46	238.54	418.59

20. Other current liabilities

Particulars	31 March 2018	31 March 2017	01 April 2016
Statutory dues payable	64.00	94.92	117.53
	64.00	94.92	117.53

Notes to Standalone Financial Statements for the year ended 31 March 2018

(All amount in lacs of Indian Rupees, except share data and as stated otherwise)

21. Revenue from operations

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Sale of products	45,702.12	47,692.77
Other operating revenue	131.08	136.58
Sale of goods	**45,833.20**	**47,829.35**
Foreign exchange gain (net)	1,168.66	354.60
	47,001.86	**48,183.95**

22. Other income

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Interest income from bank and others	95.41	70.94
Gain on sale of current investments (including change in fair value)	131.54	6.10
Gain on sale of fixed assets	0.14	0.48
Miscellaneous income	219.67	205.44
	446.76	**282.96**

23. Cost of material consumed

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Material in process at the beginning of the year	9,109.68	11,471.79
Add: purchases	32,206.14	28,656.57
	41,315.82	**40,128.36**
Material in process at the end of the year	(10,408.78)	(9,109.68)
	30,907.04	**31,018.68**

24. Purchases of stock-in-trade

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Purchases of traded goods	1,358.94	1,188.01
	1,358.94	**1,188.01**

25. Decrease/(increase) of inventories

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Inventories at the beginning of the year		
Semi finished goods	110.05	948.15
Finished goods *	334.55	618.62
	444.60	**1,566.77**
Inventories at the end of the year		
Semi finished goods	115.41	110.05
Finished goods *	352.02	334.55
	467.43	**444.60**
Decrease/(increase) of inventories	**(22.83)**	**1,122.17**

* Include stock-in-trade, since they are stocked together

26. Employee benefits expense

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Salaries, wages and bonus	3,250.42	3,282.22
Contribution to provident and other funds	225.02	232.74
Share based payment	159.22	101.51
Staff welfare expenses	210.66	214.18
	3,845.32	**3,830.65**

Notes to Standalone Financial Statements for the year ended 31 March 2018

(All amount in lacs of Indian Rupees, except share data and as stated otherwise)

27. Finance costs

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Interest on debts and borrowings	202.55	371.66
Other borrowing cost	110.48	111.58
	313.03	483.24

28. Depreciation and amortization expense

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Depreciation of property, plant and equipment (refer note 4)	327.00	742.14
Amortization of intangible assets (refer note 5)	47.60	91.68
	374.60	833.82

29. Other expenses

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
a Manufacturing and direct expenses		
Job work charges	3,635.15	3,781.30
Stores and consumables	472.72	566.12
Power and fuel	454.00	431.91
Repair and maintenance- machinery	63.83	41.09
Other manufacturing and direct expenses	225.70	203.74
	4,851.40	5,024.16
b Administrative and selling expenses		
Rent	10.66	56.96
Rates and taxes	17.37	76.87
Insurance	118.51	121.57
Travelling and conveyance	439.33	392.97
Legal and professional fees	81.42	97.40
Repair and maintenance		
Buildings	25.94	25.45
Others	44.53	63.16
CSR expenditure (refer note 29(b))	143.81	152.25
Advertising and sales promotion	149.55	24.84
Packing and forwarding	534.52	576.17
Communication costs	82.39	87.01
Printing and stationery	18.00	19.23
Directors' sitting fees	25.80	31.25
Directors' remuneration	58.84	58.02
Payment to auditor (Refer note 29(a))	47.40	35.60
Bad debts / advances written off	-	3.20
Allowances for doubtful debts and advances	-	10.09
Loss on sale / write off of fixed assets	4.22	-
Security expenses	27.66	31.10
Miscellaneous expenses	195.04	185.44
Information technology expenses	163.40	103.31
	2,188.39	2,151.89
	7,039.79	7,176.05

29(a) Payment to auditor

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Audit Fees	20.00	18.00
Reimbursement of expenses	10.68	5.95
Other services	16.72	11.65
	47.40	35.60

Notes to Standalone Financial Statements for the year ended 31 March 2018

(All amount in lacs of Indian Rupees, except share data and as stated otherwise)

29(b) Corporate Social Responsibility

a Gross amount required to be spent by the Company during the year ₹64.26 lacs (31 March 2017: ₹81.44 lacs).

b Amount spent during the year on:

Particulars	Year ended 31 March 2018		
	In cash	Yet to be paid in cash	Total
(i) Construction/ acquisition of any asset	-	-	-
(ii) On purpose other than (i) above	137.33	6.47	143.81

Particulars	Year ended 31 March 2017		
	In cash	Yet to be paid in cash	Total
(i) Construction/ acquisition of any asset	-	-	-
(ii) On purpose other than (i) above	152.25	-	152.25

30. Earnings per equity share

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
A Basic earning per share		
The calculation of profit attributable to equity shareholders and weighted average numbers of equity shares outstanding for purpose of basic earning per share calculation are as folllows-		
i) Profit attributable to equity holders	3,079.29	2,232.23
ii) Weighted average number of equity shares for basic EPS		
Opening balance	3,25,34,814	3,24,99,057
Effect of share options excercised	19,077	30,923
Weighted average number of equity shares	**3,25,53,891**	**3,25,29,980**
Basic earning per share	**9.46**	**6.86**
B Diluted earning per share		
The calculation of diluted earnings per share is based on profit attributable to equity shareholders and weighted average number of equity shares outstanding, after adjustment for the effects of all dilutive potential equity shares as follows:		
i) Profit (loss) for the year attributable to equity holders	3,079.29	2,232.23
ii) Weighted average number of equity shares		
Opening balance	3,25,34,814	3,24,99,057
Effect of share options excercised	19,077	30,923
Dilution of equity	9,19,224	8,59,233
Weighted average number of equity shares (diluted) for the year	**3,34,73,114**	**3,33,89,213**
Diluted earning per share	**9.20**	**6.69**

31. Employee benefit obligation

A) Defined Contribution Plan

The Company has recognized the following amount in the Statement of profit and loss:

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Employer's contribution to Employees Providend Fund	146.13	166.04
Employer's contribution to Employee State Insurance	64.43	57.88
Employer's contribution to National Pension Scheme	14.46	8.82
	225.02	**232.74**

B) Gratuity

The Company has a defined benefit gratuity plan. Every employee gets a gratuity on retirement/termination/resignation at 15 days salary (last drawn salary) for each completed year of service. The scheme is funded with an insurance company in the form of a qualifying insurance policy. The following tables summarise the components of net benefit expense recognised in the statement of profit and loss and the funded status and amounts recognised in the balance sheet for the respective plans:

Details of Actuarial valuation carried out on Balance sheet date are as under:

(a) Net benefit expense recognized in the statement of profit and loss:

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Current service cost	115.50	73.73
Interest cost on benefit obligation	21.71	19.98
Net benefit expenses	**137.21**	**93.71**

Notes to Standalone Financial Statements for the year ended 31 March 2018

(All amount in lacs of Indian Rupees, except share data and as stated otherwise)

(b) Position of the assets and obligation

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Fair Value of plan assets	357.87	217.38
Present value of the obligations	(645.72)	(518.88)
Assets / (Liablity) recognized in balance sheet	**(287.85)**	**(301.50)**

(c) Amounts recognized in the statement of comprehensive income as follows:

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Return on plan assets (excluding amounts included in net interest expense)	(3.98)	(0.77)
Actuarial gain / (loss) on arising from change in demographic assumption	(3.76)	(14.44)
Actuarial gain / (loss) on arising from change in financial assumption	18.63	17.95
Actuarial gain / (loss) on arising from change in experience adjustments	(16.04)	3.25
Actuarial gain / (loss) on for the year on asset	-	-
Remeasurement of the net defined liability	**(5.15)**	**5.99**

(d) Changes in the present value of the defined benefit obligation are as follows:

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Opening present value of the obligation	518.88	429.22
Current service cost	115.50	73.74
Interest cost	37.36	33.05
Benefits paid	(24.85)	(23.89)
Acturial gain / (loss)	(1.17)	6.76
Closing present value of the obligation	**645.72**	**518.88**

(e) Changes in the defined benefit obligation and fair value of plan assets:

The amounts recognised in the balance sheet and the movements in the net defined benefit obligation over the year are as follows:

Particulars	Year ended 31 March 2018		
	Defined benefit obligation	Fair value of plan assets	Benefit Liability / (Assets)
Opening balance	518.88	217.38	301.50
Gratuity cost charged to profit or loss			
Service Cost	115.50	-	115.50
Net interest expense	37.36	15.64	21.72
Benefits paid	(24.85)	(24.85)	-
Remeasurement gains/(losses) in other comprehensive income			
Return on plan assets (excluding amounts included in net interest expense)	-	3.98	(3.98)
Actuarial changes arising from changes in demographic assumptions	(3.76)	-	(3.76)
Actuarial changes arising from changes in financial assumptions	18.63	-	18.63
Experience adjustments	(16.04)	-	(16.04)
Contribution by employer	-	145.72	(145.72)
	645.72	**357.87**	**287.85**

Particulars	Year ended 31 March 2017		
	Defined benefit obligation	Fair value of plan assets	Benefit Liability / (Assets)
Opening balance	429.22	169.77	259.45
Gratuity cost charged to profit or loss	-	-	-
Service Cost	73.74	-	73.74
Net interest expense	33.05	13.07	19.98
Benefits paid	(23.89)	(23.89)	-
Remeasurement gains/(losses) in other comprehensive income	-	-	-
Return on plan assets (excluding amounts included in net interest expense)	-	0.77	(0.77)
Actuarial changes arising from changes in demographic assumptions	(14.44)	-	(14.44)
Actuarial changes arising from changes in financial assumptions	17.95	-	17.95
Experience adjustments	3.25	-	3.25
Contribution by employer	-	57.66	(57.66)
	518.88	**217.38**	**301.50**

Notes to Standalone Financial Statements for the year ended 31 March 2018

(All amount in lacs of Indian Rupees, except share data and as stated otherwise)

(f) The major categories of plan assets of the fair value of the total plan assets are as follows :

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Funds managed by insurer	100%	100%

(g) The principal assumptions used in determining gratuity obligations for the Company's plan is shown below:

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Discount rate	7.30%	7.20%
Future salary increases	10.00%	10.00%
Retirement age (years)	58	58
Mortality rates inclusive of provision for disability (2006 - 08)	100% of IALM	100% of IALM
Employee turnover Withdrawal Rate (%)		
All ages	12.42%	14.67%

(h) Sensitivity Analysis

A quantitative sensitivity analysis for significant assumption as at 31 March 2018 and 31 March 2017 are as shown below:

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Increase / (decrease) in defined benefit obligation		
Discount rate	-	-
Increase by 1%	41.78	29.69
Decrease by 1%	47.38	33.31
Future salary	-	-
Increase by 1%	44.50	29.46
Decrease by 1%	40.63	27.55

Sensitivities due to mortality & withdrawals are insignificant. Sensitivities as to rate of inflation, rate of increase of pensions in payment, rate of increase of pensions before retirement & life expectancy are not applicable being a lump sum benefit on retirement.

In presenting the above sensitivity analysis, the present value of defined benefit obligation has been calculated using the projected unit credit method at the end of reporting period, which is the same as that applied in calculating the defined obligation liability recognized in the balance sheet.

(i) Defined benefit liability and employer contributions

Expected contributions to defined benefit obligation for the year ending 31 March 2019 are ₹79.16 lacs .The expected maturity analysis of defined benefit plan is as follows:

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Year		
- Within the next 12 months (next annual reporting period)	79.16	65.87
- Above 1 to 5 years	209.76	195.85
- More than 5 years	356.80	257.16
Total expected payments	645.72	518.88

The average duration of the defined benefit plan obligation at the end of the reporting period is 11years (31 March 2017: 10 years).

C) Leave obligations

The amount of the provision of ₹124.06 lacs (31 March 2017 – ₹99.51 lacs, 01 April 2016- ₹76.26 lacs) is presented as current and non current. The Company has provided for the liability on the basis of actuarial valuation.

32. Dues to micro and small enterprises

Based on the information available with the Company, none of suppliers have been identified, who are registered under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED) to whom the Company owes and the same is not outstanding for more than 45 days as at 31 March 2018. The information has been determined to the extent such parties have been identified on the basis of information available with the Company.

Notes to Standalone Financial Statements for the year ended 31 March 2018

(All amount in lacs of Indian Rupees, except share data and as stated otherwise)

S. No.	Particulars	31 March 2018	31 March 2017	01 April 2016
i)	The principal amount and the interest due thereon remaining unpaid to any supplier at the end of accounting year;			
	- Principal amount	Nil	Nil	Nil
	- Interest thereon	Nil	Nil	Nil
ii)	the amount of interest paid by the buyer under MSMED Act, 2006 along j,with the amounts of the payment made to the supplier beyond the appointed day during each accounting year;	Nil	Nil	Nil
iii)	the amount of interest due and payable for the period (where the principal has been paid but interest under the MSMED Act, 2006 not paid);	Nil	Nil	Nil
iv)	The amount of interest accrued and remaining unpaid at the end of accounting year; and	Nil	Nil	Nil
v)	The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23.	Nil	Nil	Nil

33. Segment reporting

As per Ind AS 108 'Operating Segments', the Company has disclosed the segment information only as part of the consolidated financial statements.

34. Significant Investments in subsidiaries

(a) These financial statement are separate financial statements prepared in accordance with Ind AS-27 "Separate Financial Statements".

(b) The Company has following investment in subsidiaries :

Name	Country of Incorporation	Percentage Holding as at		
		31 March 2018	31 March 2017	01 April 2016
Genoa Jewelers Limited	British Virgin Islands	100%	100%	100%
STS Gems Thai Limited	Thailand	100%	100%	100%
STS Jewels Inc.	USA	100%	100%	100%
STS Gems Japan Limited	Japan	100%	100%	100%
STS Gems Limited, Hong Kong	Hong Kong	100%	100%	100%

35. Commitments and contingent liablities

A. Commitments :

Particulars	31 March 2018	31 March 2017	01 April 2016
Estimated amount of contracts remaining to be executed on capital account and not provided for	-	0.25	150.18

B. Contingent liabilities :

Particulars	31 March 2018	31 March 2017	01 April 2016
Estimated amount of contracts remaining to be executed on capital account and not provided for			
(a) Show cause/ demand notices received from government authorities			
(i) Demand/ show cause notice received under			
- Income Tax Act	266.81	290.32	325.04
- Custom duty	-	-	43.08
(b) Gaurantees provided by the Compnay			
(i) Gaurantee given by the bank on behalf of the company	535.00	820.00	861.00
(ii) Corporate Gaurantee given by bank on behalf of loan obtained by the Subsidiary	-	1,217.49	3,066.59
(c) Other money for which the company is contingently liable	-	29.57	29.57

Pending resolution of the respective proceedings, it is not practicable for the Company to estimate the timings of cash outflows, if any, in respect of the above as it is determinable only on receipt of judgements/decisions pending with various forums/authorities.

The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in its financial statements. The Company also believes that the above issues, when finally settled, are not likely to have any significant impact on the financial position of the Company. The Company does not expect any reimbursements in respect of the above contingent liabilities.

Notes to Standalone Financial Statements for the year ended 31 March 2018

(All amount in lacs of Indian Rupees, except share data and as stated otherwise)

36. Assets hypothecated as security.

The carrying amount of assets hypothecated as security for current borrowings are:

Particulars	31 March 2018	31 March 2017	01 April 2016
Current assets	30,207.32	28,828.99	29,411.44
Non- current			
Property, plant and equipment	3,984.85	4,096.33	4,091.52
Investment in subsidiaries			
- 200 common shares with no par value of STS Jewels Inc.	7,980.32	7,980.32	7,980.32
- 87,500 Ordinary Shares of HK $100 each of STS Gems Limited, HKK.	1,575.00	1,575.00	1,575.00
- of 1,25,76,633 equity shares of US $1 each of equity investment of Genoa Jewelers Ltd. (01 April 2016 : 1,25,80,000) (31 March 2017 : 1,25,76,633)	6,135.39	6,135.39	6,135.39
Other financial assets - bank deposits	75.64	100.88	84.45
Total non-current assets hypothecated as security	**19,751.20**	**19,887.92**	**19,866.68**
Total assets hypothecated as security	**49,958.52**	**48,716.92**	**49,278.12**

37. Capital management

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a net debt to equity ratio, where net debt is total borrowings net of cash and cash equivalents, other bank balances and current investments in mutual funds and divided by total 'equity' (as shown in the Balance Sheet).

Particulars	31 March 2018	31 March 2017	01 April 2016
Borrowings	6,657.82	7,237.33	9,342.41
Less: cash and cash equivalents and current investment	(4,056.32)	(1,763.12)	(834.51)
Net debts	2,601.50	5,474.21	8,507.90
Equity share capital	3,258.44	3,253.48	3,249.91
Other equity	51,111.90	47,487.52	44,957.46
Total equity	54,370.34	50,741.00	48,207.37
Net debt to equity ratio	4.8%	10.8%	17.6%

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2018 and 31 March 2017.

38. Fair Value measurements

(i) **Financial assets and liabilities:**

The accounting classification of each category of financial instruments, and their carrying amounts, are set out below:

31 March 2018	FVTPL	FVTOCI	Amortized Cost	Total Carrying Value	Fair Value
Financial assets					
Cash and cash equivalents	-	-	2,904.96	2,904.96	2,904.96
Bank balance other than above	-	-	0.51	0.51	0.51
Loans- current	-	-	1,663.85	1,663.85	1,663.85
Trade receivables	-	-	12,285.78	12,285.78	12,285.78
Investments *	1,150.85	-	-	1,150.00	1,150.85
Other non current financial asset	-	-	180.18	180.18	180.18
Other current financial asset	-	-	11.16	11.16	11.16
	1,150.85	-	**17,046.44**	**18,196.44**	**18,197.29**
Financial liabilities					
Borrowings- Current	-	-	6,657.82	6,657.82	6,657.82
Trade payables	-	-	2,801.09	2,801.09	2,801.09
Other financials liabilites	58.28	-	175.18	233.46	233.46
	58.28	-	**9,634.09**	**9,692.37**	**9,692.37**

Notes to Standalone Financial Statements for the year ended 31 March 2018

(All amount in lacs of Indian Rupees, except share data and as stated otherwise)

31 March 2017	FVTPL	FVTOCI	Amortized Cost	Total Carrying Value	Fair Value
Financial assets					
Cash and cash equivalents	-	-	1,341.65	1,341.65	1,341.65
Bank balance other than above	-	-	0.50	0.50	0.50
Loans- current	-	-	1,654.11	1,654.11	1,654.11
Trade receivables	-	-	14,807.60	14,807.60	14,807.60
Investments *	420.97	-		420.00	420.97
Other non current financial asset	-	-	241.25	241.25	241.25
Other current financial asset	-	-	33.27	33.27	33.27
	420.97	-	18,078.38	18,498.38	18,499.35
Financial liabilities					
Borrowings- Current	-	-	7,237.33	7,237.33	7,237.33
Trade payables	-	-	4,380.62	4,380.62	4,380.62
Other payables	-	-	238.54	238.54	238.54
	-	-	11,856.49	11,856.49	11,856.49

01 April 2016	FVTPL	FVTOCI	Amortized Cost	Total Carrying Value	Fair Value
Financial assets					
Cash and cash equivalents	-	-	751.44	751.44	751.44
Bank balance other than above	-	-	7.78	7.78	7.78
Loans- current	-	-	1,690.94	1,690.94	1,690.94
Trade receivables	-	-	12,793.88	12,793.88	12,793.88
Investments *	75.28	-	-	75.00	75.28
Other non current financial asset	-	-	216.93	216.93	216.93
Other current financial asset	-	-	61.49	61.49	61.49
	75.28	-	15,522.46	15,597.46	15,597.74
Financial liabilities					
Borrowings- Current	-	-	9,342.41	9,342.41	9,342.41
Trade payables	-	-	5,179.65	5,179.65	5,179.65
Other payables	-	-	418.59	418.59	418.59
	-	-	14,940.65	14,940.65	14,940.65

* Investment excludes investment in subsidiaries which are accounted at historical cost.

(ii) Fair value hierarchy

The table shown below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined below:

a) Level 1: Level 1 hierarchy includes financial instrument measured using quoted prices. This includes listed equity instruments that have a quoted price. The fair value of all equity instruments which are traded in the stock exchanges is valued using the closing price as at the reporting period end.

b) Level 2: If inputs required to fair value an instrument other than quoted prices included within Level 1 are observable, either directly (i.e., as prices) or indirectly (i.e., derived from prices), the instruments are included in Level 2.

c) Level 3: If one or more of the significant inputs is not based on observable market data, the instruments is included in level 3.

(a) Financial assets and liabilities measured at fair value- recurring fair value measurements

Financial Instruments	31 March 2018		
	Level 1	Level 2	Level 3
Financial assets			
Investments (Unquoted)	-	1,150.85	-
Total	-	1,150.85	-
Financial Liabilities			
Forward foreign currency contract	-	58.28	-
Total	-	58.28	-

Financial Instruments	31 March 2017		
	Level 1	Level 2	Level 3
Financial assets			
Investments (Unquoted)	-	420.97	-
Total	-	420.97	-

Notes to Standalone Financial Statements for the year ended 31 March 2018

(All amount in lacs of Indian Rupees, except share data and as stated otherwise)

Financial Instruments	01 April 2016		
	Level 1	Level 2	Level 3
Financial assets			
Investments (Unquoted)	-	75.28	-
Total	-	75.28	-

The fair value of the financial assets and liabilities are included at the amount that would be received to sell an asset and paid to transfer a liability in an orderly transaction between market participants. The following methods and assumptions were used to estimate the fair values:

- Derivative instruments: Fair value of foreign exchange contracts is determined using forward exchange rate at the balance sheet date.
- Other non-current financial assets and liabilities: Fair value is calculated using a discounted cash flow model with income approach, unless the carrying value is considered to approximate to fair value.
- Trade receivables, cash and cash equivalents, other bank balances, loans, other current financial assets, current borrowings, trade payables and other current financial liabilities: Approximate their carrying amounts largely due to the short-term maturities of these instruments.

39. Financial risk management objective and policies

This section gives an overview of the significance of financial instruments for the Company and provides additional information on the balance sheet. Details of significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in Note 5, 6, 10, 11, 12, 16, 17 and 18.
Note referencing pertaining to financial assets to be given here.

Risk management framework

Companies being driven by the market forces, its businesses are subject to several risks and uncertainties including financial risks. The Company's documented risk management policies act as an effective tool in mitigating the various financial risks to which the business is exposed to, in the course of their daily operations.

The risk management policies cover areas around all identified business risks including commodity price risk, foreign exchange risk etc., Risks are identified through a formal risk management programme with active involvement of senior management personnel and business managers. The Company has in place risk management processes in line with the Company's policy. Each significant risk has an owner, who coordinates the Risk Management Process.

The risk management framework aims to:

- Better understand our risk profile;
- Understand and better manage the uncertainties which impact our performance;
- Contribute to safeguarding Company value and interest of various stakeholders;
- Ensure that sound business opportunities are identified and pursued without exposing the business to an unacceptable level of risk, and
- Improve compliance with good corporate governance guidelines and practices as well as laws & regulations.
- Improve financial returns

Treasury management

The Company's treasury function provides services to the business, co-ordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Company through internal risk reports which analyse exposures by degree and magnitude of risks. These risks include market risk (including currency risk, fair value interest rate risk and price risk), credit risk, liquidity risk and cash flow interest rate risk.

Treasury management focuses on capital protection, liquidity maintenance and yield maximization. The treasury operates as per the delegation of authority from the Board. Day-to-day treasury operations are managed by Company's finance team. Long-term fund raising including strategic treasury initiatives are handled by a Treasury team. A monthly reporting system exists to inform senior management of investments, debt, currency and interest rate derivatives. The Company has a strong system of internal control which enables effective monitoring of adherence to Company's policies.

The Company uses derivative instruments to manage its foreign currency exposure. The Company does not acquire or issue derivative financial instruments for trading or speculative purposes. Treasury transactions are normally in the form of forward contracts and these are subject to the Company guidelines and policies.

Commodity price risk

The Company is affected by the price volatility of certain commodities. Its operating activities require the ongoing purchase and continuous. Due to the volatility of the price of the raw material (i.e. gold, silver etc.). The Company maintains a steady mix of domestic and international suppliers to cater to its requirement.

The commodity price for all the imported and domestic purchases are periodically reviewed and renegotiated depending upon the market situation.

Currency risk is hedged using forwards to mitigate currency risk and hence the price risk on commodities.

The activities are conducted within the approved delegation of authority and adhere to a strictly defined internal control and monitoring mechanism. Decisions relating to price changes of commodities etc. are discussed and approved by the appropriate authority, as per rules laid down in the delegation of authority.

Notes to Standalone Financial Statements for the year ended 31 March 2018

(All amount in lacs of Indian Rupees, except share data and as stated otherwise)

Commodity price sensitivity

	31 March 2018		31 March 2017	
	Change in year-end price	Effect on profit before tax	Change in year-end price	Effect on profit before tax
Gold	+5%	68.20	+5%	93.99
	-5%	(68.20)	-5%	(93.99)
Silver	+5%	192.13	+5%	220.66
	-5%	(192.13)	-5%	(220.66)

Financial risk

The Company's Board approved financial risk policies comprise liquidity, currency, interest rate and counterparty risk. The Company does not engage in speculative treasury activity but seeks to manage risk and optimise interest through proven financial instruments.

(a) Liquidity

The Company requires funds both for short-term operational needs as well as for long-term investment programmes mainly in growth projects. The Company generates sufficient cash flows from the current operations which together with the available cash and cash equivalents and short-term investments provide liquidity both in the short-term as well as in the long-term. The rating for the long term bank facilities have been upgraded by one notch up from CARE BBB+ to CARE A- which denotes adequate degree of safety regarding timely servicing of financial obligations . The rating for the short term bank facilities have been upgraded by one notch up from CARE A2 to CARE A2+ which denotes strong degree of safety regarding timely servicing of financial obligations.

The Company remains committed to maintaining a healthy liquidity, gearing ratio, deleveraging and strengthening balance sheet. The maturity profile of the Company's financial liabilities based on the remaining period from the date of balance sheet to the contractual maturity date is given in the table below. The figures reflect the contractual undiscounted cash obligation of the Company.

Financial liabilities	31 March 2018			
	<1 Year	1-3 Years	3 Years <	Total
Current Borrowings	6,657.82	-	-	6,657.82
Trade and other payables	2,800.57	-	0.51	2,801.08
Other financials liabilites	233.46	-	-	233.46
Total	9,691.85	-	0.51	9,692.36

Financial liabilities	31 March 2017			
	<1 Year	1-3 Years	3 Years <	Total
Current Borrowings	7,237.33	-	-	7,237.33
Trade and other payables	4,380.62	-	-	4,380.62
Other financials liabilites	238.04	-	0.50	238.54
Total	11,855.99	-	0.50	11,856.49

Financial liabilities	01 April 2016			
	<1 Year	1-3 Years	3 Years <	Total
Current Borrowings	9,342.41	-	-	9,342.41
Trade and other payables	5,179.65	-	-	5,179.65
Other financials liabilites	417.83	-	0.76	418.59
Total	14,939.89	-	0.76	14,940.65

Collateral

The Company has hypothecated its trade receivables, inventory, advances and other current assets in order to fulfil the collateral requirements for the financial facilities in place. There are no other significant terms and conditions associated with the use of collateral.

(b) Foreign exchange risk

The Company operates internationally and exposed to foreign exchange risk arising from various currency exposures, primarily with respect to US Dollar and GBP. The Company is subject to the risk that changes in foreign currency values impact the Company exports revenue and purchases from overseas suppliers in foreign currency and foreign currency denominated borrowings.

The Company uses forward exchange contracts to hedge the effects of movements in exchange rates on foreign currency denominated assets and liabilities. Exposures on foreign currency are managed through the Company's hedging policy, which is reviewed periodically to ensure that the results from fluctuating currency exchange rates are appropriately managed. The Company strives to achieve asset liability offset of foreign currency exposures and only the net position is hedged.

The exchange rate between Indian Rupee and foreign currencies has impact on results of the Company's operations. Consequently, the results of the Company's operations get affected as the Rupee appreciates/depreciates against these foreign currencies.

Notes to Standalone Financial Statements for the year ended 31 March 2018

(All amount in lacs of Indian Rupees, except share data and as stated otherwise)

	As at 31 March 2018		
	USD	GBP	EURO
Financial assets	37,435.05	3,153.13	4.20
Financial liabilities	7,161.65	29.85	7.32

	As at 31 March 2017		
	USD	GBP	EURO
Financial assets	40,328.05	2,181.15	23.54
Financial liabilities	9,333.60	0.93	7.77

	As at 01 April 2016		
	USD	GBP	EURO
Financial assets	37,505.42	1,884.41	13.43
Financial liabilities	11,652.89	-	0.50

Foreign currency sensitivity

The foreign exchange rate sensitivity is calculated by the aggregation of the net foreign exchange rate exposure with a simultaneous parallel foreign exchange rates shift in the currencies by 5% against the functional currency of the Company.

A 5% appreciation/depreciation of the respective foreign currencies with respect to the functional currency would result in net decrease/increase in the Company's profit or loss and equity for the fiscal year 2018, 2017 and 01 April 2016 by ₹1,669.68 lacs, ₹1,740.78 lacs and ₹1,470.62 lacs respectively.

(c) Interest rate risk

The Company is exposed to interest rate risk on short-term rate instruments. The borrowings of the Company are principally denominated in US dollars with floating rates of interest. The US dollar debt is of floating rates (linked to US dollar LIBOR). These exposures are reviewed by appropriate levels of management on a monthly basis.

The exposure of the Company's financial liabilities as at Balance sheet date to interest rate risk is as follows:

Particulars	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
Floating rate financial liabilities	6,657.82	7,237.33	9,342.41

The table below illustrates the impact of a 0.5% to 1.50% movement in interest rates on interest expense on loans and borrowings. The risk estimate provided assumes that the changes occur at the reporting date and has been calculated based on risk exposure outstanding as on date. The year end balances are not necessarily representative of the average debt outstanding during the year. This analysis also assumes that all other variables, in particular foreign currency rates, remain constant.

Movement in interest rate	As at 31 March 2018	As at 31 March 2017
0.50%	33.29	36.19
1%	66.58	72.37
1.50%	99.87	108.56

(d) Counterparty and concentration of credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company is exposed to credit risk from its operating activities (primarily trade receivables), deposits with banks, short-term investments, foreign exchange transactions and other financial assets. The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults.

Trade Receivable

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. In monitoring customer credit risk, customers are grouped according to their credit characteristics, including whether they are wholesale or end-user customer, their geographic location, trade history with the Company. An impairment analysis is performed quarterly on an individual basis for wholesale customers and collectively for large number of end-user customers. The calculation is based on historical experience/ current facts available in relation to default and delays in collection thereof.

Concentration of credit risk with respect to trade receivables are limited, due to the Company's customer base being large and diverse. The management historical experience of collecting receivables is that credit risk is low. Hence, trade receivables are considered to be a single class of financial assets. Refer note 11 for exposure to trade receviables and note 3 for accounting policy on Financial Instruments.

Financial assets other than trade receivables and derivative financial instruments

With regards to other financial assets with contractual cash flows other than trade receivable and derivative financial instruments, management believes these to be high quality assets with negligible credit risk. The management believes that the parties from which these financial assets are recoverable, have strong capacity to meet the obligations and where the risk of default is negligible and accordingly no provision for excepted credit loss has been provided on these financial assets. Defined limits are in place for exposure to individual counterparties in case of mutual funds schemes. The carrying

Notes to Standalone Financial Statements for the year ended 31 March 2018

(All amount in lacs of Indian Rupees, except share data and as stated otherwise)

value of other financial assets other than cash and bank represents the maximum credit exposure. The Company's maximum exposure to credit risk at 31 March 2018 is ₹15,111.63 lacs; 31 March 2017 is ₹16,915.93 lacs.

Derivative financial instruments

The Company uses derivative instruments as part of its management of exposure to fluctuations in foreign currency exchange rates and interest rates . The Company does not acquire or issue derivative financial instruments for trading or speculative purposes. Treasury derivative transactions are normally in the form of forward contracts and these are subject to the Company guidelines and policies.

All derivative financial instruments are recognized as assets or liabilities on the balance sheet and measured at fair value through statement of profit and loss, generally based on quotations obtained from bankers. The accounting for changes in the fair value of a derivative instrument depends on the intended use of the derivative and the resulting designation.

The limits, authorities and monitoring systems are periodically reviewed by management and the Board. The market risk on derivatives is mitigated by changes in the valuation of the underlying assets, liabilities or transactions, as derivatives are used only for risk management purposes.

Non-qualifying/economic hedge

The Company enters into derivative contracts which are not designated as hedges for accounting purposes, but provide an economic hedge of a particular transaction risk or a risk component of a transaction. Hedging instruments include forward contracts . Fair value changes on such derivative instruments are recognized in the statements of profit and loss.

The fair value of the Company's derivative positions recorded under derivative financial assets and derivative financial liabilities are as follows:

Derivative Financial Instrument	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
Current (Non - qualifying hedges)			
- Forward foreign currency contracts	58.28	-	-
Total	58.28	-	-

Particular of derivatives	Currency	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
Sale	USD	58.28	-	-

40. Related party transactions

A. **List of related parties :**

Subsidiaries (Direct and Step down)

S. No.	Name of the subsidiaries	Country of incorporation	Percentage holdings as at		
			31 March 2018	31 March 2017	01 April 2016
Direct subsidiaries					
1.	STS Gems Limited, Hong Kong	Hong Kong	100	100	100
2.	STS Gems Thai Limited, Thailand	Thailand	100	100	100
3.	Genoa Jewelers Limited, BVI	British Virgin Islands	100	100	100
4.	STS Gems Japan Limited	Japan	100	100	100
5.	STS Jewels Inc., USA	USA	100	100	100
Step down subsidiaries of direct subsidiaries					
6.	PT STS Bali	Indonesia	100	100	100
7.	The Jewelry Channel Inc., USA	USA	100	100	100
8.	The Jewellery Channel Ltd., United Kingdom	United Kingdom	100	100	100
9.	Jewel Gem USA Inc. *	USA	-	100	100

* Merged into The Jewelry Channel Inc., USA w.e.f. 28 February 2018.

Enterprises in which Key management personnels are interested :

1. VGL Softech Limited
2. Brett Plastic Pvt. Limited
3. Sony Mikes Holdings Limited

Key Management Personnel (KMP) :

1. Mr. Sunil Agrawal - Chairman & Managing Director
2. Mr. Shri Rahimullah - Whole time Director

Non-Executive & Non-Independent Directors

1. Mr. Nirmal Kumar Bardiya
2. Mrs. Sheela Agarwal
3. Mr. Pulak Chandan Prasad

Non-Executive & Independent Directors

1. Mr. Purushottam Agarwal
2. Mr. James Patrick Clarke
3. Mr. Harsh Bahadur
4. Mr. Sunil Goyal
5. Mr. Santiago Roces Moran

Notes to Standalone Financial Statements for the year ended 31 March 2018

(All amount in lacs of Indian Rupees, except share data and as stated otherwise)

Relatives of Key Management Personnel

1. Mrs. Deepti Agrawal
2. Mr. Ghanshyam Agarwal
3. Smt. Sheela Agarwal
4. Mr. Hursh Agrawal
5. Master Neil Agrawal
6. Mr. Sanjeev Agrawal
7. Mrs. Fatima Be
8. Mrs. Batool Begum
9. Mr. Arifullah
10. Mr. Inamullah
11. Mr. Imranullah
12. Mr. Rizwanullah
13. Mr. Asifullah
14. Mrs. Amrin
15. Mr. Ikramullah
16. Mrs. Renu Raniwala

B. Details of Related Party Transactions :

Type of transaction	Subsidiaries / Step down subsidiaries									Total
	TJC UK	TJC USA	Genoa Jewellers Limited	Jewel Gem USA Inc.*	STS Jewels Inc. USA	STS Gems Japan Limited	STS Gems Limited, Hong Kong	PT STS Bali	STS Gems Thai Limited	
Transactions during the year ending 31 March 2018:										
Sale of goods	7,183.28	8,245.74	-	15,003.04	5,899.48	-	2,307.06	-	102.70	38,741.30
Puchase of goods	111.67	88.71	-	-	3,489.83	-	1,909.04	-	1,377.85	6,977.10
Expenses reimbursement	560.76	787.66	-	-	43.15	-	28.50	8.20	12.03	1,440.30
Purchase of fixed assets	-	-	-	-	4.10	-	-	-	-	4.10
Interest Income	-	-	-	-	-	-	-	-	28.33	28.33

Type of transaction	Subsidiaries / Step down subsidiaries									Total
	TJC UK	TJC USA	Genoa Jewellers Limited	Jewel Gem USA Inc.*	STS Jewels Inc. USA	STS Gems Japan Limited	STS Gems Limited, Hong Kong	PT STS Bali	STS Gems Thai Limited	
Transactions during the year ending 31 March 2017:										
Sale of goods	6,455.10	12,709.57	-	10,476.85	7,476.78	-	2,568.44	-	138.57	39,825.31
Puchase of goods	159.18	95.64	-	-	2,249.23	-	2,605.75	18.58	1,257.50	6,385.88
Expenses reimbursement	329.46	333.85	-	-	20.12	-	(7.81)	5.61	7.49	688.72
Purchase of fixed assets	-	0.95	-	-	4.49	-	-	-	-	5.44
Interest Income	-	-	-	-	-	-	-	-	54.16	54.16

Type of transaction	Subsidiaries / Step down subsidiaries									Total
	TJC UK	TJC USA	Genoa Jewellers Limited	Jewel Gem USA Inc.*	STS Jewels Inc. USA	STS Gems Japan Limited	STS Gems Limited, Hong Kong	PT STS Bali	STS Gems Thai Limited	
Balances as at year end 31 March 2018:										
Amount receivable	3,393.06	1,693.81	-	-	2,672.31	-	1,425.37	23.35	74.01	9,281.91
Amount payable	29.85	31.46	-	-	143.24	-	-	-	21.19	225.74
Interest receivable	-	-	-	-	-	-	-	-	0.37	0.37
Loan receivable	-	-	-	-	-	-	-	-	1,630.33	1,630.33
Investment	-	-	22,841.49	-	19,950.80	199.18	1,575.00	-	11,125.99	55,692.46

Type of transaction	Subsidiaries / Step down subsidiaries									Total
	TJC UK	TJC USA	Genoa Jewellers Limited	Jewel Gem USA Inc.*	STS Jewels Inc. USA	STS Gems Japan Limited	STS Gems Limited, Hong Kong	PT STS Bali	STS Gems Thai Limited	
Balances as at year end 31 March 2017:										
Amount receivable	2,362.98	870.57	-	5,144.88	2,477.60	-	1,241.09	16.94	99.22	12,213.28
Amount payable	-	91.55	-	-	98.46	-	600.65	-	85.85	876.51
Interest receivable	-	-	-	-	-	-	-	-	27.28	27.28
Loan receivable	-	-	-	-	-	-	-	-	1,625.18	1,625.18
Investment	-	-	22,841.49	-	19,950.80	199.18	1,575.00	-	11,125.99	55,692.46
Guarantee	1,217.49	-	-	-	-	-	-	-	-	1,217.49

Notes to Standalone Financial Statements for the year ended 31 March 2018

(All amount in lacs of Indian Rupees, except share data and as stated otherwise)

Type of transaction	Subsidiaries / Step down subsidiaries									Total
	TJC UK	TJC USA	Genoa Jewellers Limited	Jewel Gem USA Inc.*	STS Jewels Inc. USA	STS Gems Japan Limited	STS Gems Limited, Hong Kong	PT STS Bali	STS Gems Thai Limited	
Balances as at year end 01 April 2016:										
Amount receivable	2,046.42	5,022.96	-	1,016.60	2,009.49	-	307.36	11.33	72.13	10,486.29
Amount payable	-	0.33	-	-	550.11	-	983.33	-	34.47	1,568.24
Interest receivable	-	-	9.45	-	-	-	-	-	44.38	53.83
Loan receivable	-	-	-	-	-	-	-	-	1,662.63	1,662.63
Investment	-	-	22,841.49	-	19,950.80	199.18	1,575.00	-	11,125.99	55,692.46
Guarantee	3,066.59	-	-	-	-	-	-	-	-	3,066.59

* Merged into The Jewelry Channel Inc., USA w.e.f. 28 February 2018.

C. Details of Related Party Transactions :

Type of transaction	Key Managerial Persons			Enetrprises over which significant influence exercised by Key Managerial Persons	
	Mr. Rahimullah	Others	Total	VGL Softech Limited	Total
Transaction during the year ending :					
Remuneration					
- 31 March 2018	42.00	-	42.00	-	-
- 31 March 2017	42.00	-	42.00	-	-
Directors commission/sitting fees					
- 31 March 2018		84.64	84.64	-	-
- 31 March 2017	-	89.27	89.27	-	-
Balance as at year end :					
Investment					
- 31 March 2018	-	-	-	52.07	52.07
- 31 March 2017	-	-	-	52.07	52.07
- 01 April 2016	-	-	-	52.07	52.07

41. Share-based payments

a.) VGL ESOP (As Amended) - 2006

Under the VGL ESOP (As Amended) - 2006 (herein referred as 'Plan'), the Compensation Committee decides upon the employees who qualify under the Plan and the no. of options to be issued to such employees. The exercise price of the share options shall be the market price which would be the latest available closing price of the shares on the stock exchange, which records the highest trading volume of the Company's shares on the date prior to date of meeting of the Compensation committee at which the options are granted. Out of stock option granted, 20% stock option will vest at the end of one year from the date of grant, 30% at the end of the second year and balance 50% at the end of third year. The Company has constituted "Vaibhav Global Employee Stock Option Welfare Trust" to administer & implement various VGL ESOP schemes. The fair value of the share options is estimated at the grant date using a Black-Scholes pricing model, taking into account the terms and conditions upon which the share options were granted. However, the above performance condition is only considered in determining the number of instruments that will ultimately vest. The exercise period for all the options under various tranches is 7 years from the date of vesting.

b.) Reconciliation of outstanding share options:-

The following table illustrates the number and weighted average exercise prices (WAEP) of, and movements in, share options during the year:

	31 March 2018		31 March 2017	
	Number	WAEP	Number	WAEP
Outstanding at beginning of the year	9,97,181	442.17	5,98,925	557.87
Granted during the year	3,40,649	546.14	5,45,178	308.94
Forfeited during the year	(86,754)	496.79	(1,11,165)	538.12
Exercised during the year *	(49,576)	271.96	(35,757)	50.59
Outstanding at the end of the year	**12,01,500**	**474.73**	**9,97,181**	**442.17**
Exercisable at 31 March	4,68,867	563.82	2,60,897	523.39

* The weighted average share price at the date of exercise of these options was ₹638.58 (Previous Year: ₹304.87)

Notes to Standalone Financial Statements for the year ended 31 March 2018

(All amount in lacs of Indian Rupees, except share data and as stated otherwise)

The weighted average remaining contractual life for the share options outstanding as at 31 March 2018 was 7.99 years (31 March 2017: 8.45 years, 31 March 2016: 8.18 years)

The weighted average fair value of options granted during the year was ₹294.62 (31 March 2017: ₹174.89).

The range of exercise prices for options outstanding at the end of the year was ₹45.30 to ₹773.20 (31 March 2017: ₹26.75 to ₹752.60, 31 March 2016: ₹26.75 to ₹752.60)

The following tables list the inputs to the models used for the three plans for the years ended 31 March 2018 and 31 March 2017, respectively:

Series	31 March 2018			31 March 2017		
	R	S	T	O	P	Q
Stock price of option as on grant date	544.15	633.55	773.20	284.45	311.55	307.35
Exercise price of option	544.15	633.55	773.20	284.45	311.55	307.35
Risk free rate	6.46% to 6.50%	6.82% to 6.91%	6.82% to 6.91%	7.41% to 7.46%	6.68% to 6.70%	6.52% to 6.57%
Volatility	44.39% to 49.28%	44.42% to 49.10%	44.39% to 48.41%	49.94% to 55.35%	48.55% to 52.24%	48.55% to 52.24%

c.) **The expense recognised for employee services received during the year is shown in the following table:**

	31 March 2018	31 March 2017
Expense arising from equity-settled share-based payment transactions	159.22	101.51
Total expense arising from share-based payment transactions	**159.22**	**101.51**

There were no cancellations or modifications to the awards in 31 March 2018 or 31 March 2017.

d.) **A summary of movement of treasury shares is as follows:**

	Number of shares	Amount
Opening balance as on 01 April 2016	16,074	1.61
Add: Shares allocated by Company	30,486	3.05
Less: Shares exercised by employee	(35,757)	(3.58)
Closing balance as on 31 March 2017	**10,803**	**1.08**
Add: Shares allocated by Company	45,236	4.52
Less: Shares exercised by employee	(49,576)	(4.96)
Closing balance as on 31 March 2018	**6,463**	**0.65**

42. Income tax expenses

A. **Amount recognized in Statement of profit or loss**

	For the Year ended 31 March 2018	For the Year ended 31 March 2017
Current tax	777.90	688.00
Adjustment of tax relating to earlier periods	(11.17)	(160.40)
Total current tax (A)	**766.73**	**527.60**
Deferred tax		
Attributable to:		
Original and reversal of temporary differences	(213.29)	54.46
Total deferred tax (B)	**(213.29)**	**54.46**
Total expenses tax (A+B)	**553.44**	**582.06**

B. **Income tax charged to other comprehensive income**

	For the Year ended 31 March 2018	For the Year ended 31 March 2017
Remeasurement of the net defined benefit liability	(1.78)	2.07

Notes to Standalone Financial Statements for the year ended 31 March 2018

(All amount in lacs of Indian Rupees, except share data and as stated otherwise)

C. Reconciliation of effective tax rate

	For the Year ended 31 March 2018		For the Year ended 31 March 2017	
	%	Amount	%	Amount
Profit before tax		3,632.73		2,814.29
Tax expense as per statutory income tax rate	34.61%	1,257.21	34.61%	973.97
Net tax impact on deduction/ disallowances/ taxable income as per Income Tax Act 1961	0.05%	1.81	1.32%	37.02
Net of timing difference reversed within tax exemption period and prior period deferred taxation	1.38%	50.05	4.10%	115.37
Less: Exempted tax as per provisions for section 10AA of income tax exemption	-20.49%	(744.46)	-13.64%	(383.90)
Adjustment of tax relating to earlier periods	-0.31%	(11.17)	-5.70%	(160.40)
Income tax reported in statement of profit and loss and effective tax rate	15.24%	553.44	20.68%	582.06

D. MAT credit entitlement

	For the Year ended 31 March 2018	For the Year ended 31 March 2017
Opening balance	-	-
Add:		
MAT credit entitlement / (reversal) for earlier years	-	-
MAT credit entitlement / (reversal) for current year	303.77	-
Closing balance	**303.77**	-

E. Recognised deferred tax assets/ (liabilities)

Deferred tax assets/ (liabilities) are attributable to the following:

	For the Year ended 31 March 2018	For the Year ended 31 March 2017	For the Year ended 01 April 2016
Property, plant and equipment	(87.17)	4.66	(35.95)
Provision-employee benefits	123.56	138.78	116.18
Other items	1.82	(13.30)	104.27
MAT credit entitlement	303.77	-	-
	341.98	**130.14**	**184.50**

Movement in temporary differences

	Property, plant and equipment	Provision-employee benefits	Other items	MAT credit entitlement	Total
Balance at 01 April 2016	(35.95)	116.18	104.27	-	184.50
Recognised in profit and loss during 2016-17	40.61	22.60	(117.57)	-	(54.36)
Recognised in OCI during 2016-17	-	-	0.00	-	0.02
MAT credit entitlement during 2016-17	-	-	-	-	-
Balance as at 31 March 2017	**4.66**	**138.78**	**(13.30)**	-	**130.14**
Recognised in profit and loss during 2017-18	(91.83)	(15.22)	15.12	-	(91.93)
Recognised in OCI during 2017-18	-	-	(0.00)	-	(0.00)
MAT credit entitlement during 2017-18	-	-	-	303.77	303.77
Balance as at 31 March 2018	**(87.17)**	**123.56**	**1.82**	**303.77**	**341.98**

43. Explanation of transition to Ind AS

As stated in note 2(a) these are the first financial statements prepared in accordance with Ind AS. For the year ended 31 March 2017, the Company had prepared its financial statements in accordance with Companies (Accounting Standards) Rules, 2006, notified under Section 133 of the Act and other relevant provisions of the Act ('previous GAAP').

The accounting policies set out in note 2 have been applied in preparing these financial statements for the year ended 31 March 2016 including the comparative information for the year ended 31 March 2017 and the opening Ind AS balance sheet on the date of transition i.e. 01 April 2016.

In preparing its opening Ind AS balance sheet as at 01 April 2016 and in presenting the comparative information for the year ended 31 March 2017, the Company has adjusted amounts reported previously in financial statements prepared in accordance with previous GAAP. This note explains the principal

Notes to Standalone Financial Statements for the year ended 31 March 2018

(All amount in lacs of Indian Rupees, except share data and as stated otherwise)

adjustments made by the Company in restating its financial statements prepared in accordance with previous GAAP, and how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows.

Optional exemptions availed and mandatory exceptions

In preparing the financial statements, the Company has applied the below mentioned optional exemption and mandatory exemptions.

A. Optional exemptions availed

1. Business combinations

Ind AS 103 Business Combinations has not been applied to acquisitions of subsidiaries, which are considered businesses under Ind AS that occurred before 01 April 2016. Use of this exemption means that the Indian GAAP carrying amounts of assets and liabilities, that are required to be recognised under Ind AS, is their deemed cost at the date of the acquisition. After the date of the acquisition, measurement is in accordance with respective Ind AS. The Company recognises all assets acquired and liabilities assumed in a past business combination. Assets and liabilities that do not qualify for recognition under Ind AS are excluded from the opening Ind AS balance sheet. The Company did not recognise or exclude any previously recognised amounts as a result of Ind AS recognition requirements.

The Company has not applied Ind AS 21 The Effects of Changes in Foreign Exchange Rates, retrospectively to fair value adjustments that occurred before the date of transition to Ind AS. Such fair value adjustments are treated as assets and liabilities of the parent rather than as assets and liabilities of the acquiree. Therefore, those assets and liabilities are already expressed in the functional currency of the parent or are non-monetary foreign currency items and no further translation differences occur.

2. Property plant and equipment and intangible assets

As per Ind AS 101 an entity may elect to use carrying values of property, plant and equipment and intangible assets as on the date of transition to Ind AS (which are measured in accordance with previous GAAP and after making adjustments relating to decommissioning liabilities prescribed under Ind AS 101) if there has been no change in its functional currency on the date of transition.

As permitted by Ind AS 101, the Company has elected to continue with the carrying values under previous GAAP for all the items of property, plant and equipment. The same election has been made in respect of intangible assets also. The carrying values of property, plant and equipment as aforesaid are after making adjustments relating to decommissioning liabilities, if any.

3. Cumulative translation differences

As per Ind AS 101, an entity may deem that the cumulative translation differences for all foreign operations to be zero as at the date of transition by transferring any such cumulative differences to retained earnings.

The Company has elected to avail of the above exemption.

4. Determining whether an arrangement contains a lease

Ind AS 101 includes an optional exemption that permits an entity to apply the relevant requirements in Appendix C of Ind AS 17 for determining whether an arrangement existing at the date of transition contains a lease by considering the facts and circumstances existing at the date of transition (rather than at the inception of the arrangement).

The Company has elected to avail of the above exemption.

5. Designation of previously recognised financial instruments

Ind AS 101 permits an entity to designate particular investments (other than equity investments in subsidiaries) as at fair value through profit and loss (FVTPL). Accordingly Company have recognised certain investments as FVTPL on the date of transition.

B. Mandatory exceptions applied

The following mandatory exceptions have been applied in accordance with Ind AS 101 in preparing the financial statements:

1. Estimates

The Company's estimates in accordance with Ind AS at the transition date to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error. Ind AS estimates as at 01 April 2016 and at 31 March 2017 are consistent with the estimates as at the same date made in conformity with previous GAAP.

As per Ind AS 101, where application of Ind AS, requires an entity to make certain estimates that were not required under previous GAAP, those estimates should be made to reflect conditions that existed at the date of transition (for preparing opening Ind AS balance sheet) or at the end of the comparative period (for presenting comparative information as per Ind AS).

The Company's estimates under Ind AS are consistent with the above requirement. Key estimates considered in preparation of the financial statements that were not required under the previous GAAP are listed below:

- Fair value of financial instrument carried at FVTPL.
- Determination of the discounted value for financial instruments carried at amortized cost.

2. Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification of financial assets on the basis of the facts and circumstances existing as on the date of transition. Further the standard permits measurement of financial assets accounted at amortized cost based on facts and circumstances existing at

Notes to Standalone Financial Statements for the year ended 31 March 2018

(All amount in lacs of Indian Rupees, except share data and as stated otherwise)

the date of transition if retrospective application is impracticable.

Accordingly the Company has determined the classification of financial assets based on the facts and circumstances that exist on the date of transition. Measurement of the financial assets accounted at amortized cost has been done retrospectively except where the same is impracticable.

Reconciliations:

The following reconciliations provide a quantification of the effect of the transition to Ind AS from

Previous GAAP in accordance with Ind AS 101:

- Equity as at 01 April 2016 (Transition date)
- Equity as at 31 March 2017
- Total comprehensive income for the period ended 31 March 2017

Reconciliation of equity as at 31 March 2017

	Note No.	Previous GAAP *	Adjustments on transition to Ind AS	Ind AS
Assets				
Non-current assets				
Property, plant and equipment		4,096.33	-	4,096.33
Intangible assets		141.79	-	141.79
Financial assets		-		
Investments		29,256.31	-	29,256.31
Other financial assets		241.25	-	241.25
Deferred tax assets (net)	v	130.48	(0.34)	130.14
Other non-current asset		398.61	-	398.61
Total non-current assets		**34,264.77**	**(0.34)**	**34,264.43**
Current assets				
Inventories		9,727.41	-	9,727.41
Financial assets				
Investments	i	420.00	0.97	420.97
Trade receivables	ii	14,023.05	784.55	14,807.60
Cash and cash equivalents **		1,341.65	-	1,341.65
Bank balances other than cash and cash equivalents		0.50	-	0.50
Loans		1,654.11	-	1,654.11
Other financial assets		33.27	-	33.27
Other current assets		843.48	-	843.48
Total current assets		**28,043.47**	**785.52**	**28,828.99**
Total assets		**62,308.24**	**785.18**	**63,093.42**
Equity and liabilities				
Equity				
Equity share capital		3,253.48	-	3,253.48
Other equity **	vi	46,702.33	785.19	47,487.52
Total equity		**49,955.81**	**785.19**	**50,741.00**
Non-current liabilites				
Provisions		274.46	-	274.46
Total non-current liabilities		**274.46**	**-**	**274.46**
Current liabilites				
Financial liabilities				
Borrowings		7,237.33	-	7,237.33
Trade payables				
- Dues of micro enterprises and small enterprises		-	-	-
- Other trade payables		4,380.62	-	4,380.62
Other financial liabilities		238.54	-	238.54
Other current liabilities		94.92	-	94.92
Provisions		126.55	-	126.55
Total current liabilities		**12,077.96**	**-**	**12,077.96**
Total liabilities		**12,352.42**	**-**	**12,352.42**
Total equity and liabilities		**62,308.23**	**785.19**	**63,093.42**

* The previous GAAP figures have been reclassified to conform to Ind AS presentation required for this note

** The previous year number as per the GAAP has been changed on account of the merger of the Vaibhav Global Employee Stock Option Welfare Trust in the standalone finanacials and has impact on below mentioned heads:

Notes to Standalone Financial Statements for the year ended 31 March 2018

(All amount in lacs of Indian Rupees, except share data and as stated otherwise)

Particulars	Amount
Cash and cash equivalents	1.50
Share application money pending allotment	1.50

Reconciliation of equity as at the date of transition 1 April 2016

	Note No.	Previous GAAP *	Adjustments on transition to Ind AS	Ind AS
Assets				
Non-current assets				
Property, plant and equipment		4,091.52	-	4,091.52
Capital work-in-progress		282.06	-	282.06
Intangible assets		71.27	-	71.27
Financial assets				
Investments		29,256.31	-	29,256.31
Other financial assets		216.93	-	216.93
Deferred tax assets (net)	v	184.60	(0.10)	184.50
Other non-current asset		386.40	-	386.40
Total non-current assets		**34,489.09**	**(0.10)**	**34,488.99**
Current assets				
Inventories		13,300.93	-	13,300.93
Financial assets				-
Investments	i	75.00	0.28	75.28
Trade receivables	ii	12,196.71	597.17	12,793.88
Cash and cash equivalents **		751.44	-	751.44
Bank balances other than cash and cash equivalents		7.78	-	7.78
Loans		1,690.94		1,690.94
Other financial assets		61.49	-	61.49
Other current assets	iii	729.70	-	729.70
Total current assets		**28,813.99**	**597.45**	**29,411.44**
Total assets		**63,303.09**	**597.35**	**63,900.43**
Equity and liabilities				
Equity				
Equity share capital		3,249.91	-	3,249.91
Other equity **	vi	44,360.10	597.36	44,957.46
Total equity		**47,610.01**	**597.36**	**48,207.37**
Non-current liabilites				
Provisons		229.71	-	229.71
Total non-current liabilities		**229.71**	**-**	**229.71**
Current liabilites				
Financial liabilities				
Borrowings		9,342.41	-	9,342.41
Trade payables				
- Dues of micro enterprises and small enterprises		-	-	-
- Other trade payables		5,179.65	-	5,179.65
Other financial liabilities		418.59	-	418.59
Other current liabilities		117.53	-	117.53
Provisions		106.01		106.01
Current tax liablity (net)		299.16		299.16
Total current liabilities		**15,463.35**	**-**	**15,463.35**
Total liabilities		**15,693.06**	**-**	**15,693.06**
Total equity and liabilities		**63,303.07**	**597.36**	**63,900.43**

* The previous GAAP figures have been reclassified to conform to Ind AS presentation required for this note

** The previous year number as per the GAAP has been changed on account of the merger of the Vaibhav Global Employee Stock Option Welfare Trust in the standalone finanacials and has impact on below mentioned heads:

Notes to Standalone Financial Statements for the year ended 31 March 2018

(All amount in lacs of Indian Rupees, except share data and as stated otherwise)

Particulars	Amount
Cash and cash equivalents	0.89
Share application money pending allotment	0.89

Reconciliation of total comprehensive income for the year ended 31 March 2017

	Note No.	Previous GAAP *	Adjustments on transition to Ind AS	Ind AS
Revenue from operations		48,221.41	(37.46)	48,183.95
Other income	iii	281.99	0.97	282.96
Total income		**48,503.40**	**(36.49)**	**48,466.91**
Expenses				
Cost of materials consumed		31,018.68	-	31,018.68
Purchase of Stock-in-trade		1,188.01	-	1,188.01
Changes in inventories		1,122.17	-	1,122.17
Employee benefits expense	ii	3,735.14	95.51	3,830.65
Finance costs		483.24	-	483.24
Depreciation and amortization expenses		833.82	-	833.82
Other expenses		7,176.05	-	7,176.05
Total Expenses		**45,557.11**	**95.51**	**45,652.62**
Profit / (loss) before exceptional items and tax		**2,946.29**	**(132.00)**	**2,814.29**
Exceptional items		-	-	-
Profit / (loss) before tax		**2,946.29**	**(132.00)**	**2,814.29**
Tax expense				
Current tax		688.00	-	688.00
Adjustment of tax relating to earlier periods		(160.40)		(160.40)
Deferred tax credit	v	54.12	0.34	54.46
Total tax expenses		**581.72**	**0.34**	**582.06**
Profit / (loss) for the year		**2,364.56**	**(132.35)**	**2,232.23**
Other comprehensive income (OCI)				
A (i) Items that will not be reclassified to profit / (loss)	vii	-	(5.99)	(5.99)
(ii) Income tax relating to items that will not be reclassified to profit or loss	v	-	2.07	2.07
B (i) Items that will be reclassified to profit / (loss)		-	-	-
(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-	-
Other comprehensive income for the year, net of tax		-	**(3.92)**	**(3.92)**
Total comprehensive income / (expense) for the year		**2,364.56**	**(136.27)**	**2,228.31**

* The previous GAAP figures have been reclassified to conform to Ind AS presentation required for this note

Notes to the reconciliation

i. **Fair valuation of investments**

In accordance with Ind AS, financial assets representing investment in equity shares of entities other than subsidiaries, have been fair valued. The Company has designated certain investments classified as fair value through profit or loss as permitted by Ind AS 109. Under the previous GAAP, the application of the relevant accounting standard resulted in investments being carried at cost.

The impact arising from the change is summarised as follows:

Statement of profit and loss	Year ended 31 March 2017
Profit or loss:Other income – Financial asset at fair value through profit or loss - net change in fair value	0.97
Adjustment before income tax	**0.97**

Notes to Standalone Financial Statements for the year ended 31 March 2018

(All amount in lacs of Indian Rupees, except share data and as stated otherwise)

Balance sheet	As at 01 April 2016	As at 31 March 2017
Investments - financial assets at FVTPL	0.28	0.97
Related tax effect	(0.10)	(0.33)
Adjustment to retained earnings	**0.18**	**0.64**

ii. **Share-based payments measurement**

Under Indian GAAP, the Company recognised only the intrinsic value for the share-based payments plan as an expense. Ind AS requires the fair value of the share options to be determined using an appropriate pricing model recognised over the vesting period. In respect of the share-based payments granted to employees of group companies, Company recharge such amount from the respective group companies.

The impact arising from the change is summarised as follows:

Statement of profit and loss	Year ended 31 March 2017
Employee benefits expense	101.51
Adjustment before income tax	**101.51**

Balance sheet	As at 01 April 2016	As at 31 March 2017
Shared based payment reserve	870.55	1,150.35
Securities premium	123.20	132.28
Financial assets – others:		
Receivable from group companies	(597.17)	(784.55)
Adjustment to retained earnings	**396.58**	**498.08**

iii. **Cumulative translation reserves**

In accordance with Ind AS 101, the Company has elected to deem all foreign currency translation differences that arose prior to the date of transition in respect of all foreign operations to be nil at the date of transition.

The impact arising from the change is summarised as follows:

Statement of profit and loss	Year ended 31 March 2017
Foreign currency translation reserve	37.45
Adjustment before income tax	**37.45**

Balance sheet	As at 01 April 2016	As at 31 March 2017
Exchange differences on translating the financial statements of foreign operations	3,430.22	3,392.77
Related tax effect	-	-
Adjustment to retained earnings	**3,430.22**	**3,392.77**

iv. **Remeasurement of defined benefit liability (asset)**

Under Ind AS, remeasurement of defined benefit liability (asset) are recognised in other comprehensive income. Under previous GAAP the Company recognized such remeasurements in profit or loss. However, this has no impact on the total comprehensive income and total equity as on 01 April 2016 or as on 31 March 2017.

v. **Income-tax- deferred tax charge**

The changes is on account of fair value of investmentresulted in increase in deferred tax liability recognised on a tax rate of 34.61 percent:

	Note	As at 01 April 2016	As at 31 March 2017
Increase in deferred tax liability	i	0.10	0.34

Notes to Standalone Financial Statements for the year ended 31 March 2018

(All amount in lacs of Indian Rupees, except share data and as stated otherwise)

vi. Retained earnings

The above changes (decreased) / increased total equity as follows:

	Note	As at 01 April 2016	As at 31 March 2017
Fair valuation of investments	i	0.28	0.97
Share-based payments measurement	ii	(396.58)	(498.08)
Cumulative translation reserves	iii	3,430.22	3,392.77
Tax effects on above adjustments	v	(0.10)	(0.34)
Movement in total equity		3,033.82	2,895.32

vii. Other comprehensive income

Under Indian GAAP, the Company has not presented other comprehensive income (OCI) separately. Hence, it has reconciled Indian GAAP profit or loss to profit or profit or loss as per Ind AS. Further, Indian GAAP profit or loss is reconciled to total comprehensive income as per Ind AS.

viii. Statement of cash flows

The transition from Indian GAAP to Ind AS has not had a material impact on the statement of cash flows.

As per our attached report of even date

For **B S R & Co. LLP**
Chartered Accountants
ICAI Firm Registration No.: 101248W/W-100022

Rajiv Goyal
Partner
Membership No. : 094549
Place: Jaipur
Date: 23 May 2018

For and on behalf of the Board of Directors of
Vaibhav Global Limited

Sunil Agrawal
Chairman & Managing Director
DIN Number: 00061142
Place: Jaipur
Date: 23 May 2018

Rahimullah
Whole Time Director
DIN Number: 00043791
Place: Jaipur
Date: 23 May 2018

Puru Aggarwal
Group CFO
Place: Jaipur
Date: 23 May 2018

Sushil Sharma
Company Secretary
ICSI Membership No: F6535
Place: Jaipur
Date: 23 May 2018

Consolidated Financial Statements

Independent Auditors' Report

To the Members of
Vaibhav Global Limited

Report on the Audit of Consolidated Ind AS Financial Statements

We have audited the accompanying consolidated Ind AS financial statements of Vaibhav Global Limited ("the Holding Company") and its subsidiaries (collectively referred to as "the Group"), which comprise the Consolidated Balance Sheet as at 31 March 2018, the Consolidated Statement of Profit and Loss, Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flow, for the year then ended, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated Ind AS 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 state of affairs, consolidated profit (including other comprehensive income), consolidated statement of changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. 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 the 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 consolidated 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.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's 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 the 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 the accounting policies used and the reasonableness of the accounting estimates made, as well as evaluating the overall presentation of the consolidated financial statements.

We are also responsible to conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause Group to cease to continue as a going concern.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph 2 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 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 31 March 2018, and their consolidated profit (including other comprehensive income), consolidated statement of changes in equity and consolidated cash flows for the year ended on that date.

Other Matters

1. The comparative financial information of the Group for the year ended 31 March 2017 and the transition date opening balance sheet as at 1 April 2016 included in these consolidated financial statements, are based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by the predecessor auditor whose report for the year ended 31March 2017 and 31 March 2016 dated 15 May 2017 and 19 May 2016 respectively expressed an unmodified opinion on those consolidated financial statements, as adjusted for the differences in the accounting principles adopted by the Group on transition to the Ind AS, which have been audited by us.

2. We did not audit the financial statements of 4 subsidiaries, whose financial statements reflect total assets of ₹13,652.65 lacs (₹7,948.56 lacs, net of elimination on consolidation) and net assets of ₹4,847.45 lacs (₹ 5,919.82, net of elimination on consolidation) as at 31 March 2018, total revenues of ₹27,515.29 lacs (₹2,817.04 lacs, net

of elimination on consolidation) and net cash inflows amounting to ₹1,126.55 lacs 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, insofar as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors. 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 Holding 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 Holding Company and audited by us.

Our opinion above on the consolidated financial statements, and our report on 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

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements of subsidiaries, as noted in the 'other matter' paragraph, 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 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, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity 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 Indian Accounting Standards specified under section 133 of the Act.

   e) On the basis of the written representations received from the directors of the Holding Company as on 31March 2018 taken on record by the Board of Directors of the Holding Company, none of the directors of the Holding Company, is disqualified as on 31March 2018 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 with reference to financial statements of the Holding Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

   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 Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries, as noted in the 'Other matter' paragraph:

      i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group. Refer note 35 (b) to the consolidated financial statements.

      ii. Provision has been made in the consolidated financial statements, as required under the applicable law or Ind AS, for material foreseeable losses, on long-term contracts including derivative contracts. Refer note 42 to the consolidated financial statements in respect of such items as it relates to the Group.

      iii. There has been no delay in transferring amounts to the Investor Education and Protection Fund by the Holding Company for the year ended 31 March 2018.

      iv. The disclosures in the consolidated financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made since they do not pertain to the financial year ended 31 March 2018.

For B S R & Co. LLP
Chartered Accountants
ICAI Firm Registration No.: 101248W/W-100022

Rajiv Goyal
Partner
Membership No. 094549

Place: Jaipur
Date: 23 May 2018

Annexure A to the Independent Auditor's Report

Referred to in Independent Auditors' Report to the Members of Vaibhav Global Limited on the Consolidated Ind AS Financial Statements for the year ended 31 March 2018

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

In conjunction with our audit of the consolidated Ind AS financial statements of the Group as of and for the year ended 31 March 2018, we have audited the internal financial controls over financial reporting of the Holding Company, which is incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the of the Holding company which is incorporated in India, are 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 the respective 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 Act.

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, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, and 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 financialreporting 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 judgment, 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 authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized 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.

Opinion

In our opinion, the Holding Company which is incorporated in India have, 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, 2018, 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 S R & Co. LLP
Chartered Accountants
ICAI Firm Registration No.: 101248W/W-100022

Rajiv Goyal
Partner
Membership No. 094549

Place: Jaipur
Date: 23 May 2018

Consolidated Balance Sheet as at 31 March 2018

(All amount in lacs of Indian Rupees, except share data and as stated otherwise)

Particulars	Notes No.	31 March 2018	31 March 2017	01 April 2016
ASSETS				
Non-current assets				
Property, plant and equipment	4.	7,096.08	7,317.65	6,326.12
Capital work-in-progress	4.	-	-	282.06
Goodwill	5.	2,868.32	2,868.32	2,868.32
Other intangible assets	5.	2,010.54	2,433.01	3,385.40
Financial assets				
Investments	6.	0.30	41.46	287.99
Others	8.	821.72	719.29	973.50
Deferred tax assets (net)	28.	3,141.22	2,298.26	2,109.82
Other non-current assets	9.	472.70	995.57	1,149.14
Total non-current assets		**16,410.88**	**16,673.56**	**17,382.35**
Current assets				
Inventories	10.	35,158.52	30,361.75	30,472.60
Financial assets				
Investments	6.	1,150.85	420.97	75.28
Trade receivables	11.	12,901.05	9,603.06	6,612.43
Cash and cash equivalents	12(a).	6,655.91	7,245.54	5,377.20
Bank balances other than above	12(b).	91.70	218.93	187.55
Loans	7.	88.89	61.96	59.52
Others	8.	34.47	66.10	58.01
Other current assets	13.	3,790.57	2,944.11	3,829.88
Total current assets		**59,871.96**	**50,922.42**	**46,672.47**
Total Assets		**76,282.84**	**67,595.98**	**64,054.82**
EQUITY AND LIABILTIES				
Equity				
Equity share capital	14(a)	3,258.44	3,253.48	3,249.91
Other equity	14(b)	51,756.82	40,185.69	34,618.64
Total equity		**55,015.26**	**43,439.17**	**37,868.55**
Liabilities				
Non-current liabilities				
Financial liabilities				
Borrowings	15.	-	-	213.68
Provisions	17.	374.63	435.85	413.54
Total non-current liabilities		**374.63**	**435.85**	**627.22**
Current liabilities				
Financial liabilities				
Borrowings	15.	6,657.82	8,272.04	10,702.41
Trade payables		10,266.13	11,423.75	11,555.71
Other financial liabilities	16.	209.64	497.26	522.22
Other current liabilities	18.	1,599.21	1,931.84	1,216.15
Provisions	17.	1,612.63	1,551.49	1,263.25
Current tax liabilities (net)		547.52	44.58	299.31
Total current liabilities		**20,892.95**	**23,720.96**	**25,559.05**
Total liabilities		**21,267.58**	**24,156.81**	**26,186.27**
Total Equity and Liabilities		**76,282.84**	**67,595.98**	**64,054.82**
Significant accounting policies	3.			

The accompanying notes are an integral part of the consolidated financial statements.

As per our attached report of even date

For **B S R & Co. LLP**
Chartered Accountants
ICAI Firm Registration No.: 101248W/W-100022

Rajiv Goyal
Partner
Membership No. : 094549
Place: Jaipur
Date: 23 May 2018

For and on behalf of the Board of Directors of
Vaibhav Global Limited

Sunil Agrawal
Chairman & Managing Director
DIN Number: 00061142
Place: Jaipur
Date: 23 May 2018

Rahimullah
Whole Time Director
DIN Number: 00043791
Place: Jaipur
Date: 23 May 2018

Puru Aggarwal
Group CFO
Place: Jaipur
Date: 23 May 2018

Sushil Sharma
Company Secretary
ICSI Membership No: F6535
Place: Jaipur
Date: 23 May 2018

Consolidated Statement of Profit and Loss for the year ended 31 March 2018

(All amount in lacs of Indian Rupees, except share data and as stated otherwise)

Particulars	Notes No.	Year ended 31 March 2018	Year ended 31 March 2017
Revenue from operations	19.	1,57,540.47	1,43,894.45
Other income	20.	1,046.57	1,569.76
Total Income		**1,58,587.04**	**1,45,464.21**
EXPENSES			
Cost of materials consumed	21.	30,945.11	31,018.68
Purchases of stock-in-trade	22.	28,353.05	22,602.63
Change in inventories of finished goods stock-in-trade and work-in-progress	23.	(2,884.17)	(3,384.49)
Employee benefits expense	24.	27,100.62	25,019.59
Finance costs	25.	429.60	640.61
Depreciation and amortization expense	26.	2,545.14	2,941.31
Other expenses	27.	59,182.74	60,016.86
Total expenses		**1,45,672.09**	**1,38,855.19**
Profit before tax		**12,914.95**	**6,609.02**
Income tax expense	28(a).	1,668.31	151.15
Profit for the year (A)		**11,246.64**	**6,457.87**
Other comprehensive income (B)			
Items that will not be reclassified to profit or loss		(32.21)	(201.47)
Income tax relating to items that will not be reclassified to profit or loss		(1.78)	2.07
		(33.99)	**(199.40)**
Items that will be reclassified to profit or loss		(145.75)	(995.41)
Income tax relating to items that will be reclassified to profit or loss		-	-
		(145.75)	**(995.41)**
Total Comprehensive Income for the year (A) + (B)		**11,066.90**	**5,263.06**
Of the Total Comprehensive Income above			
- Profit for the year attributable to owners of the parent		11,246.64	6,457.87
- Other comprehensive income attributable to owners of the parent		(179.74)	(1,194.81)
Earnings per equity share			
Basic		34.55	19.85
Diluted		33.60	19.34
Significant accounting policies	3.		

The accompanying notes are an integral part of the consolidated financial statements.

As per our attached report of even date

For **B S R & Co. LLP**
Chartered Accountants
ICAI Firm Registration No.: 101248W/W-100022

Rajiv Goyal
Partner
Membership No. : 094549
Place: Jaipur
Date: 23 May 2018

For and on behalf of the Board of Directors of
Vaibhav Global Limited

Sunil Agrawal
Chairman & Managing Director
DIN Number: 00061142
Place: Jaipur
Date: 23 May 2018

Rahimullah
Whole Time Director
DIN Number: 00043791
Place: Jaipur
Date: 23 May 2018

Puru Aggarwal
Group CFO
Place: Jaipur
Date: 23 May 2018

Sushil Sharma
Company Secretary
ICSI Membership No: F6535
Place: Jaipur
Date: 23 May 2018

Consolidated statement of changes in Equity for the year ended 31 March 2018

(All amount in lacs of Indian Rupees, except share data and as stated otherwise)

A. Equity Share Capital:

Equity shares of ₹10 each issued, subscribed and fully paid	31 March 2018		31 March 2017		01 April 2016	
	No. of shares	Amount	No. of shares	Amount	No. of shares	Amount
Balance at the beginning of the year	3,25,45,617	3,254.56	3,25,15,131	3,251.51	3,24,02,383	3,240.24
Change in equity share capital during the year (refer note 14A)	45,236	4.52	30,486	3.05	1,12,748	11.27
Balance at the end of the year	3,25,90,853	3,259.08	3,25,45,617	3,254.56	3,25,15,131	3,251.51
Less: Treasury shares (refer note 33)	(6,463)	(0.64)	(10,803)	(1.08)	(16,074)	(1.60)
	3,25,84,390	3,258.44	3,25,34,814	3,253.48	3,24,99,057	3,249.91

B. Other Equity

For the year ended 31 March 2018

	Share application money pending allotment	Reserves and Surplus						Items of OCI		Total
		Securities premium	Share based payment reserve	Capital redemption reserve	Capital reserve	General reserve	Retained earnings	Equity instruments through OCI	Exchange difference on translation of foreign operations	
Balance as at 01 April 2017	1.49	32,748.38	1,183.30	4,400.00	954.76	1,296.47	796.10	(199.40)	(995.41)	40,185.69
Profit of the year	-	-	-	-	-	-	11,246.64	-	-	11,246.64
Other comprehensive income (net of tax)	-	-	-	-	-	-	-	(33.99)	(145.75)	(179.74)
Total comprehensive income	-	-	-	-	-	-	11,246.64	(33.99)	(145.75)	11,066.90
Share based payments to employees	-	-	376.16	-	-	-	-	-	-	376.16
Exercise of share based options	2.72	172.08	(37.99)	-	-	-	-	-	-	136.81
Treasury shares	-	(8.74)	-	-	-	-	-	-	-	(8.74)
Balance as at 31 March 2018	**4.21**	**32,911.72**	**1,521.47**	**4,400.00**	**954.76**	**1,296.47**	**12,042.74**	**(233.39)**	**(1,141.16)**	**51,756.82**

For the year ended 31 March 2017

	Share application money pending allotment	Reserves and Surplus						Items of OCI		Total
		Securities premium	Share based payment reserve	Capital redemption reserve	Capital reserve	General reserve	Retained earnings	Equity instruments through OCI	Exchange difference on translation of foreign operations	
Balance as at 01 April 2016	0.89	59,151.97	903.51	4,400.00	954.76	1,296.47	(32,088.96)	-	-	34,618.64
Profit of the year	-	-	-	-	-	-	6,457.87	-	-	6,457.87
Other comprehensive income (net of tax)	-	-	-	-	-	-	-	(199.40)	(995.41)	(1,194.81)
Total comprehensive income	-	-	-	-	-	-	6,457.87	(199.40)	(995.41)	5,263.06
Reduction in share capital (refer note 39)	-	(26,427.19)	-	-	-	-	26,427.19	-	-	-
Share options exercised	0.60	31.19	(9.09)	-	-	-	-	-	-	22.70
Share based payments to employees	-	-	288.88	-	-	-	-	-	-	288.88
Treasury shares	-	(7.59)	-	-	-	-	-	-	-	(7.59)
Balance as at 31 March 2017	**1.49**	**32,748.38**	**1,183.30**	**4,400.00**	**954.76**	**1,296.47**	**796.10**	**(199.40)**	**(995.41)**	**40,185.69**

Significant accounting policies 3.

The accompanying notes are an integral part of the consolidated financial statements.

As per our attached report of even date

For **B S R & Co. LLP**
Chartered Accountants
ICAI Firm Registration No.: 101248W/W-100022

Rajiv Goyal
Partner
Membership No. : 094549
Place: Jaipur
Date: 23 May 2018

For and on behalf of the Board of Directors of
Vaibhav Global Limited

Sunil Agrawal
Chairman & Managing Director
DIN Number: 00061142
Place: Jaipur
Date: 23 May 2018

Rahimullah
Whole Time Director
DIN Number: 00043791
Place: Jaipur
Date: 23 May 2018

Puru Aggarwal
Group CFO
Place: Jaipur
Date: 23 May 2018

Sushil Sharma
Company Secretary
ICSI Membership No: F6535
Place: Jaipur
Date: 23 May 2018

Cash Flow Statement for the year ended 31 March 2018

(All amount in lacs of Indian Rupees, except share data and as stated otherwise)

Particulars		Year ended 31 March 2018	Year ended 31 March 2017
A	**Cash flow from operating activities**		
	Profit for the year	**12,914.95**	**6,609.02**
	Adjustment for :		
	Depreciation and amortisation	2,545.14	2,941.31
	Unrealised foreign exchange difference (net)	(356.28)	(81.98)
	Equity-setteled share-based payments	376.16	288.89
	(Gain) / loss on sale of fixed assets	(0.14)	(0.48)
	Liabilities no longer required written back	(11.09)	(41.02)
	Gain on sale of current investments (including change in fair value)	(131.54)	11.92
	Provision for doubtful debt and advances	671.74	203.25
	Interest income	(168.07)	(257.61)
	Finance costs	429.60	640.61
	Operating profit before working capital changes	**16,270.47**	**10,313.91**
	Working capital adjustments :		
	(Increase)/decrease in trade receivable	(3,343.85)	(3,286.07)
	(Increase)/decrease in inventories	(4,796.77)	110.85
	(Increase)/decrease in other assets	(902.59)	1,119.75
	Increase/(decrease) in trade payables, provisions, other current liabilities	(1,525.14)	413.52
	Cash generated from operating activities	**5,702.12**	**8,671.96**
	Income tax paid	1,617.54	1,254.57
	Net cash generated from operating activities (A)	**4,084.58**	**7,417.39**
B	**Cash flow from investing activities**		
	Purchase of fixed assets	(1,792.08)	(1,878.71)
	Proceeds from sale of fixed assets	1.00	1.52
	Movement in deposits	51.58	(31.37)
	Interest received	202.12	267.31
	Purchase of current investments	(729.87)	(345.69)
	Gain on sale of current investments	131.54	(11.92)
	Net cash used in investing activities (B)	**(2,135.71)**	**(1,998.86)**

Cash Flow Statement for the year ended 31 March 2018

(All amount in lacs of Indian Rupees, except share data and as stated otherwise)

Particulars			Year ended 31 March 2018	Year ended 31 March 2017
C	**Cash flow from financing activities**			
	Proceeds from issue of equity share and securities premium		135.98	18.09
	Repayment of borrowings		(2,125.54)	(2,366.42)
	Finance costs		(429.60)	(640.61)
	Net cash used in financing activities (C)		**(2,419.16)**	**(2,988.94)**
D	**Impact of movement of exchange rates**			
	Exchange difference on translation foreign operations		**(119.33)**	**(561.25)**
	Net Increase/(Decrease) in cash and cash equivalents (A+B+C+D)		**(589.63)**	**1,868.34**
	Opening balance of cash and cash equivalents		7,245.54	5,377.20
	Closing balance of cash and cash equivalents		**6,655.91**	**7,245.54**
	Cash and cash equivalents comprises			
	Cash, cheques and drafts in hand		101.18	54.12
	Balance with scheduled bank in current accounts		4,054.73	7,191.42
	Bank Deposits- Un pledged (maturity within 3 months)		2,500.00	-
			6,655.91	**7,245.54**
	Significant Accounting Policies	3		

The accompanying notes form an integral part of the consolidated financial statements

Significant accounting policies

1. The Cash Flow Statement has been prepared under the 'indirect method' as set out in Ind AS-7 "Statement of Cash Flows", as specified under section 133 of the Companies Act, 2013.

As per our attached report of even date

For **B S R & Co. LLP**
Chartered Accountants
ICAI Firm Registration No.: 101248W/W-100022

Rajiv Goyal
Partner
Membership No. : 094549
Place: Jaipur
Date: 23 May 2018

For and on behalf of the Board of Directors of
Vaibhav Global Limited

Sunil Agrawal
Chairman & Managing Director
DIN Number: 00061142
Place: Jaipur
Date: 23 May 2018

Rahimullah
Whole Time Director
DIN Number: 00043791
Place: Jaipur
Date: 23 May 2018

Puru Aggarwal
Group CFO
Place: Jaipur
Date: 23 May 2018

Sushil Sharma
Company Secretary
ICSI Membership No: F6535
Place: Jaipur
Date: 23 May 2018

Notes to the Consolidated Financial Statements for the year ended 31 March 2018

(All amount in lacs of Indian Rupees, except share data and as stated otherwise)

1. Reporting entity

Vaibhav Global Limited (hereinafter referred to as 'the Company' or 'VGL' or 'the Parent Company') is a company domiciled in India, with its registered office situated at K-6B, Fateh Tiba, Adarsh Nagar, Jaipur - 302004. The Company has been incorporated under the provisions of Indian Companies Act and its equity shares are listed on the National Stock Exchange (NSE) and Bombay Stock Exchange (BSE) in India. The consolidated financial statements comprise financial statements of Vaibhav Global Limited (hereinafter referred to as "the Company" or "the Parent Company") and its subsidiaries (hereinafter collectively referred to as "the Group") for the year ended 31 March 2018. The Group deals in fashion jewellery and lifestyle products.

2. Basis of preparation

a. Statement of compliance

These consolidated financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013, (the 'Act') and other relevant provisions of the Act.

The Group's consolidated financial statements up to and for the year ended 31 March 2017 were prepared in accordance with the Companies (Accounting Standards) Rules, 2006, notified under Section 133 of the Act and other relevant provisions of the Act hereinafter referred as Previous GAAP ('IGAAP').

As these are the Group's first consolidated financial statements prepared in accordance with Indian Accounting Standards (Ind AS), Ind AS 101, First-time Adoption of Indian Accounting Standards has been applied. An explanation of how the transition to Ind AS has affected the previously reported financial position, financial performance and cash flows of the Company is provided in Note 43.

The consolidated financial statements were authorised for issue by the Company's Board of Directors on 23 May 2018.

Details of the Group's accounting policies are included in Note 3.

b. Functional and presentation currency

The consolidated financial statements are presented in Indian Rupees (INR) which is also the Company's functional currency. All amounts have been rounded off to the nearest lacs, except share data and as stated otherwise.

c. Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis except for the following items:

Items	Measurement basis
Certain financial assets and liabilities (including derivatives instruments)	Fair value
Liabilities for equity-settled share-based payment arrangements	Fair value
Net defined benefit (assets)/liability	Fair value of plan assets less present value of defined benefit obligation

d. Use of estimates and judgements

In preparing these consolidated financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the consolidated financial statements is included in the following notes:

- Note 34– leases: whether an arrangement contains a lease;
- Note 34– lease classification

Assumption and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending 31 March 2018 is included in the following notes:

- Note 28– recognition of deferred tax assets: availability of future taxable profit against which tax losses carried forward can be used;
- Note 32– measurement of defined benefit obligations: key actuarial assumptions;
- Note 35 – recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources;
- Note 42– impairment of financial and non - financial assets

Notes to the Consolidated Financial Statements for the year ended 31 March 2018

(All amount in lacs of Indian Rupees, except share data and as stated otherwise)

e. **Measurement of fair value**

The Group records certain financial assets and liabilities at fair value on a recurring basis.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

Certain assets are measured at fair value on a non-recurring basis. The assets consist primarily of nonfinancial assets such as goodwill. Goodwill and intangible assets recognized in business combination are measured at fair value initially and subsequently when there is an indicator of impairment, the impairment is recognized.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

In accordance with Ind AS 113, assets and liabilities are to be measured based on the following valuation techniques:

a) Market approach – Prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities.

b) Income approach – Converting the future amounts based on market expectations to its present value using the discounting methodology.

c) Cost approach – Replacement cost method.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

Further information about the assumptions made in measuring fair values is included in the following notes:

- Note 33 – share-based payment; and
- Note 41 – financial instruments;

f. **Current and non-current classification**

The Group presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

Notes to the Consolidated Financial Statements for the year ended 31 March 2018

(All amount in lacs of Indian Rupees, except share data and as stated otherwise)

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The group has identified twelve months as its operating cycle.

3. Significant accounting policies

a. Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 31 March 2018, which are as follows:

Name of the Subsidiaries	Country of Incorporation	Percentage Holding as at	
		31 March 2018	31 March 2017
Direct Subsidiaries:			
Genoa Jewelers Ltd.	British Virgin Islands	100%	100%
STS Gems Japan Ltd.	Japan	100%	100%
STS Gems Limited	Hong Kong	100%	100%
STS Gems Thai Limited	Thailand	100%	100%
STS Jewels Inc., USA	USA	100%	100%
Step-down Subsidiaries:			
The Jewellery Channel Limited, UK	United Kingdom	100%	100%
The Jewelry Channel Inc., USA	USA	100%	100%
Pt. STS Bali	Indonesia	100%	100%
Jewel Gems USA, Inc.*	USA	-	100%

*Merged into The Jewelry Channel Inc., USA w.e.f. 28 February 2018 under Pooling of interest method.

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

The financial statements of the subsidiaries in the Group are added on a line-by-line basis and intercompany balances and transactions including unrealized gain/ loss from such transactions are eliminated upon consolidation. Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that group member's financial statements in preparing the consolidated financial statements to ensure conformity with the group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent company, i.e., year ended on 31 March.

b. Business combinations and goodwill

In accordance with Ind-AS 101 provisions related to first time adoption, the Group has elected to apply Ind AS accounting for business combinations prospectively from 1 April 2016. As such, Indian GAAP balances relating to business combinations entered into before that date, including goodwill, have been carried forward.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, after reassessing the fair values of the net assets, the excess is recognized as capital reserve.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

c. Foreign currency

i. Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currencies of Group companies at the exchange rates at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilitiesthat are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Exchange differences are recognised in the statement of profit or loss, except exchange differences arising from the long term investments in unquoted and quoted equity shares are recognised at fair value through OCI (FVOCI);

ii. Foreign operation

The translation of foreign operations from respective functional currency into INR (the reporting currency) for assets and liabilities is performed using the exchange rates in effect at the balance sheet date, and for revenue, expenses and cash flows is performed using an appropriate daily weighted average exchange rate for the respective periods. The exchange differences arising on translation for consolidation are reported as a component of 'other comprehensive income (loss)'. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is recognized in the statement of profit and loss.

Cumulative currency translation differences for all foreign operations are deemed to be zero at the date of transition, viz., 1 April 2016. Gain or loss on a subsequent disposal of any foreign operation excludes translation differences that arose before the date of transition but includes later translation differences.

d. Financial Instruments

i. Recognition and initial measurement

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

ii. Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at

- amortized cost;
- FVOCI – equity investment; or
- FVTPL

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Group changes its business model for managing financial assets.

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Notes to the Consolidated Financial Statements for the year ended 31 March 2018

(All amount in lacs of Indian Rupees, except share data and as stated otherwise)

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets: Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin. In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable interest rate features;
- prepayment and extension features; and
- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a significant discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Financial assets: Subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in statement of profit or loss.
Financial assets at amortized cost	These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in statement of profit or loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in statement of profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to profit or loss.

All equity investments are measured at fair value in the balance sheet, with value changes recognised in the statement of profit and loss.

If an equity investment is not held for trading, an irrevocable election is made at initial recognition to measure it at fair value through other comprehensive income with only dividend income recognised in the statement of profit and loss.

Financial liabilities: Classification, subsequent measurement and gains and losses
Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

iii. De-recognition

Financial assets
The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the group neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Group enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

Financial liabilities
The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

The Group also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit or loss.

Notes to the Consolidated Financial Statements for the year ended 31 March 2018

(All amount in lacs of Indian Rupees, except share data and as stated otherwise)

iv. **Offsetting**

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

v. **Derivative financial instruments and hedge accounting**

The Group holds derivative financial instruments to hedge its foreign currency and interest rate risk exposures. Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and certain criteria are met.

Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognised in profit or loss.

e. **Property, plant and equipment**

i. **Recognition and measurement**

Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and accumulated impairment losses, if any.

Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labour, any other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located. If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

ii. **Transition to Ind AS**

On transition to Ind AS, the Group has elected to continue with the carrying value of all of its property, plant and equipment recognised as at 1 April 2016, measured as per the previous GAAP, and use that carrying value as the deemed cost of such property, plant and equipment (see Note 4).

iii. **Subsequent expenditure**

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

iv. **Depreciation**

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual values over their estimated useful lives using the straight-line method, and is generally recognised in the statement of profit and loss. Assets acquired under finance leases are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term. Freehold land is not depreciated.

The estimated useful lives of items of property, plant and equipment for the current and comparative periods are as follows:

Asset	Estimated useful life (in years)	Useful life as per schedule II (in years)
Building	30	30
Plant and equipment*	15	15
Electric installation	10	10
Furniture and fixtures	10	10
Office equipment	5	5
Computers*	3	3
Vehicles	8	8
Lease hold improvement	Over the lease period or useful life of the asset, whichever is lower	Over the lease period or useful life of the asset, whichever is lower

Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

*Based on technical assessment performed by management, the Group have reassessed the estimated useful lives of certain property, plant and equipment during the current year. Such estimated useful lives are different from the estimated useful life used in previous financial year and also different from the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives reflect fair approximation of the period over which the assets are likely to be used.

The revised estimated useful lives during the current year and estimated useful life used in previous financial year is as follows:

Category of Assets	Revised estimated useful life (in years)	Previous estimated useful life (in years)
Studio equipment	5	4 – 5
Computers	3	3 – 4

Notes to the Consolidated Financial Statements for the year ended 31 March 2018

(All amount in lacs of Indian Rupees, except share data and as stated otherwise)

v. **Leased assets**

Leasehold improvements are amortized over their useful life or the lease period, whichever is lower.

Leasehold lands are amortized over the period of lease. Building constructed on leasehold land are depreciated based on the useful life as stated above, where the lease period of land is beyond the life of the building. In other cases, buildings constructed on leasehold lands are amortized over the primary lease period of the lands.

f. **Goodwill and other intangible assets**

Goodwill on consolidation

For measurement of goodwill that arises on a business combination (see Note 3(b)). Subsequent measurement is at cost less any accumulated impairment losses.

In respect of business combinations that occurred prior to 1 April 2016, goodwill is included on the basis of its deemed cost, which represents the amount recorded under previous GAAP, adjusted for the reclassification of certain intangibles.

Other intangible assets

Intangible assets includes computer software. Such intangible assets are subsequently measured at cost less accumulated amortisation and any accumulated impairment losses.

i. **Subsequent expenditure**

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

ii. **Transition to Ind AS**

On transition to Ind AS, the Group has elected to continue with the carrying value of all of its intangible assets recognised as at 1 April 2016, measured as per the previous GAAP, and use that carrying value as the deemed cost of such intangible assets.

Amortisation

Goodwill is not amortized and is tested for impairment annually.

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values over their estimated useful lives using the straight-line method, and is included in depreciation and amortisation in statement of profit and loss.

The estimated useful lives are as follows:

Asset	Estimated useful life (in years)
Software	4
Broadcast rights	10

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.

Based on technical assessment performed by management, the Group have reassessed the estimated useful lives of computer software during the current year. The management believes that these estimated useful lives reflect fair approximation of the period over which the assets are likely to be used.

The revised the estimated useful lives during the current year and estimated useful life used in previous financial year is as follows:

Category of Assets	Revised estimated useful life (in years)	Previous estimated useful life (in years)
Software	4	3-5

The change of the above estimate is applied during the current year.

g. **Inventories**

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the moving weighted average formula, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their present location and condition. In the case of manufactured inventories and work-in-progress, cost includes an appropriate share of fixed production overheads based on normal operating capacity.

Slow and non-moving material, obsolesces, defective inventories are duly provided for and valued at net realisable value. Goods and materials in transit are valued at actual cost incurred upto the date of balance sheet.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. The comparison of cost and net realisable value is made on an item-by-item basis.

The net realisable value of work-in-progress is determined with reference to the selling prices of related finished products. Identification of a specific item and determination of estimated net realizable value involve technical judgments of the management supported by valuation from an independent valuer.

Raw materials, components and other supplies held for use in the production of finished products are not written down below cost except in cases where material prices have declined and it is estimated that the cost of the finished products will exceed their net realisable value.

h. **Impairment**

i. **Impairment of financial instruments**

Financial instruments that potentially subject the Group to concentration of credit risk consist principally of cash and bank balances, short term deposits with banks, trade receivables, investment securities and derivative instruments. The cash resources of the Group are invested banks and liquid funds after an evaluation of the credit risk. By their nature, all such financial instruments involve risks, including the credit risk of non-performance by counterparties.

The customers of the Group are primarily the retail customers based in the United States of America and United Kingdom and accordingly, trade receivables are concentrated in the respective countries. The Group periodically assesses historical bad debts and ageing of accounts receivable.

In accordance with Ind-AS 109, the group applies expected credit loss (ECL) model for measurement and recognition of impairment loss on trade receivables. The group follows 'simplified approach'. The application of simplified approach does not require the group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss (P&L). This amount is reflected in a separate line in the P&L as an impairment gain or loss. In balance sheet ECL is presented as an allowance, i.e. as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount.

The gross carrying amount of a financial asset is written-off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

ii. **Impairment of non-financial assets**

The Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.

Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of profit and loss. Impairment loss recognised in respect of a CGU is allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets of the CGU (or group of CGUs) on a pro rata basis.

An impairment loss in respect of goodwill is not subsequently reversed. In respect of other assets for which impairment loss has been recognised in prior periods, the Group reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

i. **Employee Benefits**

i. **Short-term employee benefits**

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid e.g., under short-term cash bonus, if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

ii. **Share based payment transactions**

Employees of the Group receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions).

The cost of transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

That cost is recognised, together with a corresponding increase in share-based payment (SBP) reserves in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The statement of profit and loss expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will

Notes to the Consolidated Financial Statements for the year ended 31 March 2018

(All amount in lacs of Indian Rupees, except share data and as stated otherwise)

ultimately vest. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there is also service conditions.

No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met.

When the terms of an equity-settled award are modified, the minimum expense recognised is the expense had the terms had not been modified, if the original terms of the award are met. An additional expense is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

iii. **Defined contribution plans**

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. The Group makes specified monthly contributions towards Government administered provident fund scheme. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in profit or loss in the periods during which the related services are rendered by employees.

Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

iv. **Defined benefit plan**

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Group, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan ('the asset ceiling'). In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised in OCI. The Group determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in statement of profit or loss.

v. **Other long term employee benefits**

The employees of the Group are entitled to compensated absences which are both accumulating and non-accumulating in nature. The expected cost of accumulating compensated absences is determined by actuarial valuation (using the projected unit credit method) based on the additional amount expected to be paid as a result of the unused entitlement that has accumulated at the balance sheet date. The expense on non-accumulating compensated absences is recognized in the statement of profit and loss in the period in which the absences occur. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred.

vi. **Other foreign defined contribution plans**

Contributions to other foreign defined contribution plans are recognized as expense when employees have rendered services entitling them to such benefits.

j. **Provision (other than for employee benefits)**

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liability is disclosed in the case of:

- a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation;
- a present obligation arising from past events, when no reliable estimate is possible;
- a possible obligation arising from past events, unless the probability of outflow of resources is remote.

Commitments include the amount of purchase order (net of advances) issued to parties for completion of assets.

Provisions, contingent liabilities, contingent assets and commitments are reviewed at each balance sheet date.

Provisions for returns

Company records adjustments and allowances for sales returns and uncollectible receivables. Each of these adjustments is estimated based on historical experience. Sales returns are calculated as a percent of sales and are netted against revenue in the consolidated statement of operations.

k. Revenue

Sale of products

Revenue from the sale of goods in the course of ordinary activities is measured at the fair value of the consideration received or receivable, net of returns, trade discounts and volume rebates. This inter alia involves discounting of the consideration due to the present value if payment extends beyond normal credit terms. Revenue is recognised when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing effective control over, or managerial involvement with, the goods, and the amount of revenue can be measured reliably.

Taxes collected from customers and remitted to governmental authorities are accounted for on a net basis and, therefore, are excluded from net revenue in the consolidated statements of operations.

The Company's general policy is to allow customers to return goods for up to thirty days after the date of delivery. An allowance for returned goods is provided at the time revenue is recorded as a percentage of sales based on historical experience.

l. Recognition of dividend income, interest income or expense

Dividend income is recognised in the statement of profit or loss on the date on which the Group's right to receive payment is established.

Interest income or expense is recognised using the effective interest method.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortized cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortized cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortized cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

m. Leases

i. Determining whether an arrangement contains a lease

At inception of an arrangement, it is determined whether the arrangement is or contains a lease.

At inception or on reassessment of the arrangement that contains a lease, the payments and other consideration required by such an arrangement are separated into those for the lease and those for other elements on the basis of their relative fair values. If it is concluded for a finance lease that it is impracticable to separate the payments reliably, then an asset and a liability are recognised at an amount equal to the fair value of the underlying asset. The liability is reduced as payments are made and an imputed finance cost on the liability is recognised using the incremental borrowing rate.

ii. Assets held under lease

Leases of property, plant and equipment that transfer to the Group substantially all the risks and rewards of ownership are classified as finance leases. The leased assets are measured initially at an amount equal to the lower of their fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the assets are accounted for in accordance with the accounting policy applicable to similar owned assets.

Assets held under leases that do not transfer to the Group substantially all the risks and rewards of ownership (i.e. operating leases) are not recognised in the Group's Balance Sheet.

iii. Lease payments

Payments made under operating leases are generally recognised in statement of profit or loss on a straight-line basis over the term of the lease unless such payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases. Lease incentives received are recognised as an integral part of the total lease expense over the term of the lease.

Minimum lease payments made under finance leases are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

For arrangements entered into prior to 1 April 2016, the date of inception is deemed to be 1 April 2016 in accordance with Ind-AS 101 First-time Adoption of Indian Accounting Standard.

Notes to the Consolidated Financial Statements for the year ended 31 March 2018

(All amount in lacs of Indian Rupees, except share data and as stated otherwise)

n. **Income Tax**

Income tax comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination or to an item recognised directly in equity or in other comprehensive income.

i. **Current tax**

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

ii. **Deferred Tax**

Deferred tax is provided using the balance sheet approach on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Group recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised. Deferred tax assets – unrecognised or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

iii. **Minimum Alternative Tax (MAT)**

Minimum Alternative Tax (MAT) is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognized as an asset the said asset is created by way of credit to the statement of profit and loss and included in deferred tax assets. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal income tax during the specified period.

a. **Sales/ value added taxes (VAT)/ goods and services tax (GST)**

Expenses and assets are recognised net of the amount of sales/ value added taxes/ goods and services tax paid, except:

- When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable; and
- When receivables and payables are stated with the amount of tax included.

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

o. **Borrowing cost**

Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalised as part of the cost of that asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

p. **Treasury shares**

The group has created an Employee Benefit Trust (EBT) for providing share-based payment to its employees. The group uses EBT as a vehicle for distributing shares to employees under the employee remuneration schemes. The EBT buys shares of the Company from the Company,

Notes to the Consolidated Financial Statements for the year ended 31 March 2018

(All amount in lacs of Indian Rupees, except share data and as stated otherwise)

for giving shares to employees. The group treats EBT as its extension and shares held by EBT are treated as treasury shares. Such equity instruments deducted from equity.

q. **Cash and short-term deposits**

Cash and short-term deposits in the balance sheet comprise cash at banks and on hand and short-term deposits with a maturity of three months or less, which are subject to an insignificant risk of changes in value.

r. **Dividend**

Final dividends proposed by the Board of Directors are recognized upon approval by the shareholders who have the right to decrease but not increase the amount of dividend recommended by the Board of Directors. Interim dividends are recognized on declaration by the Board of Directors.

s. **Earnings per share (EPS)**

Basic EPS amounts are computed by dividing the net profit attributable to the equity holders of the parent company by the weighted average number of equity shares outstanding during the period.

Diluted EPS amounts are computed by dividing the net profit attributable to the equity holders of the parent company by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The diluted 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). Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

t. **Recent accounting pronouncements**

Standards issued but not yet effective

Appendix B to Ind AS 21, Foreign currency transactions and advance consideration:

On 28th March 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendments Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of transaction for the purpose of determining the exchange rate to use on initial recognition of the related assets, expense or income, when an entity has received or paid advance consideration in a foreign currency.

The amendment will come into force from 1st April 2018 and the group is in process of evaluating its impact on the console financial statement.

Ind AS 115, Revenue from contracts with customers:

On 28th March 2018, Ministry of Corporate Affairs ("MCA") has notified the Ind AS 115, Revenue from contract with customers. The core principle of the new standard is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

Under Ind AS 115, an entity recognizes revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer.

Moreover, the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers. The effective date for adoption of Ind AS 115 is financial periods beginning on or after 1st April 2018. The group will adopt the standard on 1st April 2018 by using the cumulative catch-up transition method as defined under standard and accordingly, comparatives for the year ending or ended 31st March 2018 will not be retrospectively adjusted.

The group is in process of evaluating its impact on the consolidated financial statements.

Notes to the Consolidated Financial Statements for the year ended 31 March 2018

(All amount in lacs of Indian Rupees, except share data and as stated otherwise)

4 Property, plant and equipment *

Reconciliation of carrying amount

	Leasehold land	Leasehold improvement	Building	Plant and equipment	Electric installation	Furniture and fixtures	Office equipment	Computers	Vehicles	Total	Capital work in progress
Cost or valuation											
Balance at 01 April 2016	380.60	370.82	1,644.94	1,796.76	546.00	530.00	112.38	909.34	35.27	6,326.12	282.06
Additions	-	781.96	112.30	977.15	20.61	160.31	180.73	482.33	7.41	2,722.80	-
Disposals	-	-	-	(16.81)	-	(14.61)	-	(114.97)	(3.82)	(150.21)	(282.06)
Exchange differences on translation of foreign operations	-	(79.52)	-	(167.94)	-	(53.59)	(1.42)	(203.29)	0.03	(505.73)	-
Balance at 31 March 2017	380.60	1,073.26	1,757.24	2,589.16	566.61	622.11	291.69	1,073.41	38.89	8,392.97	-
Additions	-	118.52	2.89	576.14	6.25	166.83	52.16	476.17	21.62	1,420.58	-
Disposals	-	-	-	(561.64)	(3.42)	(60.97)	(0.37)	(232.45)	(8.23)	(867.08)	-
Exchange differences on translation of foreign operations	-	45.49	-	109.21	-	21.22	1.00	149.25	2.28	328.45	-
Balance at 31 March 2018	380.60	1,237.27	1,760.13	2,712.87	569.44	749.19	344.48	1,466.38	54.56	9,274.92	-
Accumulated depreciation											
Balance at 01 April 2016	-	-	-	-	-	-	-	-	-	-	-
Depreciation for the year	3.55	156.33	157.88	478.24	144.11	152.99	57.90	420.66	13.54	1,585.20	-
Disposals	-	-	-	(16.81)	-	(14.61)	-	(114.93)	(2.82)	(149.17)	-
Exchange differences on translation of foreign operations	-	(40.57)	-	(140.35)	-	(40.22)	(1.42)	(138.10)	(0.05)	(360.71)	-
Balance at 31 March 2017	3.55	115.76	157.88	321.08	144.11	98.16	56.48	167.63	10.67	1,075.32	-
Depreciation charge for the year	11.46	219.96	54.73	473.80	44.99	272.27	102.25	537.13	9.52	1,726.11	-
Disposals	-	-	-	(554.24)	(3.25)	(65.15)	(0.09)	(231.10)	(7.57)	(861.40)	-
Exchange differences on translation of foreign operations	-	19.32	-	98.77	-	19.20	0.87	98.75	1.90	238.81	-
Balance at 31 March 2018	15.01	355.04	212.61	339.41	185.85	324.48	159.51	572.41	14.52	2,178.84	-
Carrying amount (net)											
As at 01 April 2016	380.60	370.82	1,644.94	1,796.76	546.00	530.00	112.38	909.34	35.27	6,326.12	282.06
As at 31 March 2017	377.05	957.50	1,599.36	2,268.08	422.50	523.95	235.21	905.78	28.22	7,317.65	-
As at 31 March 2018	365.59	882.23	1,547.52	2,373.46	383.59	424.71	184.97	893.97	40.04	7,096.08	-

* Refer note 36 for assets hypothecated as security against bank borrowings.

Notes:

1. The Group has availed deemed cost exemption for the valuation of Property, Plant and Equipment. Hence the Net block as per Ind AS as on 1 April 2016 represents net block carrying value as per previous GAAP as on 31 March 2017.
2. Based on the technical evaluation, the Group has reassessed the depreciation method and useful life of certain property, plant and equipment. Accordingly, the following changes have been made with effect from 1 April 2017:
   (i) depreciation method on standalone basis has been changed from written down value method to straight line basis; and
   (ii) useful life of certain property, plant and equipment has been revised as below:

Category of Assets	Revised estimated useful life (in years)	Previous estimated useful life (in years)
Studio equipments	5	4 - 5
Computers	3	3 - 4

Had the Group continued with the previously assessed useful lives and depreciation method, charge for depreciation for the year ended 31 March 2018 would have been higher by ₹277.04 lacs.

Notes to the Consolidated Financial Statements for the year ended 31 March 2018

(All amount in lacs of Indian Rupees, except share data and as stated otherwise)

5. Intangible assets

	Goodwill on consolidation	Softwares	Broadcast rights	Other intangible assets
Cost or valuation				
Balance at 01 April 2016	2,868.32	4,036.26	1,804.41	5,840.67
Additions	-	546.61	-	546.61
Disposals	-	-	-	-
Exchange differences on translation of foreign operations	-	(86.80)	(268.87)	(355.67)
Balance at 31 March 2017	2,868.32	4,496.07	1,535.54	6,031.61
Additions	-	312.89	-	312.89
Disposals	-	-	-	-
Exchange differences on translation of foreign operations	-	7.01	189.79	196.80
Balance at 31 March 2018	2,868.32	4,815.97	1,725.33	6,541.30
Accumulated amortisation				
At 1 April 2016	-	1,591.06	864.22	2,455.27
Depreciation for the year	-	1,259.82	96.29	1,356.11
Disposals	-	(76.64)	(136.16)	(212.80)
Balance at 31 March 2017	-	2,774.24	824.36	3,598.60
Depreciation charge for the year	-	725.09	93.94	819.03
Disposals	-	-	-	-
Exchange differences on translation of foreign operations	-	8.81	104.32	113.13
Balance at 31 March 2018	-	3,508.14	1,022.62	4,530.76
Carrying amount (net)				
As at 01 April 2016	2,868.32	2,445.20	940.19	3,385.40
As at 31 March 2017	2,868.32	1,721.83	711.18	2,433.01
As at 31 March 2018	2,868.32	1,307.83	702.72	2,010.54

Notes:

Based on the technical evaluation, the Group has reassessed useful life of certain intangibles. Accordingly, the following changes have been made with effect from 1 April 2017:

Category of Assets	Revised estimated useful life (in years)	Previous estimated useful life (in years)
Software	4	3 - 5

Had the Group continued with the previously assessed useful lives, amortisation charge for the year ended 31 March 2018 would have been higher by ₹519.43 lacs.

6 Non-current investments

	31 March 2018	31 March 2017	01 April 2016
Unquoted investment			
Investment in equity instruments at FVTPL			
1,000 (previous year -1,000) equity shares of Yen 50 each Asahi Shinkin Bank	0.30	0.29	0.29
3,60,000 (previous year - 3,60,000) equity shares of ₹10 each of VGL Softech Limited	52.07	52.07	52.07
Less: Impairment loss recognised on unquoted investment	(52.07)	(52.07)	(52.07)
	-	-	-
Total unquoted non current investments	0.30	0.29	0.29
Quoted investment			
Investment in equity instruments at FVOCI			
Nil [(31 March 2017: 65,64,530) 01 April 2016: 78,14,530] shares of US $ 0.0003 each fully paid up of Richland Resources Limited	-	41.17	287.70
Total quoted non current investments	-	41.17	287.70
Total non current investments	0.30	41.46	287.99
Current investments			
Unquoted investment in mutual funds at FVTPL			
Principal Cash Management Fund - regular plan growth - 59,372 units [(31 March 2017: 25,352 Units) 01 April 2016: 5,119 units]	1,000.67	400.97	75.28
Principal Balanced Fund - Regular Plan Growth Nil [(31 March 2017: 33,204 units, 01 April 2016: Nil]	-	20.00	-
Principal low duration fund - regular plan growth - 5,429 units [(31 March 2017: Nil) 01 April 2016: Nil]	150.18	-	-
Total current investments	1,150.85	420.97	75.28
Note:-			
Aggregate amount of quoted investments and market value thereof	-	41.17	287.70
Aggregate amount of unquoted investments	1,151.15	421.26	75.57
Aggregate amount of impairment in value of investments	52.07	52.07	52.07

Notes to the Consolidated Financial Statements for the year ended 31 March 2018

(All amount in lacs of Indian Rupees, except share data and as stated otherwise)

7 Financial Assets - Loans

	31 March 2018	31 March 2017	01 April 2016
Current			
Loans and advances to staff	88.89	61.96	59.52
	88.89	**61.96**	**59.52**

8 Other financial assets

	31 March 2018	31 March 2017	01 April 2016
Non- Current			
Bank Deposits- Pledged	75.64	-	-
Security deposits			
Unsecured, considered good	746.08	719.29	973.50
	821.72	**719.29**	**973.50**
Current			
Interest accrued on bank deposits	10.79	5.99	7.66
Interest accrued on loans	-	38.85	19.39
Export incentive receviable	23.68	21.26	30.96
	34.47	**66.10**	**58.01**

9 Other non- current assets

	31 March 2018	31 March 2017	01 April 2016
Advance income tax	470.75	883.74	216.98
Capital advances	1.95	111.83	932.16
	472.70	**995.57**	**1,149.14**

10 Inventories*

	31 March 2018	31 March 2017	01 April 2016
Material-in-process	10,408.78	9,109.68	11,471.79
Semi finished goods	115.41	110.05	948.15
Finished goods#	24,528.90	20,968.89	17,790.29
Stores and consumables	105.43	173.13	262.37
	35,158.52	**30,361.75**	**30,472.60**

Includes goods-in-transit as at 31 March 2018: ₹2,245.42 lacs (31 March 2017: ₹2,263.89 lacs; 01 April 2016: ₹1,189.09 lacs)

11 Trade receivables *

	31 March 2018	31 March 2017	01 April 2016
Unsecured, cosidered good	12,901.05	9,603.06	6,612.43
Doubtful	869.02	191.42	309.16
	13,770.07	**9,794.48**	**6,921.59**
Less: Provision for doubtful debts	(869.02)	(191.42)	(309.16)
	12,901.05	**9,603.06**	**6,612.43**

12 Cash and cash equivalent *

	31 March 2018	31 March 2017	01 April 2016
(a) Balances with banks:			
Balance with bank current account	4,054.73	7,189.40	5,257.58
Cash on hand	101.18	54.12	119.62
Funds-in-transit	-	2.02	-
Bank deposits- un pledged	2,500.00	-	-
	6,655.91	**7,245.54**	**5,377.20**
(b) Balances other then cash and cash equivalents			
Unpaid dividend account	0.51	0.51	0.76
Bank deposits- pledged	91.19	173.81	179.77
Bank deposits- un pledged	-	44.61	7.02
	91.70	**218.93**	**187.55**

Notes to the Consolidated Financial Statements for the year ended 31 March 2018

(All amount in lacs of Indian Rupees, except share data and as stated otherwise)

13 Other current assets

	31 March 2018	31 March 2017	01 April 2016
Unsecured, Considered good			
Advances other than capital advances			
Advances to suppliers	1,331.44	691.16	360.27
Others			
Balances-with-tax authorities	893.81	382.06	942.73
Prepaid expenses	1,565.32	1,864.66	2,207.49
Other advances	-	6.23	319.39
	3,790.57	2,944.11	3,829.88

* Refer note 36 for assets hypothecated as security against bank borrowings.

14(a) Share Capital

Particulars	31 March 2018	31 March 2017	01 April 2016
a) Authorised shares			
4,10,00,000 (31 March 2017: 4,10,00,000 and 01 April 2016: 4,10,00,000) equity shares of ₹10 each	4,100.00	4,100.00	4,100.00
45,00,000 (31 March 2017: 45,00,000 and 01 April 2016: 45,00,000) unclassified equity shares of ₹100 each	4,500.00	4,500.00	4,500.00
	8,600.00	8,600.00	8,600.00
Issued, subscribed and fully paid-up shares			
3,25,84,390 (31 March 2017: 3,25,34,814 , 01 April 2016: 3,24,99,057) equity shares of ₹10 each	3,259.09	3,254.56	3,251.51
Less: 6,463 Treasury shares (31 March 2017: 10,803, 01 April 2016: 16,074)	(0.65)	(1.08)	(1.60)
	3,258.44	3,253.48	3,249.91

Reconciliation of number of shares outstanding at the beginning and at the end of financial year:

	31 March 2018		31 March 2017	
	No. of shares	Amount	No. of shares	Amount
Number of shares at the beginning of year	3,25,45,617	3,254.56	3,25,15,131	3,251.51
Shares issued on exercise of employee stock options	38,773	3.88	30,486	3.05
Number of shares at the end of year	3,25,84,390	3,258.44	3,25,45,617	3,254.56

b.) Terms / rights attached to equity shares

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 (except those held as underlying for GDR till previous year). 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.

c.) Employee Stock Option Scheme:

Terms attached to stock options granted to employees are described in note 33 regarding share-based payments.

d.) Details of shareholding more than 5% shares in the Company:

Name of the shareholder	31 March 2018		31 March 2017		01 April 2016	
	% of Holding	No. of Shares	% of Holding	No. of Shares	% of Shares	No. of Shares
Sonymike`s Holdings Ltd.	30.44%	99,18,640	30.49%	99,18,640	18.37%	59,68,640
Brett Plastics Pvt Ltd.	25.58%	83,34,124	26.32%	85,64,124	8.78%	28,54,516
Nalanda India Fund Limited	11.60%	37,80,583	12.63%	41,10,600	12.65%	41,10,600
Nirmal Kumar Bardiya	5.50%	17,91,628	5.51%	17,91,628	5.51%	17,91,628
Sonymike`s Holdings Ltd.#	0.00%	-	0.00%	-	12.15%	39,50,000
Shivram Global Pvt Ltd.	0.00%	-	0.00%	-	16.34%	53,11,865

Held through Global Depositories Receipt (GDR) till 01 April 2016. During the previous year, the Company has delisted all GDRs from Luxembourg Stock Exchange on 17 May 2016 and converted into equity shares.

Notes to the Consolidated Financial Statements for the year ended 31 March 2018

(All amount in lacs of Indian Rupees, except share data and as stated otherwise)

(e) Shares reserved for issue under options

	31 March 2018		31 March 2017	
	No. of shares	Amount	No. of shares	Amount
Under VGL Employee Stock Option Scheme, 2006: Equity shares of ₹10 each, at an weighted average exercise price of ₹474.73 per share (previous ₹442.17 per share) (refer note 33)	12,01,500	120.15	9,97,181	99.72

f.) The Company does not have any holding / ultimate holding company.

g.) 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.

14(b) Other Equity

	31 March 2018	31 March 2017
a). Share application money pending allotment:		
Opening balance	1.49	0.89
Exercise of share based options	2.72	0.60
Closing balance	4.21	1.49
b). Reserves and Surplus		
Capital reserve:		
Opening balance	954.76	954.76
Transfer from retained earnings	-	-
Closing balance	**954.76**	**954.76**
Capital redemption reserve:		
Opening balance	4,400.00	4,400.00
Transfer from retained earnings	-	-
Closing balance	**4,400.00**	**4,400.00**
Securities premium reserve:		
Opening balance	32,748.38	59,151.97
Security Premium received on share issue	136.81	31.19
Adjustment for capital reduction (refer note 39)	-	(26,427.19)
Treasury shares	(8.74)	(7.59)
Closing balance	**32,911.72**	**32,748.38**
Share based payment reserve:		
Opening balance	1,183.30	903.51
Expenses for the year	376.16	288.88
Transfer to securities premium reserve on allotment	(37.99)	(9.09)
Closing balance	**1,521.47**	**1,183.30**
General Reserve		
Opening Balance	1,296.47	1,296.47
Add: Transferred from retained earnings	-	-
Closing balance	**1,296.47**	**1,296.47**
Retained earnings		
Opening balance	796.10	(32,088.96)
Adjustment for capital reduction (refer note no. 39)	-	26,427.19
Net profit for the year	11,246.64	6,457.87
Closing balance	**12,042.74**	**796.10**
c). Items of Other Comprehensive Income (net of tax)		
FVTOCI reserve		
Opening balance	(199.40)	-
Movement during the year	(33.99)	(199.40)
Closing balance	(233.39)	(199.40)
Foreign Currency Translation Reserve		
Opening balance	(995.41)	-
Add/less Movement during the year	(145.75)	(995.41)
Closing balance	**(1,141.18)**	**(995.41)**
Total	51,756.82	40,185.69

Notes to the Consolidated Financial Statements for the year ended 31 March 2018

(All amount in lacs of Indian Rupees, except share data and as stated otherwise)

14C. Nature of reserves

a. **Capital reserve**

The Group recognises profit or loss on purchase, sale, issue or cancellation of the Group's own equity instruments to capital reserve.

b. **Capital redemption reserve**

As per Companies Act, 2013, the Group recognised capital redemption reserve on redemption of preference shares.

c. **Securities premium reserve**

Securities premium reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with the provision of the Companies Act, 2013.

d. **Share based payment reserve**

The share option outstanding account is used to recognise the grant date fair value of options issued to employees under the Employees Stock Option Schemes. Refer to note 33 for further details of the plan.

e. **General reserve**

The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to statement of profit and loss.

f. **Retained earnings**

Retained earnings comprises of undistributed earnings after taxes.

15. Borrowings

Particulars	31 March 2018	31 March 2017	01 April 2016
Non-current borrowings:			
Term Loan			
From Bank			
Secured bank loan	-	-	213.68
Total non-current Borrowings	-	-	213.68
Current borrowings:			
Loan repayable On Demand (from bank)			
Bank overdraft	-	1,034.71	1,360.00
Pre-shipment Credit	4,864.56	4,518.91	5,964.12
Post-shipment Credit	1,793.26	2,718.42	3,378.29
Current maturity of long term loans			
Secured bank loan	-	181.84	284.91
Total current borrowings	6,657.82	8,453.88	10,987.32
Less: Amount clubbed under "other financial liabilities"	-	(181.84)	(284.91)
Net current borrowings	6,657.82	8,272.04	10,702.41

Notes

1. Information about group exposure to interest rate foreign currency and liquidity risk is given in note 42(c).
2. Terms of borrowings and repayment schedule

A. **Terms and repayment schedule**

Particulars	Currency	Nominal interest rate	Year of maturity	Carrying amount at 31 March 2018	Carrying amount at 31 March 2017	Carrying amount at 01 April 2016
Secured Bank loan	GBP	LIBOR + 5%	2017 - 18	-	181.84	498.59

B. **Nature of security**

1. **Secured bank loan**

(i) First charge on EPG Licence on British Sky Broadcasting.

(ii) Additionally secured by Corporate guarantee of the immediate parent Company as well as ultimate parent Company.

2. **Working capital facilities in India:**

(i) Secured by hypothecation of inventory and trade receivable on pari-passu basis.

(ii) Further Secured, on parri-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) 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 12,576,633 equity shares of US $ 1 each and assignment of loan to Genoa Jewelers Limited, BVI which is now converted into equity investment of Genoa Jewelers Ltd .

Notes to the Consolidated Financial Statements for the year ended 31 March 2018

(All amount in lacs of Indian Rupees, except share data and as stated otherwise)

(vi) Personal Guarantee of Mr. Sunil Agrawal, Chairman and Managing Director of the Company. (Refer note 40)

3. **Overdraft facilities in The Jewellery Channel Limited, UK:**

(i) First ranking charge over the inevntory of raw materials, finished goods including stock-in-transit and counter indemnity of the Company for NFB (BG) limit.

(ii) Additionaly secured by Corporate guarantee of the immediate parent Company as well as ultimate parent Company.

16. Other financial liabilities

Particulars	31 March 2018	31 March 2017	01 April 2016
Other financial liabilities at amortized cost			
Current maturities of long term borrowing	-	181.84	284.91
Employee benefit payables	209.13	314.92	236.55
Unclaimed dividend	0.51	0.50	0.76
Total other financial liabilities at amortized cost	209.64	497.26	522.22
A. Current	209.64	497.26	522.22
B. Non-current	-	-	-

17. Provisions

Particulars	Current			Non-Current		
	31 March 2018	31 March 2017	01 April 2016	31 March 2018	31 March 2017	01 April 2016
Provision for employee benefits (refer note 32)						
Provision for gratuity	110.26	109.81	95.16	177.58	191.69	164.30
Provision for leave benefits	18.21	16.74	10.85	105.86	82.77	65.41
Total provision for employee benefits	128.47	126.55	106.01	283.44	274.46	229.71
Other provision						
Provision for returns	1,362.56	1,316.72	1,065.40	-	-	-
Provision for Income Tax (net of advance tax)	-	-	-	-	3.62	3.68
Provision for lease equalisation	121.60	108.22	91.85	91.20	157.77	180.16
Total other provision	1,484.16	1,424.94	1,157.25	91.20	161.39	183.83
Total current provisions	1,612.63	1,551.49	1,263.25	374.63	435.85	413.54

Particulars	Provision for returns		Provision for lease equalisation	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017
Opening balance at the beginning of the year	1,316.72	1,065.40	265.99	272.00
Provision made during the year	45.84	251.32	-	-
Provision utilised during the year	-	-	(53.19)	(6.01)
Closing balance at the end of the year	1,362.56	1,316.72	212.80	265.99

18. Other liabilities

Particulars	31 March 2018	31 March 2017	01 April 2016
Advance from customers	697.17	1,324.08	653.58
Statutory dues payable	715.54	541.99	543.06
Book overdraft	-	58.04	-
Other liabilities	186.50	7.73	19.51
Total other liabilities	1,599.21	1,931.84	1,216.15
Current	1,599.21	1,931.84	1,216.15
Non-current	-	-	-

19. Revenue from operations

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Sale of products	1,56,250.17	1,43,716.47
Other operating revenues	131.08	136.92
Sale of goods	1,56,381.25	1,43,853.39
Foreign exchange gain (net)	1,159.22	41.06
Total	1,57,540.47	1,43,894.45

Notes to the Consolidated Financial Statements for the year ended 31 March 2018

(All amount in lacs of Indian Rupees, except share data and as stated otherwise)

20. Other income

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Interest	168.07	257.60
Dividend received	0.01	0.01
Liabilities no longer required written back	-	41.02
Gain on sale of current investments	131.54	6.10
Gain on sale of fixed assets	0.14	0.48
Miscellaneous income	746.81	1,264.55
Total	1,046.57	1,569.76

21. Cost of material consumed

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Material in process at the beginning of the year	9,109.68	11,471.79
Add: Purchases during the year	32,244.21	28,656.57
	41,353.89	40,128.36
Less: Material in process at the end of the year	10,408.78	9,109.68
Cost of material consumed during the year	30,945.11	31,018.68

22. Purchases of stock-in-trade

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Purchases of stock-in-trade	28,353.05	22,602.63
	28,353.05	22,602.63

23. Change in inventories of stock-in-trade and work-in-progress

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Inventory at the beginning of the year		
Finished Goods	21,078.94	18,738.44
Inventory at the end of the year		
Finished Goods	24,644.31	21,078.94
Loss / (gain) on translation of stock at average rate	681.20	(1,044.00)
Decrease/(Increase) of stock-in-trade and and work-in-progress	(2,884.17)	(3,384.49)

24. Employee benefits expense

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Salaries, wages and bonus	23,889.78	22,177.80
Contribution to provident and other funds	2,173.02	1,824.47
Share based payments to employees	376.16	288.89
Staff welfare expenses	469.36	433.87
Recruitment and training	192.30	294.56
	27,100.62	25,019.59

25. Finance costs

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Interest on debts and borrowings	234.77	446.32
Other borrowing costs	194.83	194.29
	429.60	640.61

26. Depreciation and amortization expense

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Depreciation of property, plant and equipment (refer note 4)	1,726.12	1,585.20
Amortization of intangible assets (refer note 5)	819.02	1,356.11
	2,545.14	2,941.31

Notes to the Consolidated Financial Statements for the year ended 31 March 2018

(All amount in lacs of Indian Rupees, except share data and as stated otherwise)

27. Other expenses

	Particulars	Year ended 31 March 2018	Year ended 31 March 2017
a	**Manufacturing and Direct Expenses**		
	Job work charges	4,393.78	4,438.52
	Stores and consumables	472.72	566.12
	Power and fuel	454.00	449.84
	Repairs and maintenance - machinery	63.83	66.54
	Other manufacturing/ direct expenses	1,642.40	1,581.26
		7,026.73	**7,102.28**
b	**Administrative and Selling Expenses**		
	Rent	1,059.91	1,154.78
	Rates and taxes	513.04	596.98
	Insurance	471.54	471.16
	Travelling and conveyance	1,349.64	1,064.60
	Legal and professional fees	1,266.13	1,056.07
	Postage and telephone	1,182.31	1,391.32
	Printing and stationery	124.41	124.97
	Repairs and maintenance - building and others	273.24	226.77
	Packing and forwarding	1,830.89	1,436.18
	Donation - CSR	309.61	181.62
	Advertising and sales promotion	1,598.51	1,356.71
	Security expenses	465.24	465.66
	Director's remuneration	69.17	68.10
	Directors' sitting fees	25.80	31.25
	Payment to auditor (refer note 31)	91.90	31.24
	Bad debts/ advances written off	80.39	614.75
	Allowances for doubtful debts and advances	671.74	203.25
	Loss on sale of investments	-	18.03
	Miscellaneous expenses	1,078.98	942.17
	Content and broadcasting	21,807.96	25,914.09
	Call handling and collection charges	5,797.42	5,442.24
	Packing and distribution charges	10,057.34	8,546.32
	Information technology expenses	2,030.84	1,576.31
		52,156.01	**52,914.58**
	Total	**59,182.74**	**60,016.86**

28. Tax expenses

(a) Income tax charged to statement of profit and loss

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Current tax including MAT	2,544.66	777.77
Adjustment of tax relating to earlier periods	(11.18)	(444.69)
	2,533.48	**333.08**
Deferred tax		
Attributable to:		
Original and reversal of temporary differences	(865.17)	(181.93)
	(865.17)	**(181.93)**
	1,668.31	**151.15**

(b) Income tax charged to other comprehensive income

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Remeasurement of the net defined benefit liability	(1.78)	2.07
	(1.78)	**2.07**

Notes to the Consolidated Financial Statements for the year ended 31 March 2018

(All amount in lacs of Indian Rupees, except share data and as stated otherwise)

(c) Reconciliation of effective tax rate

Particulars	Year ended 31 March 2018		Year ended 31 March 2017	
	%	Amount	%	Amount
Profit before tax		12,914.95		6,609.02
Tax expense as per statutory income tax rate	34.61%	4,469.61	34.61%	2,287.25
Differences in tax rates in foreign jurisdictions	-13.92%	(1,797.83)	-12.13%	(801.67)
Net tax impact on deduction/ disallowances/ taxable income as per Income Tax Act 1961	0.01%	1.81	0.55%	36.67
Net of timing difference reversed within tax exemption period and prior period deferred taxation	-3.00%	(387.67)	1.81%	119.86
Less: Exempted tax as per provisions for section 10AA of income tax exemption	-5.76%	(744.47)	-5.81%	(383.90)
Reduction in tax rate	9.20%	1,187.68	-	-
Income tax adjustment related to earlier year	2.77%	357.35	-6.73%	(444.69)
Recognition of deferred tax asset on previous year tax losses	-10.98%	(1,418.17)	-10.02%	(662.37)
Income tax reported in statement of profit and loss and effective tax rate	**12.92%**	**1,668.31**	**2.29%**	**151.15**

(d) MAT credit entitlement

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Opening balance	-	-
Add: MAT credit entitlement / (reversal) for earlier years	-	-
Add: MAT credit entitlement / (reversal) for current year	303.76	-
	303.76	-

(e) Recognised deferred tax assets/ (liabilities)

Deferred tax assets/ (liabilities) are attributable to the following:

Particulars	31 March 2018	31 March 2017	01 April 2016
Property, plant and equipment	(16.71)	(309.76)	13.69
Provision-employee benefits	124.03	170.07	141.05
Other items	314.02	436.32	583.46
MAT credit entitlement	303.76	-	-
Tax losses carried forward	2,416.12	2,001.63	1,371.62
	3,141.22	**2,298.26**	**2,109.82**

(f) Movement in temporary differences

	Property, plant and equipment	Provision-employee benefits	Other items	MAT credit entitlement and tax losses carried forward	Total
Balance at 01 April 2016	13.69	141.05	583.46	1,371.62	2,109.82
Recognised in profit and loss during 2016-17	(323.45)	29.02	(149.22)	630.01	186.36
Recognised in OCI during 2016-17	-	-	2.08	-	2.08
MAT credit entitlement during 2016-17	-	-	-	-	-
Balance as at 31 March 2017	(309.76)	170.07	436.32	2,001.63	2,298.26
Recognised in profit and loss during 2017-18	293.06	(46.05)	(120.52)	414.49	540.98
Recognised in OCI during 2017-18	-	-	(1.78)	-	(1.78)
MAT credit entitlement during 2017-18	-	-	-	303.76	303.76
Balance as at 31 March 2018	(16.70)	124.02	314.02	2,719.88	3,141.22

(g) Tax losses carried forward

UK entity has unused carried forward tax losses of ₹4,164.47 lacs (31 March 2017: ₹5,005.65 lacs; 01 April 2016: ₹7,112.64 lacs) avaliable to reduce future current income taxes. Unused tax losses does not expire.

USA entities has unused carried forward tax losses of ₹8,436.02 lacs (31 March 2017: ₹10,574.82 lacs; 01 April 2016: ₹12,082.99 lacs) avaliable to reduce future current income taxes. If not used, unused tax losses will expire in financial year 2024, 2028 and 2029 respectively.

Notes to the Consolidated Financial Statements for the year ended 31 March 2018

(All amount in lacs of Indian Rupees, except share data and as stated otherwise)

29. Details of CSR expenditure:

a) Gross amount required to be spend by the Company during the year ₹64.26 lacs (previous year: ₹81.44 lacs).

b) Amount spent during the year ending are as under:

Particulars	For the year ended 31 March 2018		
	In Cash	Yet to be paid in cash	Total
(i) Construction/ acquisition of any asset	-	-	-
(ii) On purpose other than above (i) above	137.33	6.47	143.80

Particulars	For the year ended 31 March 2017		
	In Cash	Yet to be paid in cash	Total
(i) Construction/ acquisition of any asset	-	-	-
(ii) On purpose other than above (i) above	152.25	-	152.25

30. Earning Per Share

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
A Basic earning per share		
The calculation of profit attributable to equity shareholders and weighted average numbers of equity shares outstanding for purpose of basic earning per share calculation are as folllows-		
i. Profit attributable to equity holders	11,246.64	6,457.87
ii. Weighted average number of Equity shares for basic EPS		
Opening balance	3,25,34,814	3,24,99,057
Effect of share options excercised	19,077	30,923
Weighted average number of Equity shares	**3,25,53,891**	**3,25,29,980**
iii. **Basic Earning Per Share**	**34.55**	**19.85**
B Diluted Earning per share		
The calculation of diluted earnings per share is based on profit attributable to equity shareholders and weighted average number of equity shares outstanding, after adjustment for the effects of all dilutive potential equity shares as follows:		
i) Profit attributable to equity holders	11,246.64	6,457.87
ii) Weighted average number of Equity shares for basic EPS		
Opening balance	3,25,34,814	3,24,99,057
Effect of share options excercised	19,077	30,923
Dilution of equity	9,19,224	8,59,233
Weighted average number of equity shares (diluted) for the year	**3,34,73,115**	**3,33,89,213**
iii) **Diluted Earning Per Share**	**33.60**	**19.34**

31. Payment to auditors

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Audit fees	58.25	22.12
Other services	15.15	3.10
Reimbursement of expenses	18.50	6.02
	91.90	**31.24**

32. Employee benefit obligation

A) Provident fund and employee's state insurance

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Employer's contribution to Employee's Provident Fund	146.13	166.05
Employer's contribution to Employees State Insurance	64.43	57.88
Employer's contribution to Employee's Pension Scheme	14.46	8.82
	225.02	232.75

The Group has contributed ₹1,948.00 lacs (Previous year ₹1,597.72 lacs) towards defined contribution plans of subsidiaries companies.

Notes to the Consolidated Financial Statements for the year ended 31 March 2018

(All amount in lacs of Indian Rupees, except share data and as stated otherwise)

B) **Gratuity**

The Company has a defined benefit gratuity plan. Every employee gets a gratuity on retirement/termination/resignation at 15 days salary (last drawn salary) for each completed year of service. The scheme is funded with an Insurance Company in the form of a qualifying insurance policy.

The following tables summarise the components of net benefit expense recognised in the statement of profit and loss and the funded status and amounts recognised in the balance sheet for the respective plans:

Details of actuarial valuation carried out on balance sheet date as under:

(a) Net benefit expense recognized in the statement of profit and loss:

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Current service cost	115.50	73.73
Interest cost on benefit obligation	21.71	19.98
Net benefit expenses	**137.21**	**93.71**

(b) Position of the assets and obligation

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Fair Value of plan assets	357.87	217.38
Present value of the obligations	(645.72)	(518.88)
Assets / (Liability) recognised in balance sheet	**(287.85)**	**(301.50)**

(c) Amounts recognized in the statement of comprehensive income as follows:

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Return on plan assets (excluding amounts included in net interest expense)	(3.98)	(0.77)
Actuarial gain / (loss) on arising from change in demographic assumption	(3.76)	(14.44)
Actuarial gain / (loss) on arising from change in financial assumption	18.63	17.95
Actuarial gain / (loss) on arising from change in experience adjustments	(16.04)	3.25
Actuarial gain / (loss) on for the year on asset	-	-
Remeasurement of the net defined liability	**(5.14)**	**5.99**

(d) Changes in the present value of the defined benefit obligation are as follows:

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Opening Present Value of the Obligation	518.88	429.22
Current service cost	115.50	73.73
Interest cost	37.36	33.05
Benefits paid	(24.85)	(23.89)
Actuarial gain / (loss)	(1.17)	6.77
Closing Present Value of the Obligation	**645.72**	**518.88**

(e) Changes in the defined benefit obligation and fair value of plan assets:

The amounts recognised in the balance sheet and the movements in the net defined benefit obligation over the year are as follows:

Particulars	Year ended 31 March 2018		
	Defined benefit obligation	Fair value of plan assets	Benefit Liability / (Assets)
Opening balance	518.88	217.38	301.50
Gratuity cost charged to profit or loss			
Service Cost	115.50	-	115.50
Net interest expense	37.36	15.65	21.71
Benefits paid	(24.85)	(24.85)	-
Remeasurement gains/(losses) in other comprehensive income			
Return on plan assets (excluding amounts included in net interest expense)	-	3.98	(3.98)
Actuarial changes arising from changes in demographic assumptions	(3.76)	-	(3.76)
Actuarial changes arising from changes in financial assumptions	18.63	-	18.63
Experience adjustments	(16.04)	-	(16.04)
Contributions by employer	-	145.71	(145.71)
	645.72	**357.87**	**287.85**

Notes to the Consolidated Financial Statements for the year ended 31 March 2018

(All amount in lacs of Indian Rupees, except share data and as stated otherwise)

Particulars	Year ended 31 March 2017		
	Defined benefit obligation	Fair value of plan assets	Benefit Liability / (Assets)
Opening balance	429.22	169.77	259.45
Gratuity cost charged to profit or loss			
Service Cost	73.74	-	73.74
Net interest expense	33.05	13.07	19.98
Benefits paid	(23.89)	(23.89)	-
Remeasurement gains/(losses) in other comprehensive income			
Return on plan assets (excluding amounts included in net interest expense)	-	0.77	(0.77)
Actuarial changes arising from changes in demographic assumptions	(14.44)	-	(14.44)
Actuarial changes arising from changes in financial assumptions	17.95	-	17.95
Experience adjustments	3.25	-	3.25
Contributions by employer	-	57.66	(57.66)
	518.88	**217.38**	**301.50**

(f) The major categories of plan assets of the fair value of the total plan assets are as follows :

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Funds managed by Insurer	100%	100%

(g) The principal assumptions used in determining gratuity obligations for the Company's plan is shown below:

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Discount rate	7.30%	7.20%
Future salary increases	10.00%	10.00%
Retirement age (years)	58	58
Mortality rates inclusive of provision for disability (2006 - 08)	100% of IALM	100% of IALM
Employee turnover Withdrawal Rate (%)		
All ages	12.42%	14.67%

(h) Sensitivity Analysis

A quantitative sensitivity analysis for significant assumption as at 31 March 2018 is as shown below:

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Increase / (decrease) in defined benefit obligation		
Discount rate		
Increase by 1%	41.78	29.69
Decrease by 1%	47.38	33.31
Future salary		
Increase by 1%	44.50	29.46
Decrease by 1%	40.63	27.55

Sensitivities due to mortality and withdrawals are insignificant. Sensitivities as to rate of inflation, rate of increase of pensions in payment, rate of increase of pensions before retirement & life expectancy are not applicable being a lump sum benefit on retirement.

In presenting the above sensitivity analysis, the present value of defined benefit obligation has been calculated using the projected unit credit method at the end of reporting period, which is the same as that applied in calculating the defined obligation liability recognized in the balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

(i) Defined benefit liability and employer contributions

Expected contributions to defined benefit obligation for the year ending 31 March 2019 are ₹79.16 lacs. The expected maturity analysis of defined benefit plan is as follows:

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Year		
- Within the next 12 months (next annual reporting period)	79.16	65.87
- Above 1 to 5 years	209.76	195.84
- More than 5 years	356.80	257.17
Total expected payments	**645.72**	**518.88**

The average duration of the defined benefit plan obligation at the end of the reporting period is 11 years (31 March 2017: 10 years).

Notes to the Consolidated Financial Statements for the year ended 31 March 2018

(All amount in lacs of Indian Rupees, except share data and as stated otherwise)

C) Leave obligations

The amount of the provision of ₹124.06 lacs (31 March 2017 – ₹99.51 lacs, 31 March 2016 - ₹76.26 lacs) is presented as current and non current. The Company has provided for the liability on the basis of actuarial valuation.

33. Share-based payments

a.) VGL ESOP (As Amended) - 2006

Under the VGL ESOP (As Amended) - 2006 (herein referred as 'Plan'), the Compensation Committee decides upon the employees who qualify under the Plan and the no. of options to be issued to such employees. The exercise price of the share options shall be the market price which would be the latest available closing price of the shares on the stock exchange, which records the highest trading volume of the Company's shares on the date prior to date of meeting of the Compensation committee at which the options are granted. Out of stock option granted, 20% stock option will vest at the end of one year from the date of Grant, 30% at the end of the second year and balance 50% at the end of third year. The Company has constituted " Vaibhav Global Employee Stock Option Welfare Trust" to administer and implement various VGL ESOP schemes. The fair value of the share options is estimated at the grant date using a Black-Scholes pricing model, taking into account the terms and conditions upon which the share options were granted. However, the above performance condition is only considered in determining the number of instruments that will ultimately vest. The exercise period for all the options under various tranches is 7 years from the date of vesting.

b.) Reconciliation of outstanding share options:-

The following table illustrates the number and weighted average exercise prices (WAEP) of, and movements in, share options during the year:

	31 March 2018		31 March 2017	
	Number	WAEP	Number	WAEP
Outstanding at beginning of the year	9,97,181	442.17	5,98,925	557.87
Granted during the year	3,40,649	546.14	5,45,178	308.94
Forfeited during the year	(86,754)	496.79	(1,11,165)	538.12
Exercised during the year *	(49,576)	271.96	(35,757)	50.59
Outstanding at the end of the year	**12,01,500**	**474.73**	**9,97,181**	**442.17**
Exercisable at 31 March	4,68,867	563.82	2,60,897	523.39

* The weighted average share price at the date of exercise of these options was ₹638.58 (previous year: ₹304.87)

The weighted average remaining contractual life for the share options outstanding as at 31 March 2018 was 7.99 years (31 March 2017: 8.45 years, 31 March 2016: 8.18 years)

The weighted average fair value of options granted during the year was ₹294.62 (31 March 2017: ₹174.89).

The range of exercise prices for options outstanding at the end of the year was ₹45.30 to ₹773.20 (31 March 2017: ₹26.75 to ₹752.60, 31 March 2016: ₹26.75 to ₹752.60)

The following tables list the inputs to the models used for the three series for the years ended 31 March 2018 and 31 March 2017, respectively:

Series	31 March 2018			31 March 2017		
	R	S	T	O	P	Q
Stock price of option as on Grant Date (₹)	544.15	633.55	773.20	284.45	311.55	307.35
Exercise price of option (₹)	544.15	633.55	773.20	284.45	311.55	307.35
Risk free rate	6.46% to 6.50%	6.82% to 6.91%	6.82% to 6.91%	7.41% to 7.46%	6.68% to 6.70%	6.52% to 6.57%
Volatility	44.39% to 49.28%	44.42% to 49.10%	44.39% to 48.41%	49.94% to 55.35%	48.55% to 52.24%	48.55% to 52.24%

c.) The expense recognised for employee services received during the year is shown in the following table:

	31 March 2018	31 March 2017
Expense arising from equity-settled share-based payment transactions	376.16	288.80
Total expense arising from share-based payment transactions	**376.16**	**288.80**

There were no cancellations or modifications to the awards in 31 March 2018 or 31 March 2017.

d.) A summary of movement of Treasury shares is as follows:

	No. of Shares	Amount
Opening balance as on 01 April 2016	16,074	1.61
Add: Shares allocated by Company	30,486	3.05
Less: Shares excercised by employee	(35,757)	(3.58)
Closing balance as on 31 March 2017	**10,803**	**1.08**
Add: Shares allocated by Company	45,236	4.52
Less: Shares excercised by employee	(49,576)	(4.96)
Closing balance as on 31 March 2018	**6,463**	**0.65**

Notes to the Consolidated Financial Statements for the year ended 31 March 2018

(All amount in lacs of Indian Rupees, except share data and as stated otherwise)

34. Lease commitments

The Group has entered into operating leases on certain office, warehouses and other premises, with lease terms between one to ten years. These non-cancellable operating leases have various expiry dates. The total future minimum lease payments (excluding certain escalations) in this respect are as follows:

The group has paid ₹1,059.91 lacs (31 March 2017: ₹1,154.78 lacs) during the year towards minimum lease payment.

With respect to non cancellable operating lease, the future minimum lease payments as at balance sheet date is as under :

Particulars	31 March 2018	31 March 2017	01 April 2016
Not later than one year	903.07	1,021.57	1,017.19
Later than one year and not later than five year	2,136.36	1,755.61	2,225.97
Later than five year	-	320.65	683.90
	3,039.43	3,097.83	3,927.06

35. Contingent liabilities and commitments

a) **Commitments**

Particulars	31 March 2018	31 March 2017	01 April 2016
Estimated amount of contracts remaining to be executed on capital account and not provided for	-	0.25	150.18
	-	0.25	150.18

b) **Contingent liabilities:**

Particulars	31 March 2018	31 March 2017	01 April 2016
(a) Show cause/ demand notices received from government authorities			
(i) Demand / show cause notice received under Income Tax Act	266.81	290.32	325.04
(ii) Demand / show cause notice received under Customs Act	-	-	43.08
(b) Guarantees provided by the Company	-	-	-
(i) Guarantee given by the bank on behalf of the company	535.00	820.00	861.00
(c) Other money for which the Company is contingently liable	-	29.57	29.57

Note 1:

Pending resolution of respective proceedings, it is not possible for the group to estimate the timings of cash outflow, if any, in respect of the above as it is determinable only on receipt of judgments/ decisions pending with various forums/ authorities. The Group has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in its financial statements. The Group also believes that the above issues, when finally settled, are not likely to have any significant impact on the financial position of the Group. The Group does not expect any reimbursements in respect of the above contingent liabilities.

36. Assets hypothecated as security

Particulars	31 March 2018	31 March 2017	01 April 2016
Current assets	**30,207.32**	**28,828.98**	**29,411.45**
Non-current assets			
Property, plant and equipment	3,984.85	4,096.33	4,091.52
Investment in subsidiaries	-	-	-
- 200 common shares with no par value of STS Jewels Inc.	7,980.32	7,980.32	7,980.32
- 87,500 Ordinary Shares of HK $100 each of STS Gems Limited, HKK.	1,575.00	1,575.00	1,575.00
- 12,576,633 equity shares of US $1 each of Genoa Jewelers Ltd.	6,135.39	6,135.39	6,135.39
Other financial assets - bank deposits	75.64	100.88	84.45
Total current assets hypothecated as security	**19,751.20**	**19,887.92**	**19,866.68**
Total non-current assets hypothecated as security	**49,958.52**	**48,716.90**	**49,278.13**

37. Segment reporting

An operating segment is a component of an entity that engages in business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance for which discrete financial information is available.

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' as required by Ind AS 108 on 'Operating Segments'.

The Group sales its product majorly in four geographies: America (including Canada), United Kingdom (including some parts of Europe), Hongkong, India and others.

Notes to the Consolidated Financial Statements for the year ended 31 March 2018

(All amount in lacs of Indian Rupees, except share data and as stated otherwise)

Segment revenue from customers by geographic area based on location of the customer is as follows:

Geography	Year ended 31 March 2018	Year ended 31 March 2017
United States of America (USA)	1,11,308.11	1,04,952.72
United Kingdom (UK)	35,456.85	30,407.43
India	3,895.97	5,658.98
Others	5,720.32	2,834.25
Total	**1,56,381.25**	**1,43,853.38**

38. Capital management

For the purpose of the Group's capital management, capital includes issued equity capital, security premium and all other equity reserves attributable to the equity holders of the parent. The primary objective of the Group's capital management is to maximise the shareholder value.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group monitors capital using a gearing ratio, where net debt is total borrowings net of cash and cash equivalents, other bank balances and current investments in mutual funds and divided by total 'equity' (as shown in the Balance Sheet).

Particulars	31 March 2018	31 March 2017	01 April 2016
Borrowings (refer note 15)	6,657.82	8,453.88	11,201.00
Cash and cash equivalents (refer note 12)	(6,655.91)	(7,245.54)	(5,377.20)
Bank balances other than above	(167.34)	(218.93)	(187.55)
Current investments	(1,150.85)	(420.97)	(75.28)
Net debt	**(1,316.28)**	**568.44**	**5,560.97**
Equity Share capital	3,258.44	3,253.48	3,249.91
Other equity	51,756.82	40,185.69	34,618.64
Total equity	**55,015.25**	**43,439.17**	**37,868.55**
Net debt to equity ratio	**(0.02)**	**0.01**	**0.15**

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2018 and 31 March 2017.

39.

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 ₹26,427.19 lacs against the Securities Premium Account. The shareholder approved scheme of via postal ballot on 16 January 2016 and the scheme is sanctioned by the Hon'ble High Court, Rajasthan (Jaipur) vide order dated 18 November 2016. The effect of such reduction had been taken in the financial statements during the previous year.

40. Related party transactions

A. **List of related parties :**

Enterprises in which Key management personnels are interested :

1. VGL Softech Limited
2. Brett Plastic Pvt. Limited
3. Sony Mikes Holdings Ltd
4. Ganpati Chambers Pvt Ltd.
5. Jaipur Gem Bourse Limited

Key Management Personnel (KMP) :

1. Mr. Sunil Agrawal - Chairman & Managing Director
2. Mr. Rahimullah - Whole time Director

Non-Executive & Independent Directors

1. Mr. Purushottam Agarwal
2. Mr. James Patrick Clarke
3. Mr. Harsh Bahadur
4. Mr. Sunil Goyal
5. Mr. Santiago Roces Moran

Relatives of Key Management Personnel

1. Mrs. Deepti Agrawal
2. Mr. Ghanshyam Agarwal
3. Smt. Sheela Agarwal
4. Mr. Hursh Agrawal
5. Master Neil Agrawal
6. Mr. Sanjeev Agrawal
7. Mrs. Fatima Be
8. Mrs. Batool Begum
9. Mr. Arifullah
10. Mr. Inamullah
11. Mr. Imranullah
12. Mr. Rizwanullah
13. Mr. Asifullah
14. Mrs. Amrin
15. Mr. Ikramullah
16. Mrs. Renu Raniwala

Notes to the Consolidated Financial Statements for the year ended 31 March 2018

(All amount in lacs of Indian Rupees, except share data and as stated otherwise)

B. Related Party Transactions

Nature of Transactions	Key Managerial Person		Others		Relatives of Key Managerial Person		Enterprises over which significant influence exercised by Key Managerial Person	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017	31 March 2018	31 March 2017	31 March 2018	31 March 2017
(i) Transactions during the year								
Remuneration	257.12	52.08			88.97	90.43	-	-
Directors commission / sitting fees	-	-	84.64	89.67	-	-	-	-
(ii) Balances as the end of the year								
Investment in VGL Softech Limited	-	-	-	-	-	-	52.07	52.07
Less: Impairment loss recognised							(52.07)	(52.07)

Note:

The working capital borrowings of the Company are secured by the personal guarantee of Mr. Sunil Agrawal, Chairman and Managing Director of the Company. (Refer note no. 15)

C. Details of material related party transactions

Remuneration paid during the year

Relationship with group	Name of related party	Year ended 31 March 2018	Year ended 31 March 2017
Key Managerial Persons	Mr. Sunil Agrawal	215.12	133.94
	Mr. Rahimullah	42.00	42.00
Relatives of Key Managerial Perons	Mr. Rizwan Ullah	85.75	89.76
	Mr. Hursh Agrawal	3.22	0.67

41. Fair Value measurements

(i) Financial assets and liabilities:

The accounting classification of each category of financial instruments, and their carrying amounts are set out below:

As on 31 March 2018	FVTPL	FVTOCI	Amortized Cost	Total Carrying Value	Fair Value
Financial assets					
Cash and cash equivalents	-	-	6,655.91	-	6,655.91
Bank balance other than above	-	-	91.70	91.70	91.70
Loans- current	-	-	88.89	88.89	88.89
Trade receivables	-	-	12,901.05	12,901.05	12,901.05
Investments	1,150.30	-	-	1,150.30	1,151.15
Other non current financial asset	-	-	821.72	821.72	821.72
Other current financial asset	-	-	34.47	34.47	34.47
	1,150.30	**-**	**20,593.74**	**15,088.13**	**21,744.89**
Financial liabilities					
Borrowings	-	-	6,657.82	6,657.82	6,657.82
Trade payables	-	-	10,266.13	10,266.13	10,266.13
Other financials liabilites	-	-	209.64	209.64	209.64
	-	**-**	**17,133.59**	**17,133.59**	**17,133.59**

As on 31 March 2017	FVTPL	FVTOCI	Amortized Cost	Total Carrying Value	Fair Value
Financial assets					
Cash and cash equivalents	-	-	7,245.54	7,245.54	7,245.54
Bank balance other than above	-	-	218.93	218.93	218.93
Loans- current	-	-	61.96	61.96	61.96
Trade receivables	-	-	9,603.06	9,603.06	9,603.06
Investments	420.29	236.65	-	656.94	462.43
Other non current financial asset	-	-	719.29	719.29	719.29
Other current financial asset	-	-	66.10	66.10	66.10
	420.29	**236.65**	**17,914.88**	**18,571.82**	**18,377.31**
Financial liabilities					
Borrowings	-	-	8,272.04	8,272.04	8,272.04
Trade payables	-	-	11,423.75	11,423.75	11,423.75
Other financials liabilites	-	-	497.26	497.26	497.26
	-	**-**	**20,193.05**	**20,193.05**	**20,193.05**

Notes to the Consolidated Financial Statements for the year ended 31 March 2018

(All amount in lacs of Indian Rupees, except share data and as stated otherwise)

01 April 2016	FVTPL	FVTOCI	Amortized Cost	Total Carrying Value	Fair Value
Financial assets					
Cash and cash equivalents	-	-	5,377.20	5,377.20	5,377.20
Bank balance other than above	-	-	187.55	187.55	187.55
Loans- current	-	-	59.52	59.52	59.52
Trade receivables	-	-	6,612.43	6,612.43	6,612.43
Investments	75.29	287.70	-	362.99	363.27
Other non current financial asset	-	-	973.50	973.50	973.50
Other current financial asset	-	-	58.01	58.01	58.01
	75.29	287.70	13,268.21	13,631.20	13,631.48
Financial liabilities					
Borrowings	-	-	10,916.09	10,916.09	10,916.09
Trade payables	-	-	11,555.71	11,555.71	11,555.71
Other financials liabilites	-	-	522.22	522.22	522.22
	-	-	22,994.02	22,994.02	22,994.02

* Investment excludes investment in subsidiaries which are accounted at historical cost.

(ii) **Fair value hierarchy**

The table shown below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined below:

a) **Level 1:**
Level 1 hierarchy includes financial instrument measured using quoted prices. This includes listed equity instruments that have a quoted price. The fair value of all equity instruments which are traded in the stock exchanges is valued using the closing price as at the reporting period end.

b) **Level 2:**
If inputs required to fair value an instrument other than quoted prices included within Level 1 are observable, either directly (i.e., as prices) or indirectly (i.e., derived from prices), the instruments are included in Level 2.

c) **Level 3:**
If one or more of the significant inputs is not based on observable market data, the instruments is included in level 3.

Financial assets and liabilities measured at fair value- recurring fair value measurements

Financial Instruments	As at 31 March 2018		
	Level 1	Level 2	Level 3
Financial assets			
Investments (Quoted)	-	-	-
Investments (Unquoted)	1,150.85	-	0.30
Total	1,150.85	-	0.30

Financial Instruments	As at 31 March 2017		
	Level 1	Level 2	Level 3
Financial assets			
Investments (Quoted)	-	-	-
Investments (Unquoted)	420.97	-	0.29
Total	420.97	-	0.29

Financial Instruments	As at 01 April 2016		
	Level 1	Level 2	Level 3
Financial assets			
Investments (Quoted)	-	-	-
Investments (Unquoted)	75.28	-	0.29
Total	75.28	-	0.29

The fair value of the financial assets and liabilities are included at the amount that would be received to sell an asset and paid to transfer a liability in an orderly transaction between market participants. The following methods and assumptions were used to estimate the fair values:

- Derivative instruments: Fair value of foreign exchange contracts is determined using forward exchange rate at the balance sheet date.
- Other non-current financial assets and liabilities: Fair value is calculated using a discounted cash flow model with income approach, unless the carrying value is considered to approximate to fair value.
- Trade receivables, cash and cash equivalents, other bank balances, loans, other current financial assets, current borrowings, trade payables and other current financial liabilities: Approximate their carrying amounts largely due to the short-term maturities of these instruments.

Notes to the Consolidated Financial Statements for the year ended 31 March 2018

(All amount in lacs of Indian Rupees, except share data and as stated otherwise)

42. Financial risk management objective and policies

This section gives an overview of the significance of financial instruments for the Group and provides additional information on the balance sheet. Details of significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in Note 6, 7, 8, 11, 12, 15 and 16.

Risk management framework

The Group being driven by the market forces, its businesses are subject to several risks and uncertainties including financial risks. The Group's documented risk management policies act as an effective tool in mitigating the various financial risks to which the business is exposed to, in the course of their daily operations. The risk management policies cover areas around all identified business risks including commodity price risk, foreign exchange risk etc., Risks are identified through a formal risk management programme with active involvement of senior management personnel and business managers. The Group has in place risk management processes in line with the Group's policy. Each significant risk has an owner, who coordinates the Risk Management Process.

The risk management framework aims to:

- Better understand our risk profile;
- Understand and better manage the uncertainties which impact our performance;
- Contribute to safeguarding Group value and interest of various stakeholders;
- Ensure that sound business opportunities are identified and pursued without exposing the business to an unacceptable level of risk; and
- Improve compliance with good corporate governance guidelines and practices as well as laws and regulations.
- Improve financial returns

Treasury management

The Group's treasury function provides services to the business, co-ordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Group through internal risk reports which analyse exposures by degree and magnitude of risks. These risks include market risk (including currency risk, fair value interest rate risk and price risk), credit risk, liquidity risk and cash flow interest rate risk.

Treasury management focuses on capital protection, liquidity maintenance and yield maximization. The treasury operates as per the delegation of authority from the Board. Day-to-day treasury operations are managed by Group's finance team. Long-term fund raising including strategic treasury initiatives are handled by a Treasury team. A monthly reporting system exists to inform senior management of investments, debt, currency and interest rate derivatives. The Group has a strong system of internal control which enables effective monitoring of adherence to Group's policies.

The Group uses derivative instruments to manage its foreign currency exposure. The Group does not acquire or issue derivative financial instruments for trading or speculative purposes. Treasury transactions are normally in the form of forward contracts and these are subject to the Group guidelines and policies.

Commodity price risk

The Group is affected by the price volatility of certain commodities. Its operating activities require the ongoing purchase and continuous. Due to the volatility of the price of the certain material (i.e. gold, silver etc.). The Group maintains a steady mix of domestic and international suppliers to cater to its requirement.

The commodity price for all the imported and domestic purchases are periodically reviewed and renegotiated depending upon the market situation.

The activities are conducted within the approved delegation of authority and adhere to a strictly defined internal control and monitoring mechanism. Decisions relating to price changes of commodities etc. are discussed and approved by the appropriate authority, as per rules laid down in the delegation of authority.

Commodity price sensitivity

Commodity	31 March 2018		31 March 2017	
	Change in year-end prices	Effect on profit before tax	Change in year-end prices	Effect on profit before tax
Gold	+5%	68.20	+5%	93.99
	-5%	(68.20)	-5%	(93.99)
Silver	+5%	192.13	+5%	220.66
	-5%	-192.13	-5%	(220.66)

Equity price risk

The Group's exposure to listed equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. These are classified as fair value through statement of profit and loss. The Group manages the equity price risk through diversification within the limits as approved by the Board. Reports on the equity portfolio are submitted to the Group's senior management on a regular basis. The Group's Board of Directors reviews and approves all equity investment decisions.

Financial Risk

The Group's Board approved financial risk policies comprise liquidity, currency, interest rate and counterparty risk. The Group does not engage in speculative treasury activity but seeks to manage risk and optimise interest through proven financial instruments.

Notes to the Consolidated Financial Statements for the year ended 31 March 2018

(All amount in lacs of Indian Rupees, except share data and as stated otherwise)

(a) Liquidity

The Group requires funds both for short-term operational needs as well as for long-term investment programmes mainly in growth projects. The Group generates sufficient cash flows from the current operations which together with the available cash and cash equivalents and short-term investments provide liquidity both in the short-term as well as in the long-term. The Group has been rated by Care Ratings Ltd (CARE) for its banking facilities in line norms. During the year, CARE has reaffirmed the rating of the Group's long-term bank facilities as A(-) and short term bank facilities as A2(+) in September 2017.

The Group remains committed to maintaining a healthy liquidity, gearing ratio, deleveraging and strengthening balance sheet. The maturity profile of the Group's financial liabilities based on the remaining period from the date of balance sheet to the contractual maturity date is given in the table below. The figures reflect the contractual undiscounted cash obligation of the Group.

	31 March 2018			
	<1 Year	1-3 Years	>3 Years	Total
Non-Current Borrowings	-	-	-	-
Current Borrowings	6,657.82	-	-	6,657.82
Trade and other payables	10,266.13	-	-	10,266.13
Other financials liabilites	209.64	-	-	209.64
Total	**17,133.59**	**-**	**-**	**17,133.59**

Financial liabilities	As at 31 March 2017			
	<1 Year	1-3 Years	>3 Years	Total
Non-Current Borrowings	-	-	-	-
Current Borrowings	8,272.04	-	-	8,272.04
Trade and other payables	11,423.75	-	-	11,423.75
Other financials liabilities	497.26	-	-	497.26
Total	**20,193.05**	**-**	**-**	**20,193.05**

Financial liabilities	As at 01 April 2016			
	<1 Year	1-3 Years	>3 Years	Total
Non-Current Borrowings	-	213.68	-	213.68
Current Borrowings	10,702.41	-	-	10,702.41
Trade and other payables	11,555.71	-	-	11,555.71
Other financials liabilities	522.22	-	-	522.22
Total	**22,780.34**	**213.68**	**-**	**22,994.02**

Collateral

The Group has hypothecated its trade receivables, inventory, advances and other current assets in order to fulfil the collateral requirements for the financial facilities in place. There are no other significant terms and conditions associated with the use of collateral.

(b) Foreign exchange risk

The Group operates internationally and exposed to foreign exchange risk arising from various currency exposures, primarily with respect to US Dollar and GBP. The Group is subject to the risk that changes in foreign currency values impact the Group exports revenue and purchases from overseas suppliers in foreign currency and foreign currency denominated borrowings.

The Group uses forward exchange contracts to hedge the effects of movements in exchange rates on foreign currency denominated assets and liabilities. Exposures on foreign currency are managed through the Group's hedging policy, which is reviewed periodically to ensure that the results from fluctuating currency exchange rates are appropriately managed. The Group strives to achieve asset liability offset of foreign currency exposures and only the net position is hedged.

The exchange rate between Indian Rupee and foreign currencies has impact on results of the Group's operations. Consequently, the results of the Group's operations get affected as the Rupee appreciates/ deprecites against these foreign currencies.

The summary of exposure of financial assets and liablities to the currency risk is as follows:

Particulars	Financial Assets		
	31 March 2018	31 March 2017	01 April 2016
INR to USD	1,196.44	1,526.35	183.00
HKD to USD	962.47	379.06	213.33
GBP to USD	17.13	23.76	-
Others	0.33	-	-

Notes to the Consolidated Financial Statements for the year ended 31 March 2018

(All amount in lacs of Indian Rupees, except share data and as stated otherwise)

Particulars	Financial Liabilities		
	31 March 2018	31 March 2017	01 April 2016
INR to USD	6,930.36	8,272.04	10,702.41
HKD to USD	690.61	572.26	553.81
Others	36.64	89.75	-

Foreign currency sensitivity

The foreign exchange rate sensitivity is calculated by the aggregation of the net foreign exchange rate exposure with a simultaneous parallel foreign exchange rates shift in the currencies by 5% against the functional currency of the Group.

A 5% appreciation / depreciation of the respective foreign currencies with respect to the functional currency would result in net decrease / increase in the Group's profit and equity for the fiscal year 2018 and 2017 by ₹148.10 lacs and ₹195.87 lacs respectively.

(c) **Interest rate risk**

The Group is exposed to interest rate risk on short-term rate instruments. The borrowings of the Group are principally denominated in US dollars with floating rates of interest. The US dollar debt is of floating rates (linked to US dollar LIBOR). These exposures are reviewed by appropriate levels of management on a monthly basis.

The exposure of the Group's financial liabilities to interest rate risk is as follows:

	31 March 2018	31 March 2017	01 April 2016
Floating rate financial liabilities	6,657.82	7,237.33	9,342.41

Interest rate sensitivity

The table below illustrates the impact of a 0.5% to 1.50% movement in interest rates on interest expense on loans and borrowings. The risk estimate provided assumes that the changes occur at the reporting date and has been calculated based on risk exposure outstanding as of date. The year end balances are not necessarily representative of the average debt outstanding during the year. This analysis also assumes that all other variables, in particular foreign currency rates, remain constant.

Movement in interest rate	Year ended 31 March 2018	Year ended 31 March 2017
0.50%	33.29	36.19
1%	66.58	72.37
1.50%	99.87	108.56

(d) **Counterparty and concentration of credit risk**

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group is exposed to credit risk from its operating activities (primarily trade receivables), deposits with banks, short-term investments, foreign exchange transactions and other financial assets. The Group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults.

Trade rceviables

Customer credit risk is managed by each business unit subject to the Group's established policy, procedures and control relating to customer credit risk management. In monitoring customer credit risk, customers are grouped according to their credit characteristics, including whether they are wholesale or end-user customer, their geographic location, trade history with the Group. An impairment analysis is performed quarterly on an individual basis for wholesale customers and collectively for large number of end-user customers. The calculation is based on historical experience/ current facts available in relation to default and delays in collection thereof.

Concentration of credit risk with respect to trade receivables are limited, due to the Group's customer base being large and diverse. The management historical experience of collecting receivables is that credit risk is low. Hence, trade receivables are considered to be a single class of financial assets. Refer note 11 for exposure to trade receviables and note 3 for accounting policy on Financial Instruments.

Derivative financial instruments

The Group uses derivative instruments as part of its management of exposure to fluctuations in foreign currency exchange rates. The Group does not acquire or issue derivative financial instruments for trading or speculative purposes. Treasury derivative transactions are normally in the form of forward contracts and these are subject to the Group guidelines and policies.

All derivative financial instruments are recognized as assets or liabilities on the balance sheet and measured at fair value through statement of profit and loss, generally based on quotations obtained from bankers. The accounting for changes in the fair value of a derivative instrument depends on the intended use of the derivative and the resulting designation.

The limits, authorities and monitoring systems are periodically reviewed by management and the Board. The market risk on derivatives is mitigated by changes in the valuation of the underlying assets, liabilities or transactions, as derivatives are used only for risk management purposes.

Financial assets other than trade receivables and derivative financial instruments

With regards to other financial assets with contractual cash flows other than trade receivable and derivative financial instruments, management believes these to be high quality assets with negligible credit risk. The management believes that the parties from which these financial assets are recoverable, have strong capacity to meet the obligations and where the risk of default is negligible and accordingly no provision for excepted credit loss has been provided on these financial assets. Defined limits are in place for exposure to individual counterparties in case of mutual funds schemes. The carrying value of other financial assets other than cash and bank represents the maximum credit exposure. The Group's maximum exposure to credit risk at 31 March 2018 is ₹14,997.29 lacs; 31 March 2017 is ₹10,912.84 lacs.

Notes to the Consolidated Financial Statements for the year ended 31 March 2018

(All amount in lacs of Indian Rupees, except share data and as stated otherwise)

43. Explanation of transition to Ind AS

As stated in note 2 these are the first financial statements prepared in accordance with Ind AS. For the year ended 31 March 2017, the Group had prepared its financial statements in accordance with Companies (Accounting Standards) Rules, 2006, notified under Section 133 of the Act and other relevant provisions of the Act ('previous GAAP').

The accounting policies set out in note 3 have been applied in preparing these financial statements for the year ended 31 March 2018 including the comparative information for the year ended 31 March 2017 and the opening Ind AS balance sheet on the date of transition i.e. 1 April 2016.

In preparing its opening Ind AS balance sheet as at 1 April 2016 and in presenting the comparative information for the year ended 31 March 2017, the Group has adjusted amounts reported previously in financial statements prepared in accordance with previous GAAP. This note explains the principal adjustments made by the Group in restating its financial statements prepared in accordance with previous GAAP, and how the transition from previous GAAP to Ind AS has affected the Group's financial position, financial performance and cash flows.

Optional exemptions availed and mandatory exceptions

In preparing the financial statements, the Group has applied the below mentioned optional exemption and mandatory exemptions.

A. **Optional exemptions availed**

1. **Business combinations**

   Ind AS 103, "Business Combinations" has not been applied to acquisitions of subsidiaries, which are considered businesses under Ind AS that occurred before 1 April 2016. Use of this exemption means that the Indian GAAP carrying amounts of assets and liabilities, that are required to be recognised under Ind AS, is their deemed cost at the date of the acquisition. After the date of the acquisition, measurement is in accordance with respective Ind AS. The Group recognises all assets acquired and liabilities assumed in a past business combination. Assets and liabilities that do not qualify for recognition under Ind AS are excluded from the opening Ind AS balance sheet. The Group did not recognise or exclude any previously recognised amounts as a result of Ind AS recognition requirements.

   Ind AS 101 also requires that Indian GAAP carrying amount of goodwill must be used in the opening Ind AS balance sheet (apart from adjustments for goodwill impairment and recognition or de-recognition of intangible assets). In accordance with Ind AS 101, the Group has tested goodwill for impairment at the date of transition to Ind AS. No goodwill impairment was deemed necessary at 1 April 2016.

   The Group has not applied Ind AS 21, "The Effects of Changes in Foreign Exchange Rates", retrospectively to fair value adjustments and goodwill from business combinations that occurred before the date of transition to Ind AS. Such fair value adjustments and goodwill are treated as assets and liabilities of the parent rather than as assets and liabilities of the acquiree. Therefore, those assets and liabilities are already expressed in the functional currency of the parent or are non-monetary foreign currency items and no further translation differences occur.

2. **Property plant and equipment and intangible assets**

   As per Ind AS 101 an entity may elect to use carrying values of property, plant and equipment and intangible assets as on the date of transition to Ind AS (which are measured in accordance with previous GAAP and after making adjustments relating to decommissioning liabilities prescribed under Ind AS 101) if there has been no change in its functional currency on the date of transition.

   As permitted by Ind AS 101, the Grouphas elected to continue with the carrying values under previous GAAP for all the items of property, plant and equipment. The same election has been made in respect of intangible assets also. The carrying values of property, plant and equipment as aforesaid are after making adjustments relating to decommissioning liabilities, if any.

3. **Cumulative translation differences**

   As per Ind AS 101, an entity may deem that the cumulative translation differences for all foreign operations to be zero as at the date of transition by transferring any such cumulative differences to retained earnings.

   The Group has elected to avail of the above exemption.

4. **Determining whether an arrangement contains a lease**

   IndAS 101 includes an optional exemption that permits an entity to apply the relevant requirements in Appendix C of Ind AS 17 for determining whether an arrangement existing at the date of transition contains a lease by considering the facts and circumstances existing at the date of transition (rather than at the inception of the arrangement).

   The Group has elected to avail of the above exemption.

5. **Designation of previously recognised financial instruments**

   Ind AS 101 permits an entity to designate particular equity investments (other than equity investments in subsidiaries) as at fair value through other comprehensive income (FVOCI) based on facts and circumstances at the date of transition to Ind AS (rather than at initial recognition). Other equity investments are classified at fair value through profit or loss (FVTPL).

   The Group has opted to avail this exemption to designate certain equity investments as FVOCI on the date of transition.

B. **Mandatory exceptions applied**

The following mandatory exceptions have been applied in accordance with Ind AS 101 in preparing the financial statements:

1. **Estimates**

   The Group's estimates in accordance with Ind ASs at the transition date to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those

Notes to the Consolidated Financial Statements for the year ended 31 March 2018

(All amount in lacs of Indian Rupees, except share data and as stated otherwise)

estimates were in error. Ind AS estimates as at 1 April 2016 and at 31 March 2017 are consistent with the estimates as at the same date made in conformity with previous GAAP.

As per IndAS 101, where application of Ind AS, requires an entity to make certain estimates that were not required under previous GAAP, those estimates should be made to reflect conditions that existed at the date of transition (for preparing opening Ind AS balance sheet) or at the end of the comparative period (for presenting comparative information as per Ind AS).

The Group's estimates under Ind AS are consistent with the above requirement. Key estimates considered in preparation of the financial statements that were not required under the previous GAAP are listed below:

- Fair value of financial instrument carried at FVTPL and/or FVOCI.
- Impairment of financial assets based on the expected credit loss model.
- Determination of the discounted value for financial instruments carried at amortized cost.

2. **Classification and measurement of financial assets**

Ind AS 101 requires an entity to assess classification of financial assets on the basis of the facts and circumstances existing as on the date of transition. Further the standard permits measurement of financial assets accounted at amortized cost based on facts and circumstances existing at the date of transition if retrospective application is impracticable.

Accordingly, the Group has determined the classification of financial assets based on the facts and circumstances that exist on the date of transition. Measurement of the financial assets accounted at amortized cost has been done retrospectively except where the same is impracticable.

Reconciliations:

The following reconciliations provide a quantification of the effect of the transition to Ind AS from

Previous GAAP in accordance with Ind AS 101:

- Equity as at 1 April 2016 (Transition date)
- Equity as at 31 March 2017
- Total comprehensive income for the period ended 31 March 2017

Reconciliation of equity as at 1 April 2016 (date of transition to Ind AS)

	Footnotes	Previous GAAP *	Adjustments on transition to Ind AS	Ind AS
Assets				
Non-current assets				
Property, plant and equipment		6,326.12	-	6,326.12
Capital work-in-progress		282.06	-	282.06
Goodwill		2,868.32	-	2,868.32
Other Intangible assets		3,385.40	-	3,385.40
Financial assets		-		
Investments		287.99	-	287.99
Others		973.50		973.50
Deferred tax assets (net)	(viii)	671.59	1,438.23	2,109.82
Other non-current assets		1,149.14	-	1,149.14
Total non-current assets		**15,944.12**	**1,438.23**	**17,382.35**
Current assets				
Inventories		29,748.46	724.14	30,472.60
Financial assets		-	-	
Investments	(i)	75.00	0.28	75.28
Trade receivables	(iv)	6,648.36	(35.93)	6,612.43
Cash and cash equivalent **		5,377.20	-	5,377.20
Bank balances other than above		187.55	-	187.55
Loans		59.52	-	59.52
Other financial assets		58.01	-	58.01
Other current assets		3,829.88	-	3,829.88
Total current assets		**45,983.98**	**688.49**	**46,672.47**
Total assets		**61,928.10**	**2,126.72**	**64,054.82**
Equity and liabilities				
Equity				
Equity share capital		3,249.91	-	3,249.91
Other equity **	(x)	33,487.21	1,131.43	34,618.64
Non-controlling interests		0.85	(0.85)	-
Total equity		**36,737.97**	**1,130.58**	**37,868.55**

Notes to the Consolidated Financial Statements for the year ended 31 March 2018

(All amount in lacs of Indian Rupees, except share data and as stated otherwise)

	Footnotes	Previous GAAP *	Adjustments on transition to Ind AS	Ind AS
Non-current liabilities				
Financial liabilities				
Borrowings		213.68	-	213.68
Long term provisions	(vi)	233.38	180.16	413.54
Total non-current liabilties		**447.06**	**180.16**	**627.22**
Current liabilities				
Financial liabilities				
Borrowings		10,702.41	-	10,702.41
Trade payables		11,555.71	-	11,555.71
Other financial liabilities		522.22	-	522.22
Current tax liablities (net)		299.31	-	299.31
Provisions	(vi)	447.27	815.98	1,263.25
Other current liabilities		1,216.15	-	1,216.15
Total current liabilties		**24,743.07**	**815.98**	**25,559.05**
Total liabilties		**25,190.13**	**996.14**	**26,186.27**
Total equity and liabilities		**61,928.10**	**2,126.72**	**64,054.82**

* The previous GAAP figures have been reclassified to conform to Ind AS presentation required for this note.

** The previous GAAP figures has been changed on account of the merger of the Vaibhav Global Employee Stock Option Welfare Trust in the consolidated financials and has impact on below financial heads:

Particulars	Amount
Cash and cash equivalents	0.89
Share application money pending allotment	0.89

Reconciliation of equity as at 31 March 2017

	Footnotes	Previous GAAP *	Adjustments on transition to Ind AS	Ind AS
Assets				
Non-current assets				
Property, plant and equipment		7,317.65	-	7,317.65
Capital work-in-progress		-	-	-
Goodwill		2,868.32	-	2,868.32
Other Intangible assets		2,432.98	-	2,432.98
Financial assets		-	-	
Investments	(i)	236.94	(195.48)	41.46
Others		719.29	-	719.29
Deferred tax assets (net)	(viii)	195.30	2,102.96	2,298.26
Other non-current assets		995.57	-	995.57
Total non-current assets		**14,766.05**	**1,907.48**	**16,673.53**
Current assets				
Inventories		29,482.44	879.31	30,361.75
Financial assets		-	-	
Investments	(i)	420.00	0.97	420.97
Trade receivables	(iv)	9,737.69	(134.63)	9,603.06
Cash and cash equivalent **		7,245.54	-	7,245.54
Bank balances other than above		218.93	-	218.93
Loans		61.96	-	61.96
Other financial assets		66.10	-	66.10
Other current assets		2,944.11	-	2,944.11
Total current assets		**50,176.77**	**745.65**	**50,922.42**
Total assets		**64,942.82**	**2,653.13**	**67,595.95**
Equity and liabilities				
Equity				
Equity share capital		3,253.48	-	3,253.48
Other equity **	(x)	38,673.19	1,512.50	40,185.69

Notes to the Consolidated Financial Statements for the year ended 31 March 2018

(All amount in lacs of Indian Rupees, except share data and as stated otherwise)

	Footnotes	Previous GAAP *	Adjustments on transition to Ind AS	Ind AS
Non-controlling interests		4.67	(4.67)	-
Total equity		**41,931.34**	**1,507.83**	**43,439.17**
Non-current liabilities				
Long term provisions	(vi)	278.08	157.77	435.85
Total non-current liabilities		**278.08**	**157.77**	**435.85**
Current liabilities				
Financial liabilities				
Borrowings		8,272.04	-	8,272.04
Trade payables		11,423.75	-	11,423.75
Other financial liabilities		497.26	-	497.26
Liabilities for current tax (net)		44.58	-	44.58
Provisions	(vi)	563.96	987.53	1,551.49
Other current liabilities		1,931.84	-	1,931.84
Total current liabilities		**22,733.43**	**987.53**	**23,720.96**
Total liabilities		**23,011.51**	**1,145.30**	**24,156.81**
Total equity and liabilities		**64,942.85**	**2,653.13**	**67,595.98**

* The previous GAAP figures have been reclassified to conform to Ind AS presentation required for this note.

** The previous GAAP figures has been changed on account of the merger of the Vaibhav Global Employee Stock Option Welfare Trust in the consolidated financials and has impact on below financial heads:

Particulars	Amount
Cash and cash equivalents	1.50
Share application money pending allotment	1.50

Group reconciliation of profit or loss for the year ended 31 March 2017

	Footnotes	Previous GAAP *	Adjustments on transition to Ind AS	Ind AS
Revenue from operations		1,44,049.62	(155.17)	1,43,894.45
Other income	(i)	1,568.79	0.97	1,569.76
Total Income		**1,45,618.41**	**(154.20)**	**1,45,464.21**
EXPENSES				
Cost of material consumed		31,018.68	-	31,018.68
Purchases of Stock-in-trade		22,602.63	-	22,602.63
Decrease/(Increase) of Stock-in-trade		(3,229.32)	(155.17)	(3,384.49)
Employee benefits expense	(ii) and (v)	24,736.70	282.89	25,019.59
Finance costs		640.61	-	640.61
Depreciation and amortization expense		2,941.31	-	2,941.31
Other expenses		60,317.53	(300.67)	60,016.86
Total expense		**1,39,028.14**	**(172.96)**	**1,38,855.19**
Profit before tax		**6,590.27**	**18.75**	**6,609.02**
Income tax expense		813.52	(662.37)	151.15
Profit for the year		**5,776.75**	**681.12**	**6,457.87**
Other comprehensive income				
Items that will be reclassified to profit or loss		-	(201.47)	(201.47)
Income tax relating to items that will be reclassified to profit or loss		-	2.07	2.07
		-	**(199.40)**	**(199.40)**
Items that will not be reclassified to profit or loss		-	(995.41)	(995.41)
Income tax relating to items that will not be reclassified to profit or loss		-	-	-
		-	**(995.41)**	**(995.41)**
Total Comprehensive Income for the year		-	**(513.69)**	**5,263.06**
Of the Total Comprehensive Income above				
- Profit for the year attributable to owners of the parent		5,776.75	681.12	6,457.87
- Other comprehensive income attributable to owners of the parent		-	(1,194.81)	(1,194.81)

* The previous GAAP figures have been reclassified to conform to Ind AS presentation required for this note.

Notes to the Consolidated Financial Statements for the year ended 31 March 2018

(All amount in lacs of Indian Rupees, except share data and as stated otherwise)

Notes to the reconciliation

i. **Fair valuation of investments**

In accordance with Ind AS, financial assets representing investment in equity shares of entities other than subsidiaries, have been fair valued. The Group has designated certain investments classified as fair value through profit or loss with certain others designated as at fair value through other comprehensive income as permitted by Ind AS 109. Under the previous GAAP, the application of the relevant accounting standard resulted in investments being carried at cost.

The impact arising from the change is summarized as follows:

Consolidated Statement of profit and loss	Year ended 31 March 2017
Profit or loss:	
Other income – Financial asset at fair value through profit or loss - net change in fair value	0.97
OCI:	
Financial asset at fair value through OCI – net change in fair value	195.48
Adjustment before income tax	**196.45**

Consolidated Balance sheet	As at 01 April 2016	As at 31 March 2017
Investments - financial assets at FVTPL	0.28	1.25
Investments - financial assets at FVTOCI	-	195.48
Related tax effect	(0.10)	(0.34)
Adjustment to retained earnings	**0.18**	**196.39**

ii. **Share-based payments measurement**

Under Indian GAAP, the Group recognised only the intrinsic value for the share-based payments plan as an expense. Ind AS requires the fair value of the share options to be determined using an appropriate pricing model recognised over the vesting period.

The impact arising from the change is summarised as follows:

Consolidated Statement of profit and loss	Year ended 31 March 2017
Employee benefits expense	288.89
Adjustment before income tax	**288.89**

Consolidated Balance sheet	As at 01 April 2016	As at 31 March 2017
Shared based payment reserve	903.51	1,183.10
Securities premium	123.20	132.30
Adjustment to retained earnings	**1,026.71**	**1,315.60**

iii. **Cumulative translation reserves**

In accordance with Ind AS 101, the Group has elected to deem all foreign currency translation differences that arose prior to the date of transition in respect of all foreign operations to be nil at the date of transition.

The impact arising from the change is summarised as follows:

Consolidated Balance sheet	As at 01 April 2016	As at 31 March 2017
Exchange differences on translating the financial statements of foreign operations	6,312.78	6,914.83
Adjustment to retained earnings	**6,312.78**	**6,914.83**

iv. **Loss allowance**

On transition to Ind AS, the Group has recognised impairment loss on trade receivables measured at amortized cost as based on the expected credit loss model as required by Ind AS 109. Consequently, trade receivables measured at amortized cost have been reduced with a corresponding decrease in retained earnings on the date of transition and there has been an incremental provision for the year ended 31 March 2017.

The impact arising from the change is summarised as follows:

Consolidated Statement of profit and loss	Year ended 31 March 2017
Loss allowance on trade receivables	98.70
Adjustment before income tax	**98.70**

Consolidated Balance sheet	As at 01 April 2016	As at 31 March 2017
Trade receivables	35.93	134.63
Related tax effect	(12.22)	(45.77)
Adjustment to retained earnings	**23.71**	**88.86**

Notes to the Consolidated Financial Statements for the year ended 31 March 2018

(All amount in lacs of Indian Rupees, except share data and as stated otherwise)

v. Re-measurement of defined benefit liability (asset)

Under Ind AS, re-measurement of defined benefit liability (asset) are recognised in other comprehensive income. Under previous GAAP the Grouprecognised such re-measurements in profit or loss. However, this has no impact on the total comprehensive income and total equity as on 1 April 2016 or as on 31 March 2017.

vi. Provisions

Under IGAAP, since use of the land is not included in lease standard, thus there was no material impact on straight lining of lease premium. Under Ind AS 17, as lease includes lease of land too, thus straight lining of lease premium is done accordingly.

The impact arising from the change is summarised as follows:

Consolidated Statement of profit and loss	Year ended 31 March 2017
Other Expenses:	
Rent	(6.01)
Adjustment before income tax	**(6.01)**

Consolidated Balance sheet	As at 01 April 2016	As at 31 March 2017
Provision (lease equalisation reserve)	272.00	265.99
Related tax effect	(54.40)	(53.20)
Adjustment to retained earnings	**217.60**	**212.79**

vii. Deferred tax

Under Indian GAAP Deferred tax is not recognised for carry forward unused tax losses and unused tax credits. As per Ind AS deferred tax asset is recognised for carry forward unused tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which the deferred tax assets can be utilized.

The impact arising from the change is summarised as follows:

Consolidated Statement of profit and loss	Year ended 31 March 2017
Tax expense:	
Deferred tax	(630.01)

Consolidated Balance sheet	As at 01 April 2016	As at 31 March 2017
Deferred tax	1,371.62	2,001.63
Adjustment to retained earnings	**1,371.62**	**2,001.63**

viii. Income-tax- deferred tax charge/(credit)

The above changes increased the deferred tax assets as follows based on a tax rate of their respective countries of incorporation.

	Note	As at 01 April 2016	As at 31 March 2017
Loss allowance	iv	12.21	48.13
Provision	vi	54.40	53.20
Taxes on carry forward unused tax losses and unused tax credits	vii	1,371.62	2,001.63
Increase in deferred tax assets		**1,438.23**	**2,102.96**

x. Retained earnings

The above changes (decreased) / increased retained earnings as follows:

	Note	As at 01 April 2016	As at 31 March 2017
Fair valuation of investments	i	0.28	1.25
Share-based payments measurement	ii	(1,026.71)	(1,315.60)
Cumulative translation reserves	iii	(6,312.78)	(5,919.42)
Loss allowance	iv	(35.93)	(134.63)
Provision	v	(272.00)	(265.99)
Taxes on carry forward unused tax losses and unused tax credits	vi	1,371.62	2,001.63
Tax effects on above adjustments	vii	66.62	101.33
Others		(3.61)	8.31
Increase/ (decrease) in retained earnings		**(6,212.51)**	**(5,523.12)**

Notes to the Consolidated Financial Statements for the year ended 31 March 2018

(All amount in lacs of Indian Rupees, except share data and as stated otherwise)

xi. **Other comprehensive income**

Under Indian GAAP, the Group has not presented other comprehensive income (OCI) separately. Hence, it has reconciled Indian GAAP profit or loss to profit or profit or loss as per Ind AS. Further, Indian GAAP profit or loss is reconciled to total comprehensive income as per Ind AS.

xii. **Statement of cash flows**

The transition from Indian GAAP to Ind AS does not have a material impact on the statement of cash flows.

44. Statutory Group Information

Additional information pursuant to paragraph 2 of Division II of schedule III to the Companies Act 2013.

Name of the entity in the group	Net Assets, i.e., total assets minus total liabilities		Share in profit and loss		Share in other comprehensive income	
	As % of consolidated net assets	₹	As % of consolidated profit	₹	As % of consolidated OCI	₹
Parent						
Vaibhav Global Limited	58.51%	54,370.34	30.86%	3,079.30	0.00%	-
Subsidiaries						
1. STS Jewels Inc., USA	1.99%	1,852.60	1.93%	192.07	0.00%	-
2. STS Gems Thai Limited, Thailand	0.59%	551.69	1.43%	142.66	0.00%	-
3. STS Gems Limited, Hong Kong	4.34%	4,032.67	6.47%	645.50	0.00%	-
4. STS Gems Japan Limited, Japan	-0.01%	(4.85)	0.00%	(0.38)	0.00%	-
5. Genoa Jewellers Limited, BVI	20.93%	19,446.78	1.58%	157.29	100.00%	(30.62)
Step down subsidiaries						
6. Pt. STS Bali	0.29%	267.94	0.44%	43.76	0.00%	-
7. The Jewellery Channel Limited, UK	3.34%	3,106.47	14.90%	1,486.56	0.00%	-
8. The Jewellery Channel Inc., USA	10.00%	9,295.68	42.40%	4,230.29	0.00%	-
Sub total	100.00%	92,919.32	100.00%	9,977.05	100.00%	(30.62)
Less: Adjustments		(37,904.07)		1,269.58		(149.12)
Net of adjustments		**55,015.25**		**11,246.63**		**(179.74)**

As per our attached report of even date

For **B S R & Co. LLP**
Chartered Accountants
ICAI Firm Registration No.: 101248W/W-100022

Rajiv Goyal
Partner
Membership No. : 094549
Place: Jaipur
Date: 23 May 2018

For and on behalf of the Board of Directors of
Vaibhav Global Limited

Sunil Agrawal
Chairman & Managing Director
DIN Number: 00061142
Place: Jaipur
Date: 23 May 2018

Rahimullah
Whole Time Director
DIN Number: 00043791
Place: Jaipur
Date: 23 May 2018

Puru Aggarwal
Group CFO
Place: Jaipur
Date: 23 May 2018

Sushil Sharma
Company Secretary
ICSI Membership No: F6535
Place: Jaipur
Date: 23 May 2018

Notes

Notes

VAIBHAV GLOBAL LIMITED
CIN: L36911RJ1989PLC004945
Registered Office: K-6B, Fateh Tiba, Adarsh Nagar, Jaipur –302 004
Tel: +91-141-2601020 | Fax: +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]

29th Annual General Meeting – 30th July, 2018

Name of the Member (s)	:	....
Registered address	:	....
Email ID	:	....
Folio No./Client ID	:	....
DP ID	:	....

I/We, being the member(s) of ....shares 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 29th Annual General Meeting of the Company, to be held on Monday, 30th July, 2018 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 Mr. Pulak Chandan Prasad as a Director, liable to retire by rotation		
3.	Ratification of the appointment of Statutory Auditors		

Signed this............................day of..2018.

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 –302 004
Tel: +91-141-2601020 | Fax: +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 29th Annual General Meeting of the Company on Monday, the 30th July, 2018 at 10.00 A.M. (IST) at the Corporate Office of the Company at E-69, EPIP, Sitapura, Jaipur-302022.

....

Name of the Shareholder (in BLOCK LETTERS) Signature

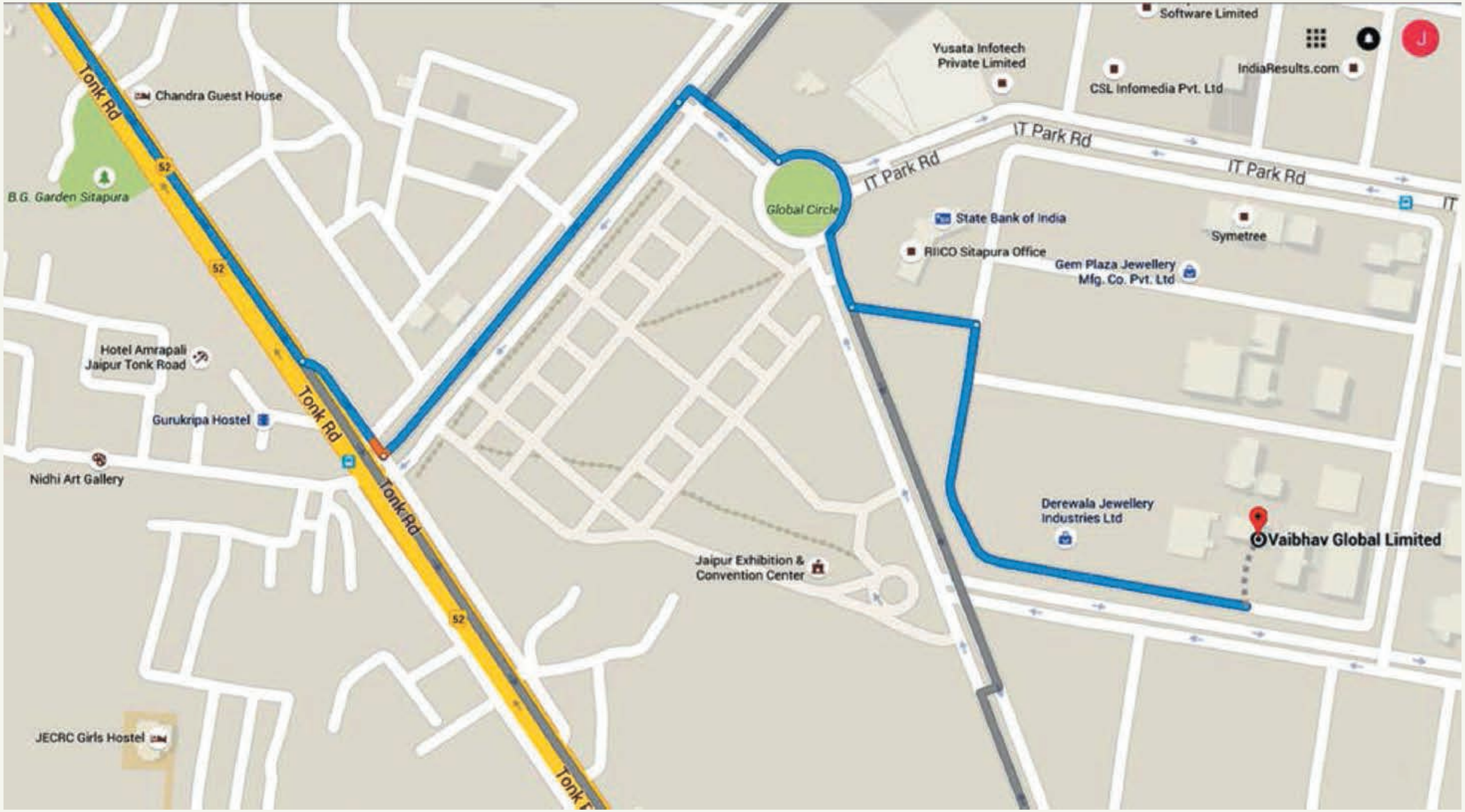
....

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

Vaibhav Global Limited was a proud recipient of several awards during the year 2017-18, reflecting strong industry acknowledgements as well as state accolades.


EXPORT PROMOTION COUNCIL FOR EOUs & SEZs
Ministry of Commerce & Industry, Govt. of India

Certificate of Excellence

This is to certify that
M/s Vaibhav Global Ltd. (Rajasthan)
under Noida Special Economic Zone
has been given award for best EOU (Other than MSME)
in the product group category : Gem & Jewellery
for their Outstanding Export Performance for the year 2015-16

Dr. Vinay Sharma
Offg. Chairman, EPCES

T. V. Ravi, IRS
Director General, EPCES


GOVERNMENT OF RAJASTHAN
DEPARTMENT OF INDUSTRIES

RAJASTHAN STATE AWARD
FOR
EXPORT EXCELLENCE

Certificate

Certified that the State Award for Export Excellence is conferred upon M/s Vaibhav Global Limited, Jaipur in recognition of their best performance in the category of Gold, Silver & Platinum Jewellery during the year 2014-15.

Kunji Lal Meena
Rajeeva Swarup

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