Vaibhav Global Limited
Annual Report 2018-19

DELIVERING JOY

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Greetings!

Vaibhav Global Limited is a global retailer of fashion jewellery, accessories and lifestyle products on proprietary home-shopping TV and web platforms, marketplaces and social platforms. Through a robust multi-year track record, the company has demonstrated B2C retail success in the developed markets of the US and UK.

Chairman's Statement – 04

"At Vaibhav Global, 'Delivering Joy' is an intrinsic part of our culture that inspires us to do better every day."

MD's Review – 06

"Our value drivers are pivoted on widening Reach, growing Registrations, increasing Repeat purchases and bolstering Retention."

CFO's Report – 09

"Our business model is characterised by low capex, high gross margins and operating leverage. FY2018-19 was also a demonstration of this."

Our reporting suite

NSE code: VAIBHAVGBL

BSE ID: 532156

Sectoral index: NIFTY 500/S&P BSE SmallCap

M-cap: ₹2,096 cr (NSE, 31st March 2019)

For you!
We value your feedback. Please write to us on: investor_relations@vaibhavglobal.com
You can also download a digital copy of this Annual Report from our website: www.vaibhavglobal.com

Our corporate culture

Our purpose:
Delivering Joy

Our vision:
To be the value leader in electronic retailing of jewellery and lifestyle products.

Our mission:
Through the delivery of high quality, affordable products, made possible by our low-cost direct sourcing, we change the world and touch people's lives, one piece at a time.

Our core values:
Team work
Honesty
Commitment
Passion
Positive attitude

The VGL moat

The coming together of a number of deep and inimitable competencies has made VGL's business distinctive and unique.

1. VERTICALLY-INTEGRATED OPERATIONS:

>> Scalable, hybrid supply chain with world-class manufacturing facilities, aided by proven sourcing capabilities

>> Manufacturing leverages low cost base of India. Worldwide sourcing infrastructure (India, China, Thailand and Bali) enables aggressive trend-spotting and catalogue expansion. Over 250-member strong product development team across different sourcing and front end units

>> Proprietary TV home-shopping and e-commerce (mobile and web) platforms

>> Rapid time-to-market of new trends and successful products due to vertically-integrated operations

2. STRONG BRANDS:

>> Shop LC (US) and TJC (UK) have a combined reach to 100 mn (FTE*) households on TV retail shopping

>> Strong sales visibility through positive customer engagement metrics, including rising customer registrations, retentions and repeatability

** Full-time equivalent basis*

3. HIGH-QUALITY CUSTOMER ENGAGEMENT:

>> Successful B2C franchise in mature markets, anchored on exciting content, unique story-telling and exceptional products of high quality at affordable ASPs (Average Selling Prices)

>> Customer recognition of deep value propositions in fashion jewellery has enabled seamless scale-up into adjacent categories (fashion accessories and lifestyle products); a reinforced catalogue has strengthened customer visibility

4. ROBUST TECHNOLOGICAL AND INFRASTRUCTURAL SUPPORT:

>> Modern enterprise and CRM software helps enhance customer engagement and fulfillment

>> High-quality studio production and warehousing and sourcing functions with limited future capex requirements

5. UNMATCHED PEOPLE STRENGTH:

>> Highly experienced senior management team engaged in the full supply chain – sourcing, merchandising, operations, marketing, technical and strategy functions

>> In-depth knowledge and industry experience of senior management, complemented by a highly skilled and engaged workforce

>> Highly experienced and capable Board with Independent Chairman

6. EXCEPTIONAL ONE FOR ONE SOCIAL PROGRAM

>> Every piece sold through our retail channels results in one meal for a school-going child

>> Distributed over 25 mn meals through this program so far, which engages both customers as well as our team members

THE WHOLE IS GREATER THAN THE SUM OF ITS PARTS

Vertically-integrated operations + Established TV shopping/ e-commerce brands + Robust customer-engagement platforms + World-wide sourcing capabilities + Hybrid and scalable supply chain infrastructure + Robust tech backbone + Winning culture + One for One program

Unique operating model with accelerated growth potential!

2018-19 PERFORMANCE

Strong momentum powered our 2018-19 results, enabling us to deliver substantial progress across all our core financial metrics.

[Read more about our 2018-19 financial performance in our CFO's Report]

REVENUES (₹ CR)

2017-18	2018-19
₹1,571 cr	₹1,814 cr

TV sales:
2017-18: ₹997 cr
2018-19: ₹1,157 cr
+16%

Web sales:
2017-18: ₹373 cr
2018-19: ₹510 cr
+37%

B2B sales:
2017-18: ₹201 cr
2018-19: ₹147 cr
-27%

TV SALES

Volumes ('000):
2017-18: 5,737
2018-19: 6,275

ASP (US$):
2017-18: 27.0
2018-19: 26.4

WEB SALES

Volumes ('000):
2017-18: 2,840
2018-19: 3,522

ASP (US$):
2017-18: 20.4
2018-19: 20.7

GROSS PROFIT

2017-18	Gross profit (₹ cr) 936	Gross profit margin (%) 59.6
2018-19	Gross profit (₹ cr) 1,133	Gross profit margin (%) 62.5

OPERATING PROFIT (EBITDA)

2017-18	EBITDA (₹ cr) 159	EBITDA margin (%) 10.1
2018-19	EBITDA (₹ cr) 217	EBITDA margin (%) 12.0

PROFITABILITY

2017-18	Net profit (₹ cr) 113	Net profit margin (%) 7.2
2018-19	Net profit (₹ cr) 154	Net profit margin (%) 8.5

EARNINGS PER SHARE (EPS)

2017-18	EPS (₹) 34.55	EPS growth (%) 74.1
2018-19	EPS (₹) 47.27	EPS growth (%) 36.8

ASP is Average Selling Price. All previous years' nos. have been regrouped to align with IND-AS 115

2018-19 BIG PICTURE

9.8 mn
Pieces sold on TV and web

100 mn
Household reach in US/UK (FTE)

3.43 lac
Unique customers

19.8 x
Repeat purchases

30 x
Quantity per customer (avg.)

25 %
RONW (avg. net worth)

37 %
ROCE (avg. capital employed)

10 ₹
Dividend Disbursed/Recommended

170 ₹/cr
Free cash flow

CHAIRMAN'S STATEMENT

HARSH BAHADUR

DEAR STAKEHOLDERS

I am delighted to share with you that the year 2018-19 was yet another eventful year for the Company during which we continued to hit the right milestones. The year under report was one of considerable success, evident in the 22% YoY growth in our retail sales and 37% growth in PAT. We have been able to demonstrate strong growth in our retail operations that span across two of the largest developed economies of the US and UK where consumer spending drives almost two-thirds of their respective GDPs. Both the markets are seeing growing contributions from jewellery and non-jewellery products. We are witnessing platforms and products increasingly complementing and enhancing the overall revenues.

Our dynamic business model, congruent with the ever-changing business environment, has 'Delivering Joy' as the central theme with a steadfast focus on positive contribution to various stakeholders.

Delivering Joy at VGL

Our products deliver immense joy to our customers. Having mapped our customers' preferences and behavioural patterns, VGL has found a sweet spot as a deep value discounter of fashion jewellery, accessories and lifestyle products. VGL has expanded the quality and scale of sourcing and supply chain, while also helping bring products on-air within the shortest possible time. During the year, we introduced such exclusive fashion products as granderite

and shungite stones and Moroccan amethyst, which were big hits among our customers. This emphasis on deal-driven discovery is nowhere more visible than Shop LC's Birthday Bash program, during which we sold a record 75,000 pieces within a single day.

We have enabled our consumers to seamlessly fulfill their societal responsibility, while they are pursuing their lifestyle choices. We have linked our business directly with our flagship CSR initiative, the 'One for One' program. Thus, product sales benefit children who get a hot nutritious meal in school for every product sold at our retail channels - Shop LC in the US and TJC in the UK. It gives me immense pleasure to share with you that we have provided over 25 mn meals across the US, UK and India since the inception of this program. This delivers joy to them, while enabling our business to have a positive impact on both education and nutrition.

Human resources form the basis on which an organisation grows. To strengthen the foundation, our people-oriented endeavours are aimed at holistic development through various skill development programs and health and wellness programs. These initiatives foster a fulfilling work environment, in turn delivering joy and satisfaction to our employees. This is reflected in strong growth in revenues and profitability and in some of our operating units being recognised as high performers in the 'Great Place to Work' surveys.

Strong business growth has enabled the enhancement of value distribution to our investors and shareholders. We announced an interim dividend of ₹5 per share and a final dividend of ₹5 per share, taking the total pay-out at over 20% of profit for the financial year 2018-19.

2018-19 review

Strong performance of 2018-19 was the outcome of our concerted efforts in strengthening the foundations of our business, including technology platforms, data analytics, customer centricity and supply chain, while maintaining affordable ASPs across a larger and more diverse product catalogue. Furthermore, augmentation of our symbiotic omni-channel sales network comprising TV, web, mobile apps, smart TV interfaces, OTT platforms, social and third-party marketplaces, also helped fuel growth. It is also encouraging to see the increasing contribution of web sales to our retail revenues.

- Our revenues rose 15% to ₹1,814 cr
- Gross profit increased 21% to ₹1,133 cr
- EBITDA improved 37% to ₹217 cr
- Net profit grew 37% to ₹154 cr

I am confident of the intrinsic strength of our business model and believe that we will be able to sustain the current growth rate over the coming years.

OUR SYMBIOTIC OMNI-CHANNEL SALES NETWORK COMPRISING THE COMPOSITE OF TV AND WEB HELPED FUEL GROWTH IN 2018-19.

Proactive CSR

We are committed to make sure that the world has a sustainable future and acceptable standards of living for all. We focus on a number of high-impact social responsibility initiatives that help address some of the basic issues faced by societies today, including education, nutrition, social infrastructure reinforcement, healthcare, etc. We are proud of our association with Akshaya Patra, the world's largest NGO-run school meals program, and continue to seek ways to enhance the scope of our involvement.

We are cognisant of the ecological challenges the world today faces and have been taking conscientious steps at maintaining the eco-systems that we operate in. Our sustainability program is all-encompassing and covers renewable sources of energy, rainwater harvesting, waste management, tree plantation, power savings and the like.

We embrace the highest governance practices and have robust process controls in place. Furthermore, our Board plays an active role in the Company's governance and provides counsel on a wide range of issues.

WE FOCUS ON A NUMBER OF HIGH-IMPACT SOCIAL RESPONSIBILITY INITIATIVES THAT HELP ADDRESS SOME OF THE BASIC ISSUES FACED BY SOCIETIES TODAY.

Outlook and prospects

We believe we have created strong global equity in the electronic retail space of fashion jewellery, accessories and lifestyle products. Investing in foundational initiatives over the past few years has enabled superior growth in the year under review, and we are confident of delivering accelerated long-term value to our stakeholders in the coming years as well.

Our unique product value propositions and deep discounting model are well-recognised among our customers, allowing us to scale-up and harmonise adjacent complementary categories, such as lifestyle products. This synergy reinforces the quality and depth of our catalogue, while also creating the platform for greater customer engagement and higher repeat sales.

Order fulfilment is among the most important aspects of B2C success in electronic retail and I am enthused by the progress we have achieved on this front. We have large multi-locational warehousing facilities, reputed logistics companies as our delivery partners, and specialist call centre operations for enabling customised customer service. We are also at par with competitors in terms of offering affordable payment solutions through our 'Budget Pay' option, easy returns and assured delivery. However, our unique differentiation is in our attractive ASPs, which are 40-50% lower than our competitors. Value pricing will continue to be our principal differentiating factor in the future too.

Beaming a larger catalogue to a bigger number of households in the US and UK, while pivoting around our deal-driven, discovery-based, deep discounting model is what is most exciting, and we look forward to achieving stronger progress in the months and years ahead. We have built strong financial and operational foundations that will enable us to win newer customers and create value for shareholders.

WE SEE SIGNIFICANT POTENTIAL FOR OUR FASHION JEWELLERY, ACCESSORIES AND LIFESTYLE PRODUCTS IN THE US AND UK MARKETS.

Acknowledgements

I would like to take a moment to extend our sincere gratitude to our workforce for their dedication and hard work. Their deep and innate skills and craftsmanship make us proud. We also express gratefulness to our loyal customers for their belief in our value propositions. They encourage us to bring to them unique products that enrich their lifestyle. We thank our shareholders and appreciate the faith they have shown in our Company's management, leadership and future. Our sincere thanks also to our financiers and bankers, suppliers and communities for the work they do in support of our business.

Best wishes,

Harsh Bahadur
Chairman

MANAGING DIRECTOR'S REVIEW

Strategic objectives for accelerated value creation:

Reach: Widening content distribution to our consumers in the US and UK markets through TV, e-com, marketplace and social 1

Registration: Growing the base of unique customers with our captivating content 2

Repeatability: Increasing repeat purchases through excellence in product value, variety and quality 3

Retention: Building engaging relationships by providing world-class customer fulfillment 4

SUNIL AGRAWAL

DEAR FELLOW STAKEHOLDERS

Our efforts to become a preferred choice for fashion jewellery, accessories and lifestyle products for our customers received solid traction in 2018-19, enabling our company to deliver strong results for the year. Our performance continues to be guided by the purpose of VGL, i.e. 'Delivering Joy'.

GRANULAR QUARTERLY PERFORMANCE

Quarter	Net sales	Net profit
Q1 2018-19	₹ 390 cr	₹ 30 cr
Q2 2018-19	₹ 452 cr	₹ 39 cr
Q3 2018-19	₹ 510 cr	₹ 53 cr
Q4 2018-19	₹ 462 cr	₹ 32 cr

We have delivered growth across parameters, including in revenues, profits, cash flows and shareholder returns. Retail revenue for the year under review grew a strong 22%, driven by strong volume growth of 14% across our wide suite of platforms. In 2018-19, we sold 9.8 mn units on our symbiotic omni-channel sales model, comprising the combination of TV and web platforms, backed by strong demand for our fashion jewellery, accessories and lifestyle products in both the US and UK markets. Our discovery-based deep-discounting model, blended with engaging content and high-class studio production quality, resonated strongly with our customers.

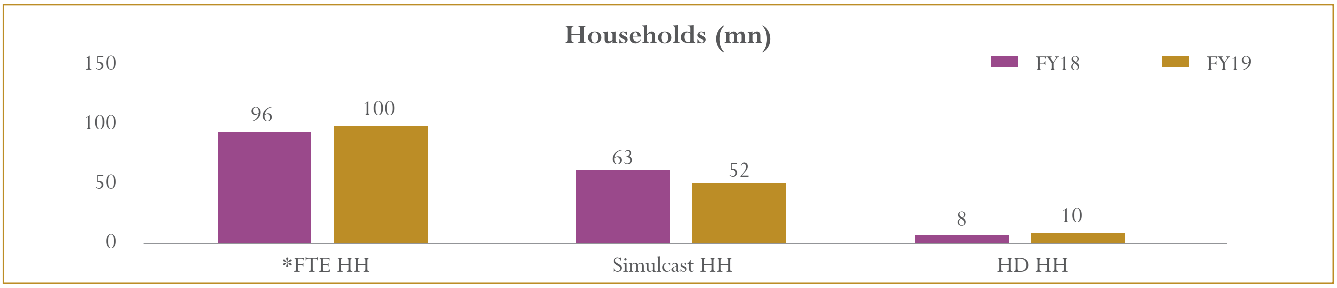
Both gross margins and EBITDA margins expanded by 290 bps and 190 bps, respectively, despite continuous investments in people, marketing, distribution and customer support during the year, highlighting the intrinsic strength of our business model.

Stakeholder commitment

Continuing our engagement with our stakeholders, we are seeing the benefits, specifically in terms of employee commitment to the workplace, investor interest in our business, growth in the customer base, improved interactions at industry and supplier levels and stronger community recognition for our efforts in social development and environmental sustenance. Going forward, we intend to continue to deepen and broaden our stakeholder interactions, driving more meaningful and mutually-beneficial relationships.

I want to take this opportunity to call attention to the 4Rs – **Reach, Registration, Repeat purchases and Retention** that together comprise our key strategic objectives for achieving accelerated growth.

COMBINED REACH IN THE US AND UK HOUSEHOLDS



**FTE – Full Time Equivalent*

Widening our Reach

During 2018-19, we witnessed strong momentum for our TV and web platforms and higher reach of our content to a larger number of households and consumers. Our TV sales continued to remain brisk, growing 16% YoY to ₹1,157 cr in 2018-19. We garnered increased eyeballs due to modernisation of our studio facility at Shop LC in the US, which facilitated improved product presentation. Our TV sales are also being benefitted from over-the-air presence among the cord-cutter population who can catch the feed directly on their TV sets, and through our presence on smart TVs and streaming devices.

Almost 30% of our total retail sales came from the web, increasing from ₹373 cr in 2017-18 to ₹510 cr in 2018-19. Specifically, our mobile apps performed well in both the US and UK markets. Sales via mobile apps as a percentage of the total web sales stood at 6% in the UK and 14% in the US for 2018-19. Enthused by this response, we are continuing to make investments in our apps by introducing new and exciting features and functions.

To further widen our reach, we have started to offer select products on large online marketplaces like Amazon, Ebay, Wish.com and WalMart.com as these channels also supplement our sales. We are also making efforts to grow our social media presence and have established a specialist social media division. Together with web, social media and marketplaces will give us better incremental reach.

Growing new customer Registrations

Product portfolio comprising designs across different ethnicities and native cultures sourced from across the world add tremendous appeal to the global customer that helps in new customer registrations. Moreover, expert hosts engage our customers with engrossing content that further adds to the allure of our products. This combination has enabled steady growth of new customer enrollments. Our expanding bouquet of brand offerings across categories has demonstrated high resonance with our existing customers, while also attracting new customers to our channels. I am happy to share that the new brands we launched during the year, such as Chaos by Elsie, Xavier, Opatra, Sankom, Kreyol Essence and Manuka Doctor have shown positive customer acceptance.

Furthermore, our robust infrastructural, logistical and operational support go a long way to build customer confidence, while representing a solid platform for new customer acquisition. We're also confident that our initiative to place select inventory on online marketplaces will facilitate new customer acquisition.

NEW CUSTOMER REGISTRATIONS

1,59,000
2017-18

1,80,000
2018-19

Increasing Repeat purchases

The introduction of a larger range of fashion jewellery, accessories and lifestyle products across our consumption platforms is particularly exciting. While fashion accessories as a category is a seamless fit with fashion jewellery, lifestyle products open a whole new way to engage with our customers. An expanding product portfolio augurs well with our objective of driving repeat sales, not only within the category but across the catalogue.

Our ability to keep product prices attractive also builds traction in repeat sales, and I'm proud that we're perhaps the only consumer electronic retail company with deep value pricing in the US and UK markets. Despite low product prices, our tight cost controls and strategic sourcing capabilities has ensured sustenance of industry-leading gross margins.

In a recent initiative that we expect will drive repeatability is the launch of 'Fulfilment by Amazon' Marketplace, which enables us to place select inventory at Amazon Fulfilment Centres to be qualified as a part of Amazon Prime shipping. Customer fulfilment is an anchor point of our business and our initiatives in this direction will help drive higher product sales.

QUANTITY PER CUSTOMER (AVG.)

29 pcs	2017-18
30 pcs	2018-19

Bolstering customer Retention

Customer retention is the centrepiece of our strategic objectives. Our customer retention focus is underpinned by our ability to forge relationships that keep our customers engaged with our content for longer periods. Fulfilment is yet another major aspect in customer retention. In pursuit of enhancing customer experience, during FY19, we augmented our Austin call center, while replacing some part of the outsourced call center in Mexico, and hired the services of OnBrand24, a US-based call center services company. We also enlisted the services of Mango, an international call centre service provider in the UK.

Several customer-focused initiatives introduced in the past, including 'Budget Pay' and 'Easy Returns', have been well-received by the market. During the year, we organised 12 customer open days across our US and UK operations for better interaction with our customer groups. This helped us gain insights and valuable feedback, critical in formulating customer retention initiatives.

We are also enhancing the quality of our products and have operationalised several initiatives in automation that complement and embellish the work of our expert craftspeople.

CUSTOMER RETENTION RATE

47.9%	2017-18
49.6%	2018-19

Outlook

We feel confident of delivering strong growth in the medium to long-term. We believe we have created strong and sizeable B2C operations which are gaining increasing brand salience in fashion jewellery, accessories and lifestyle products globally. Judicious and timely spends in customer interface, CRM, e-com, studios, production, warehousing, supply chain and CSR have created a strong transformational platform which will serve us well to navigate the changing industry landscape.

I'm confident of the robustness of our operating model and, going forward, we will continue to drive our focus on our customers, while remaining committed to a cost-conscious culture. Our focus on 'Delivering Joy' to our stakeholders will remain central to our existence.

Thank you.

Sunil Agrawal
Managing Director

CFO'S REPORT

Vaibhav Global reported excellent results in a competitive business environment in fiscal 2018-19, demonstrating the underlying strength and resilience of the business model. Our retail business grew at a notable 22%, largely driven by stronger volumes. Our favourable positioning with a value-seeking consumer in the US and UK remains a key strategic advantage and a core performance driver.

PURU AGGARWAL

Introduction

Financial year 2018-19 has been a milestone year for us, with revenues growing to ₹1,814 cr, gross profit expanding to ₹1,133 cr, EBITDA surging to ₹217 cr and net profit surpassing ₹150 cr. Within this composition, retail revenues growth was even stronger at 22% during the year, driven by higher volumes. Gross margin expanded significantly to 62.5%, boosted by higher contribution from retail revenues. EBITDA margins also expanded to 12% during the year, despite some key foundation-building initiatives embraced during the year. Our EPS increased sharply too, from ₹34.55 in 2017-18 to ₹47.27 in 2018-19, highlighting our ability to deliver higher value on a consistent basis.

Going forward, I believe we are structurally well-placed to leverage our business model for enhanced profitability and value creation in an opportunity-filled environment.

Financial overview

Revenues:

Continuing with our fiscal year 2017-18 performance, our retail revenues maintained strong growth rates in 2018-19. In constant currency terms, retail revenues registered a 9.3% and 23.9% growth in the US and UK, respectively. This growth was achieved on the back of higher overall volume sales of 14% with largely stable ASPs of US$ 24.4 during the year. We continued to source newer products from key micro-markets, as lifestyle products gained traction on our platforms. Put together, we continued to offer our customers a relevant and deep value product bouquet comprising both familiar brands as well as new products.

Continued strong traction in TV viewership lifted TV sales by 16% in value terms during the year, while web sales rose by 37% in value terms. TV and web should be viewed as an integrated omni-channel that enables us to derive strong synergies in content viewership, while also enabling the onboarding of new customers in our B2C system.

Furthermore, growing acceptance of convenience-enhancing features like Budget Pay, available on both Shop LC and on TJC, drove sales of such products as it expanded affordability for our customers. Together with easy returns, Budget Pay continued to have a stronger impact on web sales in 2018-19. Budget Pay now contributes around 38% of retail revenues. Web sales were pulled up by almost all segments, comprising full price catalogue, rising auctions and sales via TV content streaming on internet and app-based web platforms.

We've always said that our B2B business is an opportunistic one, and as our B2C took-off during the year, it was a conscious decision to moderate B2B sales. This enabled our resources and infrastructure to more strongly focus on B2C, and the underlying growth here in terms of retail revenues is a validation of our decision. Lower B2B sales also helped improve our gross margins, working capital efficiency and free cash flow.

From a strategic viewpoint, going forward, we plan to significantly reduce our B2B sales to focus fully on the rapidly expanding B2C segment.

Cost optimisation:

We have a strong culture of cost control and cost effectiveness that percolates through the organisation. Also, our business model continues to demonstrate strong underlying benefits of fixed cost leverage for higher profitability growth.

Though we are conscious of our costs, we do not pull back from investing in what we believe to be foundation-reinforcement initiatives that have a positive long-term impact on our business.

For instance, in the pursuit of enhancing customer experience and expanding our market reach, we took several future-oriented initiatives during the year, including augmenting our Austin-based call centre through in-sourcing a part of the outsourced call centre from Mexico for enhancing our customer service specialisation. During the back half of the year, we hired the services of two more call centres with the same objective. The effect is reflected in higher employee costs and call handling costs. However, we believe this addition will yield incremental benefits in customer service and retention, expected to flow in from the current year onwards.

We also invested in augmenting our marketing and affiliates departments, while also improving our data analytics capabilities and adopting assured time delivery for a part of our product range. We have been making investments in the acquisition of specialised talent in functions like social media, data analytics, merchandising and customer service.

Despite the cost of these new initiatives, EBITDA expanded by 37% to ₹217 cr and EBITDA margin grew by 190 bps to 12% in 2018-19.

During the year, we also undertook several initiatives that enabled us to save costs, which had a direct impact on our bottom-line. We have re-negotiated various major contracts, including contracts for affiliates, IT software, HR services and financial and insurance costs. We have focused on manpower augmentation with emphasis on mechanisation and enhanced productivity. ERP Microsoft Dynamics 365 is underway, and is planned to be rolled out in FY19-20.

FY19 has witnessed strong RONW at 25% (avg. net worth) and ROCE at 37% (avg. capital employed). Asset utilisation has improved in the year under report. Despite capex in the year, the net fixed assets have decreased from ₹120 cr to ₹117 cr YoY. Net current assets are down from ₹417 cr to ₹399 cr. In line with healthy growth in revenue and profit and better asset utilisation, our cash position has also improved significantly. Operating and free cash flows for the year ended 31st March 2019 stood at ₹193 cr and ₹170 cr, respectively.

Product diversification

We are stepping up our efforts in fashion accessories and lifestyle products, as we see these as a great complement to our fashion jewellery portfolio. We are confident that together, these will help augment our customer retention, registration and repeat purchase rates, while also expanding our customer transition from a larger number of existing households.

Importantly, fashion accessories and lifestyle products are typically non-manufactured products, and our ability to source directly from the micro-markets and circumvent the need for any intermediaries or brokers has ensured higher visibility of gross margins, while also enabling us to sustain lower price points. Leveraging the benefits of our dynamic vertically-integrated business model, our time-to-market is significantly lower than competition's, enabling us to capitalise on demand with speed.

Delivering shareholder returns

Aligned with our healthy revenue and profit growth during 2018-19, our free cash flow position also improved to ₹170 cr. This allowed us to announce an interim dividend of ₹5 per share and recommend a final dividend of ₹5 per share.

Governance and social responsibility

We are focused on corporate governance. We believe that good governance, besides legal obligations, helps the organisation in attracting talent and paves the way for longevity. KPMG was appointed as our auditor for five years, starting last financial year.

We are passionate about our social responsibilities, way beyond our legal obligation. We provide one hot meal for every single piece sold to school-going children through credible programs, including Akshaya Patra (India and US), No Kid Hungry (US) and Magic Breakfast (UK). We have provided 25 mn hot meals already under the program. Besides, we also undertake some other social programs within our means, in pursuit of our efforts for making the world a better place.

We make sincere efforts towards environmental sustenance. For instance, our SEZ plant is a gold standard green building. Our initiatives include the use of solar power, water conservation and promoting the health of our employees through yoga, meditation and marathon.

Outlook

We strongly believe that our focus on driving top-line, cost optimisation, building the right infrastructure and practices for future growth and embracing high environmental and governance standards on the back of a strong business model will lead us to multi-year growth, creating sustained value for all stakeholders.

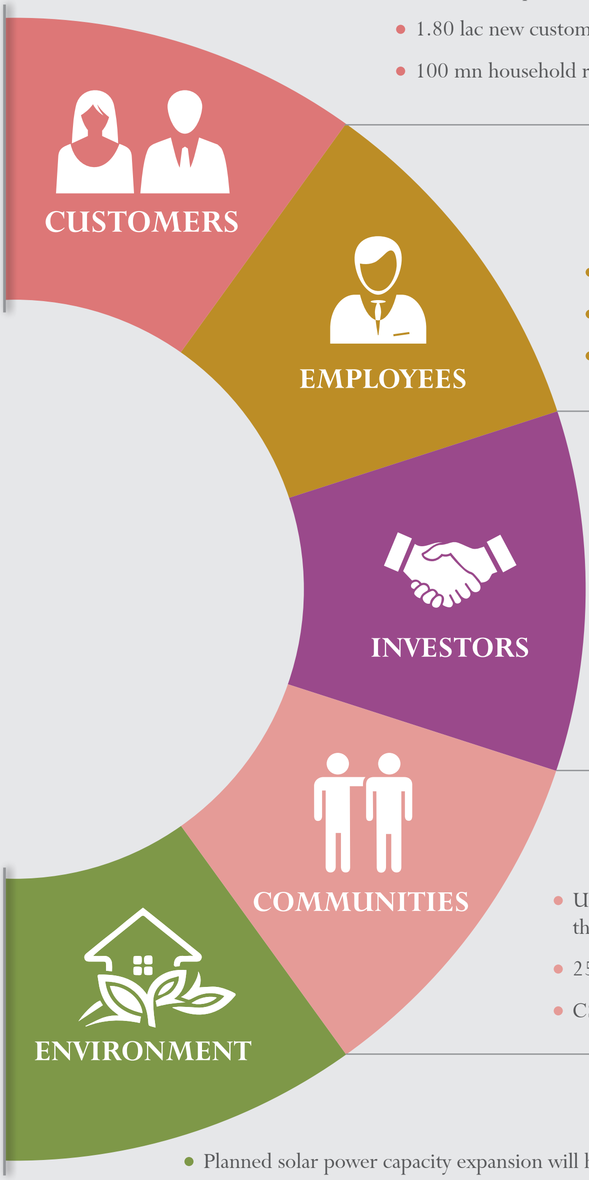
Best regards,

Puru Aggarwal
Chief Financial Officer

DELIVERING JOY

At Vaibhav, our purpose is anchored on 'Delivering Joy' to our stakeholders, and we strive to bring this purpose to life in our day-to-day activities and in our medium- and long-term strategic decisions. We interact and engage with our stakeholders in a variety of ways, and our key stakeholders are our customers, employees, investors, communities and the environment at large.

OUR STAKEHOLDER ECOSYSTEM



- 3.43 lac unique customers
- 1.80 lac new customer registrations
- 100 mn household reach in the US and UK (FTE)

- 3,807 workforce strength
- 31 hours of average per employee training
- 32% employees comprise women, ensuring diversity

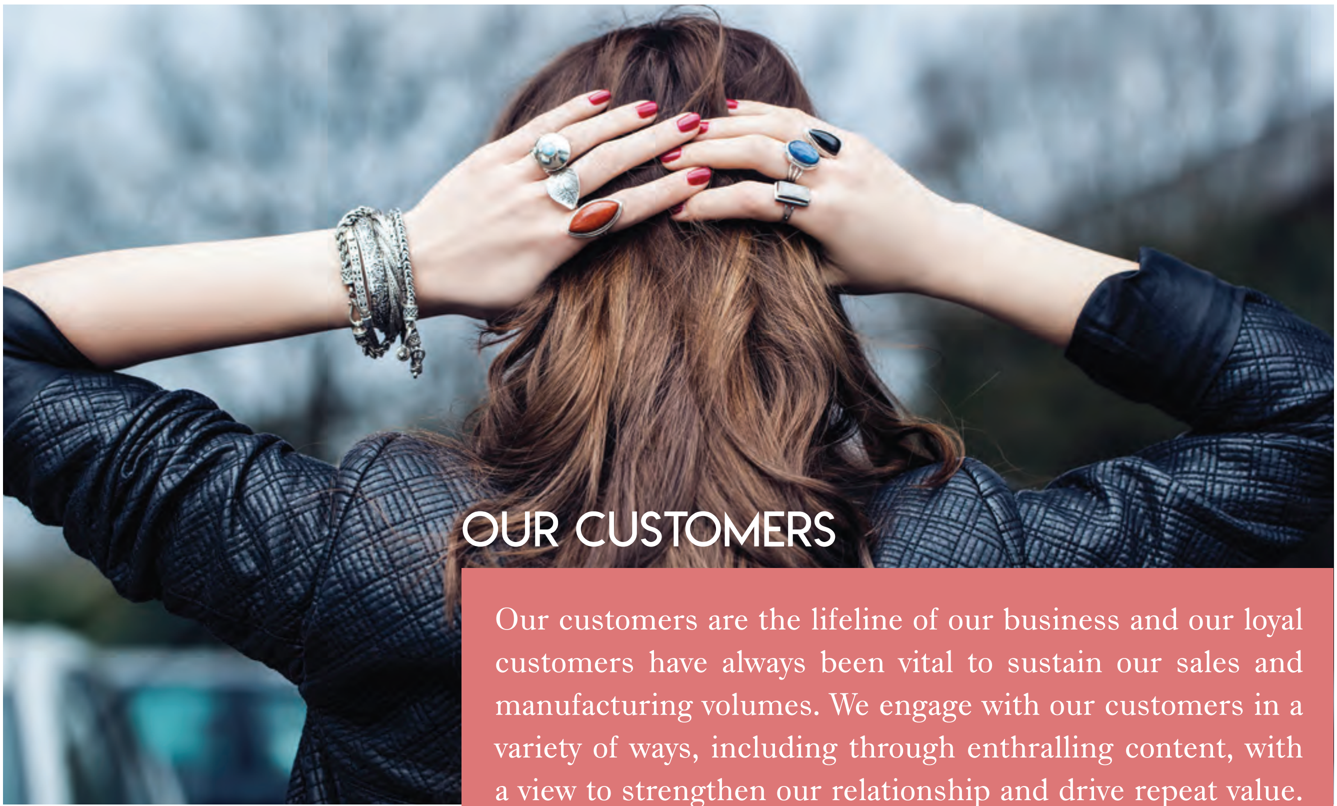
- Interim dividend of ₹5 per share
- Final dividend recommended of ₹5 per share
- EPS grew 37% (₹47.27) and book value per share 26% (₹213) YoY
- RONW of 25% (avg. net worth)
- ROCE of 37% (avg. capital employed)

- Unique direct relation between business and CSR through the 'One for One' program
- 25 mn meals provided (since program inception)
- CSR spend of ₹4.5 cr (group-level)

- Planned solar power capacity expansion will help meet ~45% of our power requirements, from 6% today
- Invested in sewage treatment, biodegradable/plastic/e-waste recycling and ozonator water treatment
- Reduced process discharge
- Expanded use of natural resources in packaging and operations

All figures pertain to 2018-19, unless otherwise stated

OUR STAKEHOLDER RELATIONSHIPS



OUR CUSTOMERS

Our customers are the lifeline of our business and our loyal customers have always been vital to sustain our sales and manufacturing volumes. We engage with our customers in a variety of ways, including through enthralling content, with a view to strengthen our relationship and drive repeat value.

Strategic progress

> Expanded lifestyle products range - launched leather bags, home décor items, fashion accessories, etc., which complements our fashion jewellery products

> Launched brands across product categories – Note Cosmetics, Sankom, Xavier Jewelery, etc. in US and Babor, DMM, Hair Secrets, etc. in UK

> Continued affordable retail ASPs (US$ 24.4)

> Organised 12 customer days – 7 in UK and 5 in US

> Enhanced presence on large online marketplaces like Ebay, Amazon, etc. for widening customer reach

> Reinforced complementary and composite TV and web channels, enabling easy and seamless customer access to our broadcasts

CUSTOMER ENGAGEMENT MATRIX

	2017-18	2018-19
Consolidated household presence in consumption markets (FTE)	96 mn	100 mn
New registrations	1.59 lac	1.80 lac
Unique customers	3.28 lac	3.43 lac
Repeat purchase activity (avg.)	19.6x	19.8x
Purchase by each customer (avg.)	29 pcs	30 pcs
Retail ASP (avg.)	US$ 24.8	US$ 24.4

OUR EXPANDING PRODUCT RANGE

- **Fashion jewellery** – Bracelets, bangles, earrings, studded jewellery, etc.
- **Fashion accessories** – Watches, scarves, handbags, apparel, etc.
- **Lifestyle products** – Home décor, bed linen, beauty and cosmetics, kitchen products, etc.

OUR EMPLOYEES

Our employees are our most important stakeholders. Their dedication, professionalism, experience, energy and craftsmanship turn our strategy into the reality of doing business. We engage our employees on a daily basis in a collaborative manner and in a wide variety of interactions.

Strategic progress

> Conducted employee engagement surveys in all countries where we have a major presence through our global tie-up with 'Great Place to Work'; recognised as a 'Great Place to Work' in Greater China, India and UK

> Adopted the Malcolm Baldrige Performance Excellence model as a key continuous improvement management model. Shop LC applied for the Malcolm Baldrige Progress Level Award from Quality Texas Foundation after receiving recognition for the Malcolm Baldrige Commitment Level Award

> Enhanced learning capabilities by delivering innovative leadership development programs in partnership with the University of Wisconsin, LinkedIn Learning and Erudite Architects

EMPLOYEE ENGAGEMENT MATRIX

	2017-18	2018-19
Employee benefits expenses	₹ 271 cr	₹ 337 cr
Employee strength	3,798	3,807
Women employees in our workforce	32%	32%

OUR INVESTORS

We believe that engaging with our shareholders is important. We usually meet our shareholders at our annual general meetings and are also always open to responding to shareholder queries or concerns/grievances at any other time.

Key points

> Highly responsive investor services team

> Robust grievance addressal mechanisms

> Ongoing investor/analyst communication through quarterly/annual earnings call

> Timely results update and prompt release of any material development/s

INVESTOR ENGAGEMENT MATRIX

	2017-18	2018-19
Earnings per share	₹ 34.55	₹ 47.27
Book value per share	₹ 168.8	₹ 213
Dividend per share	-	₹ 5 (interim) + ₹ 5 (final)*
Shareholders' equity	₹ 550 cr	₹ 697 cr

** Recommended*

OUR COMMUNITIES

We believe our communities give us the license to operate and we uphold their expectations with responsibility. For our communities, we engage in a number of meaningful activities that have a direct impact on the quality of their lives.

Key points

> Under our One for One platform, we have pledged to deliver a meal for every product sold. Closer alignment of our business performance with our flagship CSR program represents a unique initiative that helps scale up our social responsibility with growth of the business

> At the group-level, VGL has delivered 25 mn meals since the inception of the One for One program through locally registered charity partners, which include Akshaya Patra in India and US, No Kid Hungry in US and Magic Breakfast in UK

> We continued to partner with Manav Seva Sangh Prem Niketan Bal Mandir for helping eradicate hunger, poverty and malnutrition

COMMUNITY ENGAGEMENT MATRIX

	2017-18	2018-19
Meals delivered	6.1 mn	10.3 mn
Total CSR spend and donations (VGL group)	₹ 3.1 cr	₹ 4.5 cr

OUR ENVIRONMENT

We are focused on preserving the ecological balance, and have embraced several steps that contribute to minimising our environmental impact.

Strategic progress

> Under our renewable energy program, our rooftop solar installed capacity in India stands at 300 KW, providing nearly 6% of our combined electricity requirement at our manufacturing facilities in Jaipur

> We are in the process of commencing work on two solar power projects - 1.3 MW in Bikaner and 85 KW in Jaipur (through PPA). Once commissioned, along with the existing solar facility, we will be able to meet about 45% of our total power requirements in Jaipur

> We are engaged in water harvesting, which covers ~95,000 sft area, enabling ~5.2 mn liters of water harvesting in the rainy season

> Under our tree plantation drive, we planted around 800 trees during the year

> Under our waste management initiatives, our sewage treatment plant processes almost 15,000 KL of waste on a yearly basis. Furthermore, about 1,400 kg of plastic and e-waste was consolidated and sent for recycling

BOARD'S PROFILE

Leading by example and in accordance with our values, our Board of Directors is well-positioned to guide us on our course. The Board is fully committed to the highest standards of governance and accountability, and the sustenance of an ethical culture, good performance and effective control.

OUR BOARD

MR. HARSH BAHADUR
Non-Executive Chairman

Date of Board appointment: 26 September 2015

Background: MA in History from St. Stephen's College, Delhi, and MBA from Boston University. Was Managing Director of Metro India, pioneering the launch of the international retailer in the country. Was also President and CEO, Reliance Retail Initiative and General Manager, Wholesale – India, Tesco. Currently on the Board of Indian Terrain Fashions Ltd. as an Independent Director. Also working as a senior advisor with PWC.

Specialities: Retail experience, business acumen, leadership

MR. SUNIL AGRAWAL
Managing Director

Date of Board appointment: 8 May 1989

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

Specialities: Strategy, leadership, innovation, liaison

MR. RAHIM ULLAH
Whole Time Director

Date of Board appointment: 25 January 1999

Background: Started his career in emerald trading and exports. 45 years of unparalleled industry experience.

Specialities: Business planning, product/market knowledge, financial acumen

MR. SANTIAGO ROCES
Director

Date of Board appointment: 28 July 2015

Background: 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. Vast experience in international markets, retail business models, operational excellence and business development. Served as President and CEO – SAVE-A-LOT FOOD STORES, St. Louis, MO; Senior Vice President and General Manager – Walmart Stores Inc. and President and CEO – Walmart Korea.

Specialities: Strategic planning, business acumen, sales/ merchandising, tactical programs

MR. NIRMAL KUMAR BARDIYA
Director

Date of Board appointment: 10 July 2001

Background: Renowned jeweller with over 38 years of experience. Specialisation in high volume gemstones and beads. One of the leading global players in this segment.

Specialities: Gemstone (coloured) manufacturing, business acumen

MRS. SHEELA AGARWAL

Director

Date of Board appointment: 10 November 2008

Background: Active social worker and hands-on philanthropist.

Specialities: Business acumen, community liaison

MR. PULAK CHANDAN PRASAD

Director

Date of Board appointment: 29 October 2013

Background: Holds an engineering degree from IIT Delhi. Completed post-graduation from IIM Ahmedabad. Nalanda Capital founder. Worked with Warburg Pincus as Managing Director & co-Head, India, and McKinsey.

Specialities: Strategy, finance, leadership

MR. JAMES PATRICK CLARKE

Director

Date of Board appointment: 7 February 2017

Background: Bachelor of Science from United States Military Academy, New York, and MBA from Harvard University, Boston. Previously worked at Guardsmark Inc., Omni Computer Products, Ya Ya Interactive Media, etc. Also worked at QVC, a global video and e-com retailer of fashion and jewellery products, as CEO, QVC, China.

Specialities: E-commerce and retail, business development, product lifecycle planning, market/strategy analysis

MR. SUNIL GOYAL

Director

Date of Board appointment: 8 March 2017

Background: Post Graduate in Commerce and Arts, Graduate in Law, Post Graduate Diploma in Taxation and 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. Was President of The Institute of Chartered Accountants of India (2004-05) and a Council member for over 12 years. Was also involved with the development and implementation of Accounting and Auditing Standards in India.

Specialities: Finance and accounting, taxation, labour laws, risk management

LEADERSHIP TEAM

Our leadership team comprises highly experienced professionals in diverse fields that enable VGL to meet its ambitions and objectives.

MR. PURU AGGARWAL
Group CFO

Educational qualifications: Chartered Accountant, Cost & Management Accountant and Company Secretary. Was identified for potential global leadership and provided 18-months of training in Teva Pharmaceutical's 'Global Advance Leadership Program'. Has also attended 'Authentic Leadership Development' program at Harvard.

Specialities: Rich experience of 27 years in business modelling, financial strategy and planning, business development, procurement, supply chain and distribution, budgeting, cost optimisation, corporate law and taxation. A strategic finance leader with holistic business exposure and the ability to strategise and impact finance and operations to achieve higher revenues and bottom-line. Has worked with various multinational companies, including Teva Pharmaceuticals, Coca-Cola Company and EY. His last assignment was with Teva Pharmaceuticals India as member of Board of Directors and country CFO for nearly 11 years.

MR. KEVIN LYONS
President, Shop LC, USA

Educational qualifications: Graduate from Morehead State University and University of Kentucky

Specialities: Over 20 years of retail experience at major US retailers. 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

Educational qualifications: Master's in Training and Development, University of Wisconsin-Stout; Bachelor's in Information Systems, University of Wisconsin-Eau Claire

Specialities: Over 33 years of HR 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.

MR. VINEET VASHISHT
Group Chief Technology Officer

Educational qualifications: Graduate, Ohio State University

Specialities: 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. Strong expertise and proven track record in leading transformation in traditional IT organisations.

MR. AMIT AGARWAL
Managing Director – TJC, UK

Educational qualifications: MBA in marketing

Specialities: Over 18 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-com platforms, along with handling retail sales at TJC, UK.

MR. PUSHPENDRA SINGH
Vice President, Human Resources, Asia

Educational qualifications: MBA (specialisation in HR), Graduate in Law

Specialities: Started career at NTPC as management trainee after completing post-graduation in management. Also worked at Reliance Communications. Awarded '20 Most Talented HR Leaders in Industry' by World HRD Congress in 2013. Dedicated to enlist VGL as a 'Great Place to Work'.

MR. RAJ SINGH
Vice President, Supply Chain, VGL group

Educational qualifications: Graduate in Chemistry with training in mechanical maintenance

Specialities: Rich career span of over 24 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, including gems-studded stainless steel jewellery, ion plating, etc. Also pioneered multiple automation drives resulting in significant cost and production efficiencies.

MR. VIVEK JAIN
Senior Director - Finance, VGL group

Educational qualifications: Bachelor of Commerce from University of Rajasthan and a fellow of The Institute of Chartered Accountants of India

Specialities: Prominent part of VGL since 2002. Played an important role as Finance Director of TJC, UK, until his promotion as Senior Director for Finance, VGL group, under which he was responsible for both the finance and operational functions. Successfully introduced in-house customer financing program, driving strong sales growth, customer loyalty and retention at TJC, UK.

CORPORATE INFORMATION

Board of Directors

Harsh Bahadur (*Chairman*)
Sunil Agrawal (*Managing Director*)
Rahim Ullah (*Whole Time Director*)
Nirmal Kumar Bardiya
Sheela Agarwal
Pulak Chandan Prasad
Santiago Roces
James Patrick Clarke
Sunil Goyal

Board Committees

Audit Committee
Sunil Goyal (*Chairman*)
Harsh Bahadur
Nirmal Kumar Bardiya

Nomination, Remuneration & Compensation Committee
Sunil Goyal (*Chairman*)
Harsh Bahadur
Nirmal Kumar Bardiya

Stakeholders Relationship Committee
Sunil Goyal (*Chairman*)
Harsh Bahadur
Rahim Ullah

Corporate Social Responsibility Committee
Sunil Agrawal (Chairman)
Nirmal Kumar Bardiya
Harsh Bahadur

Key Management Team

Puru Aggarwal, *Group Chief Financial Officer*
Kevin Lyons, *President, Shop LC, USA*
Jeff Allar, *Group Senior Vice President, Human Resources*
Vineet Vashisht, *Group Chief Technology Officer*
Amit Agarwal, *Managing Director, TJC, UK*
Pushpendra Singh, *Vice President, Human Resources, Asia*
Raj Singh, *Vice President, Supply Chain, VGL Group*
Vivek Jain, *Senior Director - Finance, 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
HDFC Bank, Jaipur

Registrar & Share Transfer Agent

M/s Karvy Fintech 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 30th Annual General Meeting (AGM) of the Members of VAIBHAV GLOBAL LIMITED will be held on Tuesday, 30th July, 2019 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, 2019 together with the Reports of the Board of Directors and Auditors thereon.

2. **Re-appointment of Mr. Nirmal Kumar Bardia as a Director, liable to retire by rotation**
   To appoint a Director in place of Mr. Nirmal Kumar Bardia (DIN: 00044624) who retires by rotation at this Annual General Meeting and, being eligible, offers himself for re-appointment.

3. **Declaration of dividend**
   To declare a final dividend of ₹5.00 per equity share for the year ended 31st March, 2019 and to confirm an interim dividend of ₹5.00 per equity share, already paid during the year 2018-19.

Special Business:

4. **Adoption of new set of Articles of Association of the Company**
   To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

   "RESOLVED THAT pursuant to the provisions of Section 14 and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Incorporation) Rules, 2014, including any statutory modification or re-enactment thereof, for the time being in force, the consent of the members be and is hereby accorded for adoption of new set of Articles of Association in substitution for and to the entire exclusion of the existing Articles of Association of the Company."

   "RESOLVED FURTHER THAT the Board of Directors of the Company (hereinafter referred to as the "Board", which term shall deem to include any of its duly constituted Committee) or any officer/executive/representative and/or any other person so authorized by the Board, be hereby authorized on behalf of the Company to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, to settle any questions, difficulties or doubts that may arise in this regard and accede to such modifications and alterations to the aforesaid resolution as may be suggested by the Registrar of Companies or such other authority arising from or incidental to the said amendment without requiring the Board to secure any further consent or approval of the members of the Company."

5. **Alteration of the Object Clause & Liability Clause of the Memorandum of Association of the Company**
   To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

   "RESOLVED THAT pursuant to the provisions of Section 4 & 13 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Incorporation) Rules, 2014, including any statutory modification or re-enactment thereof, for the time being in force, and subject to the necessary approval of the Central Government or any other statutory authority(ies), if any required in this behalf, the consent of the members be and be and is hereby accorded for effecting the following alterations in the existing Clause(s) of the Memorandum of Association (the "MOA") of the Company by substitution/deletion of certain clauses in the following manner:-

   1. Sub-heading III(A) "THE MAIN OBJECT TO BE PURSUED BY THE COMPANY ON ITS INCORPORATION ARE" be substituted by the new sub-heading "THE OBJECTS TO BE PURSUED BY THE COMPANY ON ITS INCORPORATION ARE", with existing objects appearing under sub clauses 1 to 5 thereof.

   2. Sub-heading III(B) "OBJECTS INCIDENTAL OR ANCILLARY TO THE ATTAINMENT OF THE MAIN OBJECTS ARE" be substituted by the new sub-heading "MATTERS WHICH ARE NECESSARY FOR FURTHERANCE OF THE OBJECTS SPECIFIED IN CLAUSE III(A)", with existing objects appearing under sub clauses 1 to 39 thereof.

   3. Under sub-clause 9 of new sub-heading "MATTERS WHICH ARE NECESSARY FOR FURTHERANCE OF THE OBJECTS SPECIFIED IN CLAUSE III(A)", the words "Section 293A of the Companies Act, 1956" be substituted with the words "the Companies Act, 2013 ("Act").

   4. Under sub-clause 12 of new sub-heading "MATTERS WHICH ARE NECESSARY FOR FURTHERANCE OF THE OBJECTS SPECIFIED IN CLAUSE III(A)", the words "Section 58A of the Companies Act, 1956" be substituted with the words "the Act".

   5. Under sub-clause 29, 33 & 37 of new sub-heading "MATTERS WHICH ARE NECESSARY FOR FURTHERANCE OF THE OBJECTS SPECIFIED IN CLAUSE III(A)", the words "the Companies Act, 1956" be substituted with the words "the Act".

   6. The existing Clause III(C) comprising sub clauses 1 to 110 be and is hereby deleted permanently.

   7. Clause IV of the Memorandum of Association be and is hereby altered and substituted with the following new Clause IV:

      IV. The liability of members is Limited and this liability is limited to the amount unpaid, if any, on shares held by them.

   "RESOLVED FURTHER THAT the Board of Directors of the Company (hereinafter referred to as the "Board", which term shall deem to include any of its duly constituted Committee) or any officer/executive/representative and/or any other person so authorized by the Board, be hereby authorized on behalf of the Company to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, to settle any questions, difficulties or doubts that may arise in this regard and accede to such modifications and alterations to the aforesaid resolution as may be suggested by the Registrar of Companies or such other authority arising from or incidental to the said amendment without requiring the Board to secure any further consent or approval of the members of the Company."

By order of the Board of Directors
For Vaibhav Global Limited

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

Place: Jaipur
Date: 21st May, 2019

NOTES:

1. Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ("The Act") in respect of item number 4 to 5 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 authorizing 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 on Saturday, 13th July, 2019 for Annual General Meeting and payment of dividend.
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 11.00 A.M. to 1.00 P.M. (IST) up to the date of the 30th Annual General Meeting.
9. Members are requested to send their demat/remat applications, request for share transmission, intimation of change of address and other correspondence to the Company's Registrar and Share Transfer Agent, M/s Karvy Fintech Pvt. Ltd., Karvy Selenium Tower B, Plot 31-32, Gachibowli Financial District, Nanakramguda, Hyderabad - 500 032.
10. Members who hold shares in physical form are requested to notify immediately, any change in their addresses to the Registrar and Share Transfer Agent of the Company at the above address and to their respective depository participants, in case shares are held in electronic form.
11. Non-Resident Indian Members are requested to inform Registrar and Share Transfer Agent of the Company in any change in their residential status on return to India for permanent settlement, particulars of their bank account maintained in India with complete name, branch account type, account number and address of the bank with pin code number, if not furnished earlier.
12. 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 the 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 a 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 remained unclaimed are requested to correspond with the RTA/Company Secretary. Members are requested to note that dividends that are not claimed within 7 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 2018-19 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, 2019 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 30th AGM is annexed at the end of the Report.

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

Item No. 4

The Board of Directors in its meeting held on 21st May, 2019 approved to insert the provision for buy back of shares in the Articles of Association ("AoA"), inter-alia other amendments in conformity with the Companies Act, 2013 ('Áct'), subject to the approval of shareholders, as the existing AoA of the Company are based on the provisions of Companies Act, 1956 and several clauses/regulations in the existing AoA contain references to specific sections of the Companies Act, 1956.

Further, in order to bring the Articles of Association in conformity with the Companies Act, 2013 and other relevant insertions/amendments/ deletions, it is prudent to adopt a new Articles of Association since number of alterations required in existing Articles of Association are voluminous. Hence, it is considered desirable to adopt new set of Articles of Association in substitution of and to the exclusion of existing AOA.

Salient changes in the new draft AOA of the Company inter-alia include the following:

- Incorporation of references of new provisions/sections of the Act.
- Incorporation of provisions relating to allotment of shares otherwise than for cash, Buy Back of shares, Dematerialization of Securities, Independent Directors, Postal Ballot, Voting through electronic means etc.
- Amendment in the articles related to transfer/ transmission/ forfeiture of securities as per the provisions the Act.
- The Company may appoint fifteen (15) directors on its Board and any increase beyond this limit will require approval of shareholders in line with the Act.
- The Act has defined the term Key Managerial Personnel, the same is proposed to be incorporated.
- Incorporation of provision for the participation of the Directors in meetings in person or through video conferencing or other audio-visual means as permitted in the Act.
- Provisions related to joint holders inserted/ defined at single place.
- Deletion of Articles which are now irrelevant i.e. preliminary expenses for incorporation of Company, first auditors be appointed, appointment of auditors annually etc. and deletion of entire Part II of the existing Articles, the consent of the respective investor has been obtained.

The existing and new draft Articles of Association to be adopted has been placed on the website of the Company www.vaibhavglobal.com and is available for inspection by the members at the Registered Office of the Company during 11.00 a.m. to 1.00 p.m. on all working days, upto date of Annual General Meeting. In order to adopt this new set of Articles of Association, the approval of members is required by way of Special Resolution. Hence, the Board recommends the Special Resolution as set out at Item No. 4 of the Notice for your approval.

None of the Directors and/or Key Managerial Personnel of the Company and/or their relatives are concerned or interested, financially or otherwise in the said resolution except to the extent of their shareholding, if any.

Item No. 5

In the light of the relevant provisions of the Companies Act, 2013, the object clause of a company is required to state the objects for which the company is incorporated, and matter(s) considered necessary in furtherance thereof. Hence, the Board of Directors at their meeting held on 21st May, 2019, subject to necessary approval of the members of the company, decided to amend the object clause of Memorandum of Association ('MOA") of the company to the extent relevant, so as to align the same with the requirement of the Companies Act, 2013.

Accordingly, under the proposed amendment in object clause, it is, inter-alia, includes to rename the sub heading III(A) and III(B), deletion of sub heading III(C) and entire clauses thereunder. It is also proposed to replace the liability clause of the Memorandum of Association of the Company by substituting the same with existing Clause IV to re-word the same appropriately and make it in line with the requirements of the Companies Act, 2013. The liability clause of the MOA is being replaced to clarify that the liability of members is Limited and this liability is limited to the amount unpaid, if any, on the shares held by them.

The existing and proposed draft Memorandum of Association has been placed on the website of the Company www.vaibhavglobal.com and is available for inspection by the members at the Registered Office of the Company during 11.00 a.m. to 1.00 p.m. on all working days, upto date of Annual General Meeting. For the proposed aforesaid amendments in the Memorandum of Association, the approval of members is required by way of Special Resolution. Hence, the Board recommends the Special Resolution as set out at Item No. 5 of the Notice for your approval.

None of the Directors and/or Key Managerial Personnel of the Company and/or their relatives are concerned or interested, financially or otherwise in the said resolution except to the extent of their shareholding, if any.

By order of the Board of Directors
For Vaibhav Global Limited

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

Place: Jaipur
Date: 21st May, 2019

Details of Directors seeking appointment/re-appointment at 30th Annual General Meeting

Name of the Director	Mr. Nirmal Kumar Bardia (DIN: 00044624)
Date of Birth	22nd January, 1960
Date of first appointment on the Board	10th July, 2001
Date of re-appointment	30th July, 2019
Brief Profile / Expertise in Specific field/ Qualification	Mr. Nirmal Kumar Bardiya, Commerce Graduate, is one of the most renowned jewelers of Jaipur with over 35 years of experience in colored gemstone manufacturing. He has been associated with VGL for the last 18 years. He is highly specialized in high volume gemstones and beads and is one of the leading global players in this segment. Mr. Bardiya is the Chairman & Managing Director of RMC Gems India Limited, Director of Zari Silk India Pvt. Ltd. and Bardiya Construction Co. Pvt. Ltd. (Hotel Clarion Bela Casa), Jaipur. He holds the position as Vice President of International Colored Gemstone Association, New York, Regional Chairman of The Gem & Jewellery Export Promotion Council, Jaipur, Ex-President of Jewellers Association, Jaipur, and President of Anuvibha Jaipur Kendra.
Board Meetings held & attended during the FY 2018-19	Four (held) out of which Three (attended)
Directorships held in other public companies (excluding foreign companies and Section 8 companies)	RMC Gems India Limited VGL Softech Limited
Memberships/ Chairmanships of committees of other public companies (includes only Audit Committee and Stakeholders' Relationship Committee)	NIL
Number of shares held in the Company	11,25,581 equity shares
Remuneration paid during FY 2018-19	₹4,55,000 (Sitting Fee)
Relationships with other directors/KMP	NIL

BOARD'S REPORT

Dear Members,

Your Directors have pleasure in presenting the 30th Annual Report on the affairs of the Company, together with the Audited Financial Statements, for the financial year ended 31st March, 2019.

Financial Performance and Highlights

The audited financial results (standalone and consolidated) of the Company for the year ended 31st March, 2019 are as follows:

(₹ in Lacs)

Particulars	Standalone (F.Y.)		Consolidated (F.Y.)	
	2018-19	2017-18	2018-19	2017-18
Revenue from Operations and Other Income	48,912.79	47,448.62	1,82,814.87	1,58,112.39
Less: Operating Cost	44,058.32	43,128.26	1,61,072.64	1,42,222.70
Operating Profit / PBDIT	4,854.47	4,320.36	21,742.23	15,889.69
Less: Interest & Finance Charges	391.28	313.03	465.75	429.60
Less: Depreciation & Amortisation Expenses	382.93	374.60	2,460.74	2,545.14
Profit Before Tax (PBT)	4,080.26	3,632.73	18,815.74	12,914.95
Less: Tax Expenses	783.55	553.44	3,398.71	1,668.31
Profit After Tax (PAT)	3,296.71	3,079.29	15,417.03	11,246.64
Other Comprehensive Income (Net of Tax)	38.16	3.36	541.02	(179.74)
Total Comprehensive Income	3,334.87	3,082.65	15,958.05	11,066.90

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

Indian Accounting Standards

The audited financial statements (standalone and consolidated) prepared by the Company, in accordance with the Indian Accounting Standards [Ind AS], are provided in the Annual Report of the Company.

Business Review

Vaibhav Global is an electronic retailer of fashion jewellery, accessories and lifestyle products in the US and UK, where consumer spending makes up roughly two-thirds of their respective GDPs. The retail segment of the business contributes nearly 92% of the total revenue.

As a Company, we meet our retail customers where they are – on proprietary home shopping TV and web platforms with direct access to almost 100 million TV households in the US and UK combined; and digital platforms, including marketplaces, social media platforms and mobile apps. In an environment where the sales channel boundaries are blurring, VGL's omni-channel presence drives and deepens customer engagement, changing the playbook for retail productivity.

VGL's vertically integrated model with a robust manufacturing set-up in India augurs well for the deep value proposition that it offers to its customers through its retail channels - Shop LC in the US and TJC in the UK. Strong supply chain management with vigorous sourcing channels in micro-markets across India, China, Thailand and Indonesia further strengthen and support VGL's vision to be the value leader in electronic retailing of fashion jewellery, accessories and lifestyle products. 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/unaudited (as applicable) financial statements for the financial year ended 31st March, 2019 in respect of each subsidiary are also available on the website of the Company, i.e. www.vaibhavglobal.com. A copy of the said financial statements shall be provided to shareholders upon request. A separate statement containing salient features of the financial statements of the subsidiaries 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 of your company is pleased to recommend a final dividend of ₹5/- per equity share of the face value of ₹10 each (@50%), payable to those shareholders whose names appear in the Register of Members as on the Book Closure Date. During the year under review, the Board of Directors in its meeting held on 29th October, 2018, declared and paid an interim dividend of ₹5/- per equity share of the face value of ₹10 each (@50%). Cumulatively, the Board of Directors of your Company has declared/recommended a total dividend (interim and final dividend (if approved)) of ₹10/- per equity share (@100%) during the year.

Transfer to Reserve

The Board of Directors of your Company has decided not to transfer any amount to the Reserves for the year under review.

Particulars of Loans, Guarantees and Investments

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 Holding and Subsidiary Companies

A. Holding Company:

During the year, in terms of scheme of arrangement/merger as approved by Hon'ble NCLT, Mumbai Bench under the provisions of the Companies Act, 2013, Sonymike's Holdings Limited, a promoter group entity of Vaibhav Global Limited, holding 99,18,640 equity shares representing 30.43% shareholding/voting capital of the Company, has merged with Brett Enterprises Pvt. Ltd. (formerly: Brett Plastics Pvt. Ltd.) w.e.f. 29th May, 2018. Pursuant to the aforesaid merger, the shareholding of Brett Enterprises Pvt. Ltd. has increased from 83,34,124 equity shares, representing 25.56% shareholding/voting capital of the Company, to 1,82,52,764 equity shares, representing 55.99% of shareholding /voting capital of the Company. Consequently, Brett Enterprises Pvt. Ltd. has become the Holding Company of Vaibhav Global Limited.

B. Subsidiary Companies:

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

Wholly-Owned Subsidiaries:-

a) Genoa Jewelers Limited, British Virgin Islands, a 100% subsidiary of the Company, which in turn holds 100% in Shop LC, USA and The Jewellery Channel, UK.

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 and internet shopping website (www.tjc.co.uk) and also a mobile app in the UK.

b) Shop LC Global Inc., USA (Shop LC, USA) (formerly: The Jewelry Channel Inc.), 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 and 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.

d) STS (Guangzhou) Trading Limited, a wholly-owned step-down subsidiary of the Company was incorporated during the year, engaged in the business of export and import trading.

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

Change in Capital Structure

During the year, there has been no change in the authorised share capital of the Company. The Company has allotted 1,08,383 equity shares of ₹10/- each to eligible employees under VGL ESOP (As Amended) – 2006, in different tranches, 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 ₹32,59,08,530/- (Rupees thirty two crores fifty nine lac eight thousand five hundred and thirty only) to ₹32,69,92,360/- (Rupees thirty two crores sixty nine lac ninety two thousand three hundred and sixty only). Further, the Company has not issued shares with differential voting rights.

Employees Benefit Scheme(s)

During the year, 4,04,600 (Four lac four thousand six hundred) stock options convertible into 4,04,600 (Four lac four thousand six hundred) equity shares of ₹10/- each have been granted to the eligible employees of the Company and its subsidiaries under 'VGL ESOP (As Amended) 2006' (hereinafter referred to as 'ESOP Scheme'). During the year, the clause 2(n) of the ESOP Scheme pertaining to exercise price was amended with the approval of the shareholders.

The shareholders, vide their resolution dated 30th March, 2019 through postal ballot, approved 'VGL RSU Plan 2019'. The ESOP Scheme and RSU plan are in compliance with SEBI (Share Based Employee Benefits) Regulations, 2014.

The required details pertaining to Employee Benefit Scheme(s) are available on the Company's website: http://www.vaibhavglobal.com/esop

Memorandum and Articles of Association

The Board of Directors has approved, subject to the approval of the shareholders in the ensuing Annual General Meeting, amendments in Memorandum of Association of the Company in conformity with the Companies Act, 2013 and Adoption of new set of Articles of Association of the Company to insert provision for buy back of shares, inter-alia other amendments in conformity with the Companies Act, 2013.

Credit Rating

During the year, the Company's credit rating for long-term bank facilities were reaffirmed as CARE A- (A minus), which denotes adequate degree of safety regarding timely servicing of financial obligations. However, the rating outlook was revised from stable to positive. The short-term bank facilities were also reaffirmed as 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 year, Mr. Sunil Agrawal was re-appointed as Managing Director of the Company for a period of five years w.e.f. 1st February, 2019 to 31st January, 2024, and Mr. Rahim Ullah was re-appointed as Whole-time Director of the Company for a period of five years w.e.f. 1st February, 2019 to 31st January, 2024. Keeping in view the long and rich experience, continued valuable guidance to the management and effective participation and contribution, Mr. James Patrick Clarke was re-appointed as an Independent Director for a further term of five years w.e.f. 7th February, 2019 to 6th February, 2024. The abovesaid re-appointments were approved by the shareholders of the Company on 30th March, 2019 through postal ballot.

Further, pursuant to the provisions of Regulation 17(1A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, shareholders of the Company on 30th March, 2019 has also approved the continuation of Directorship of Mrs. Sheela Agarwal as Non-Executive Non-Independent Director of the Company.

Mr. Harsh Bahadur, Non-Executive Independent Director of the Company, was appointed as Non-Executive Chairman of the Board w.e.f. 1st February, 2019. Dr. Purushottam Agarwal was re-appointed as an Independent Director of the Company for a further term of one year w.e.f. 15th May, 2018 with the approval of shareholders through postal ballot resolution passed on 10th May, 2018. Dr. Purushottam Agarwal, has completed his tenure as Independent Director on the Board of the Company on 14th May, 2019 and ceased as Director on the Board of the Company.

In accordance with the provisions of the Companies Act, 2013 and in terms of the Memorandum and Articles of Association of the Company, Mr. Nirmal Kumar Bardiya, Director, is liable to retire by rotation at the 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 (including independent directors) and expressed its satisfaction. 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 selection and remuneration criteria of Directors, senior management personnel and performance evaluation of Directors/Board/Committees/Chairman, 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.

During the year, the Nomination and Remuneration Policy was amended to incorporate the changes of Companies Act and SEBI (LODR) Regulations. The amended Policy 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. Further, all necessary declarations with respect to independence have been received from all the Independent Directors and also received the confirmation that they have complied with the Code for Independent Directors prescribed in Schedule IV to the Act. The terms and conditions for the appointment of the Independent Directors are given on the website of the Company.

Committees of the Board

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

Directors' Responsibility Statement

The Board of Directors acknowledge the responsibility for ensuring 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, 2019 and state that:

a) in the preparation of the annual accounts for the financial year ended 31st March, 2019, 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, 2019 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**.

Detail of all related party transactions is being 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/vglpolicies

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 organisational 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 2019-20 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, 2019.

Awards and Recognitions

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

1. Certification from Great Place to Work® Institute, India and the Company is certified as a great workplace.

2. Certificate of Appreciation awarded for our constant guidance and support in preserving the heritage of our trade by the Museum of Gem and Jewellery Federation, Jaipur.

3. Secured first rank for ' 44th India Gem & Jewellery Awards 2017' in the category of 'Silver Jewellery' continuously for the fifth time by the Gems & Jewellery Export Promotion Council (GJEPC).

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**. The same is also available on the website of the Company, i.e. www.vaibhavglobal.com

Auditors and Auditors' Report

A. Statutory Auditors

M/s B S R & Co. LLP, Chartered Accountants (ICAI Firm Registration Number 101248W/ W-100022), 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, 2019. The reports do not contain any reservation, qualification or adverse remark. Information referred to 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 2018-19. The Secretarial Audit Report for the financial year 2018-19 is attached herewith as **Annexure 4**. The report does not contain any reservation, qualification or adverse remark. Information referred to in the Secretarial Auditor Report are self-explanatory and do not call for any further comments.

Investor Relations

Your Company interacted with 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 designated persons. The code of practices and procedures for fair disclosure of unpublished price sensitive information is also available on the Company's website, i.e. www.vaibhavglobal.com

Corporate Social Responsibility (CSR)

As required under Section 135 of the Companies Act, 2013, the Board of Directors has constituted a Corporate Social Responsibility (CSR) Committee to formulate and recommend to the Board a Corporate Social Responsibility (CSR) policy which shall indicate the activities to be undertaken by the Company, as specified in Schedule VII of the Companies Act, 2013 to recommend the amount of expenditure to be incurred on the activities and to monitor the Corporate Social Responsibility policy of the Company from time to time. The Company has developed and implemented a CSR Policy, a copy of which containing projects and programs, is available on Company's website: http://www.vaibhavglobal.com/vgl-policies

Your Company has contributed a sum of ₹125.32 lacs to various social institutions in the field of mid-day meals, education, healthcare and scholarships. A report on CSR activities, i.e. initiatives taken during the year, in the prescribed format as required under section 134(3)(o) read with section 135, inter-alia, contains composition of the CSR committee and is annexed herewith as **Annexure 5**, which forms a part of this Report.

Particulars of Employees

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**, which forms a part of this Report.

Risk Management

The Company has framed and implemented a Risk Management policy to identify the various business risks. This framework seeks to create transparency, minimise 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. During the year, the Company has constituted a risk management committee to monitor and review the risk management plan and to perform functions as defined under SEBI (LODR) Regulations, 2015 and the Companies Act, 2013.

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 has 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 conditions 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 Managing Director of the Company 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.

Unclaimed Dividend

Section 124 of Companies Act, 2013 read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ('the Rules"), mandates that the companies to transfer the amount of dividend, which remained unclaimed for a period of seven years, from the unpaid dividend account to the Investor Education and Protection Fund (IEPF). Further, the Rules also mandate that the share on which dividend has not been paid or claimed for seven consecutive years or more be transferred to the IEPF.

The following table provides a list of years for which unclaimed dividend and their corresponding shares would become eligible to be transferred to IEPF on the dates mentioned below:

Year	Type of dividend	Dividend per share (₹)	Date of declaration	Due date of transfer	Unclaimed dividend as on 31st March, 2019 (₹)
2014-15	Interim dividend	2.40	11th November, 2014	16th December, 2021	51,364.80
2018-19	Interim dividend	5.00	29th October, 2018	5th December, 2025	1,29,800.00

Unclaimed dividend transferred to IEPF during the year 2018-19 - NIL
Shares transferred to IEPF during the year 2018-19 - NIL

The Company sends periodic intimation to shareholders, advising them to lodge their claims with respect to unclaimed dividend. Shareholders may note that both the unclaimed dividend and corresponding shares to be transferred to IEPF, including all benefits arising on such shares, if any, can be claimed from IEPF following the procedure prescribed in the Rules. No claim shall lie in respect thereof with the Company.

Mr. Sushil Sharma, Company Secretary, was appointed as nodal officer to ensure compliance with the IEPF Rules. The contact details of nodal officer and detail of unpaid/unclaimed dividend are available on the website of the Company, i.e. www.vaibhavglobal.com

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 2018-19 and the date of this report which may impact the financial position of the Company.

Cost Audit

Maintenance of cost records as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013, is not applicable to 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.

During the year, the Company has taken the following steps to reduce energy consumption:

1. Replacement of old air-cooled plant with VRV (Variable Referent Volume) unit at chain building at E-68 which saves energy.
2. Removal of dust collector from E-68 main building HVAC system and fixing of a small axial fan which reduces power consumption.

Steps taken by the company for utilising alternate sources of energy: Currently, our installed capacity of rooftop solar panels in India is 300 kW, providing nearly 6% of our combined electricity requirement at our manufacturing facilities in Jaipur, Rajasthan. We are in the process of commencing work on two solar power projects - 1.3 MW in Bikaner, Rajasthan, and 85 kW in Jaipur (through PPA), Rajasthan. Once commissioned, along with the existing solar facility, we will be able to meet approximately 45% of our total power requirement at our manufacturing facilities in Jaipur, Rajasthan.

The Company's SEZ unit successfully achieved green building standards under 'Gold' category, certified by Indian Green Building Council (IGBC). The SEZ unit has also installed thermal energy storage, or storage of cold energy in the form of ice, i.e. use of chillers during idle hours (night) to store cooling energy and use of the stored energy during peak energy hours (day) by switching on the chillers.

Capital investment on energy conservation equipment during the year: NIL

B. Technology Absorption

(i) The efforts made towards 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.

(ii) The benefits derived like product improvement, cost reduction, product development or import substitution: NA

(iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year): NIL

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.

Acknowledgements

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

Harsh Bahadur
Chairman
DIN: 00724826

Place: Jaipur
Date: 21st May, 2019

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**	**9**
Name of Subsidiary	**STS Jewels Inc., USA**	**STS Gems Thai Limited, Thailand**	**STS Gems Limited, Hong Kong**	**STS Gems Japan Limited**	**Genoa Jewelers Limited, BVI**	**PT. STS Bali**	**The Jewellery Channel Limited, UK**	**Shop LC Global Inc., USA**	**STS (Guangzhou) Trading Limited, China**
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	16th May 2018
Reporting Period for the Subsidiary Concerned, if different from the holding Company's reporting period	1st April 2018 to 31st March 2019	1st April 2018 to 31st March 2019	1st April 2018 to 31st March 2019	1st April 2018 to 31st March 2019	1st April 2018 to 31st March 2019	1st April 2018 to 31st March 2019	1st April 2018 to 31st March 2019	1st April 2018 to 31st March 2019	16th May 2018 to 31st March 2019
Reporting Currency and exchange rate as on the last date of the relevant Financial Year in the case of Foreign Subsidiaries	USD 1 = ₹69.321001	THB 1 = ₹2.174061	HKD 1 = ₹8.829989	JPY 1 = ₹0.625081	USD 1 = ₹69.321001	Rupiah 1 = ₹0.004866	GBP 1 = ₹90.279812	USD 1 = ₹69.321001	Chinese Yuan 1 = ₹ 10.32698
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	1,45,35,761
Reserves & Surplus	20,06,39,594	1,25,50,566	40,72,41,296	(4,46,39,711)	(1,01,76,28,665)	4,61,52,494	(19,68,07,425)	1,40,46,39,680	(1,14,60,281)
Total Assets	76,89,18,564	34,27,64,406	1,23,61,24,100	7,453	97,83,20,961	6,54,23,275	1,51,22,63,848	2,34,48,20,528	1,21,45,964
Total Liabilities	53,52,29,520	26,45,67,840	77,54,87,864	5,78,418	1,03,98,150	1,25,44,445	87,14,35,177	72,03,86,999	90,70,484
Investments	-	-	2,11,83,935	31,254	1,10,93,06,962	-	-	-	-
Turnover	1,49,79,68,296	57,37,90,690	2,83,58,58,180	(7,162)	-	25,71,68,852	4,71,71,05,232	11,91,34,39,991	1,53,00,682
Profit Before Taxation	4,58,58,014	2,57,72,458	6,07,04,475	(48,245)	1,55,49,157	2,62,83,770	41,81,44,875	82,22,64,536	(1,47,85,335)
Provision for Taxation	1,00,86,966	57,32,888	1,00,15,348	-	-	25,77,668	8,13,88,197	18,79,16,276	(36,96,334)
Profit after Taxation	3,57,71,048	2,00,39,570	5,06,89,127	(48,245)	1,55,49,157	2,37,06,102	33,67,56,678	63,43,48,260	(1,10,89,002)
Proposed Dividend	-	-	-	-	-	-	-	-	-
% of shareholding	100%	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: N.A.

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 2019

For and on behalf of the Board

	Harsh Bahadur	**Sunil Agrawal**	**Rahim Ullah**	**Puru Aggarwal**	**Sushil Sharma**
	Chairman	*Managing Director*	*Whole Time Director*	*Group CFO*	*Company Secretary*
Jaipur, 21st May, 2019	DIN: 00724826	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
Shop LC Global Inc., (Formerly, The Jewellery Channel Inc.) (100% step down Subsidiary)	Purchase	Ongoing	120 Days for Payment from the Date of Invoice ₹1,31,61,168	N.A	N.A
	Sales	Ongoing	180 Days for Payment from the Date of Invoice ₹2,64,08,30,740	N.A	N.A
	Management fee	Ongoing	365 Days for Payment from the Date of Invoice ₹1,31,55,245	N.A	N.A
STS Gems Ltd. (100% Subsidiary)	Purchase	Ongoing	120 Days for Payment from the Date of Invoice ₹34,31,94,241	N.A	N.A
	Sales	Ongoing	180 Days for Payment from the Date of Invoice ₹37,17,68,293	N.A	N.A
	Management fee	Ongoing	365 Days for Payment from the Date of Invoice ₹9,34,936	N.A	N.A
STS Gems Thai Ltd. (100% Subsidiary)	Purchase	Ongoing	120 Days for Payment from the Date of Invoice ₹13,17,47,679	N.A	N.A
	Sales	Ongoing	180 Days for Payment from the Date of Invoice ₹6,50,70,171	N.A	N.A
STS Jewels Inc. (100% step down Subsidiary)	Purchase	Ongoing	120 Days for Payment from the Date of Invoice ₹26,27,63,827	N.A	N.A
	Sales	Ongoing	180 Days for Payment from the Date of Invoice ₹57,02,66,127	N.A	N.A
	Management fee	Ongoing	365 Days for Payment from the Date of Invoice ₹2,18,529	N.A	N.A
PT. STS Bali (100% step down Subsidiary)	Purchase	Ongoing	120 Days for Payment from the Date of Invoice ₹83,02,372	N.A	N.A
	Sales	Ongoing	180 Days for Payment from the Date of Invoice ₹26,30,718	N.A	N.A
The Jewellery Channel Limited (100% step down Subsidiary)	Purchase	Ongoing	120 Days for Payment from the Date of Invoice ₹77,00,212	N.A	N.A
	Sales	Ongoing	180 Days for Payment from the Date of Invoice ₹83,85,29,966	N.A	N.A
	Management fee	Ongoing	365 Days for Payment from the Date of Invoice ₹56,71,120	N.A	N.A

Harsh Bahadur
Chairman
DIN: 00724826

Place: Jaipur
Date: 21st May, 2019

Annexure-3

Form No. MGT-9
EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31st March, 2019

[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 Fintech 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.karvyfintech.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 ofthe product / Service	% to total turnover of the company
1.	Manufacturing and export of all kind of jewellery, colored gems stones, precious and semi-precious stones and studded jewellery.	321	95.05

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.	Brett Enterprises Pvt. Ltd. 5, Kitab Mahal, 192 Dr. D.N.Road, Fort, Mumbai - 400 001	CIN:U27100MH1995 PTC084578	Holding Company	56.05%	2(46)
2.	Genoa Jewelers Limited Drake Chambers, Road Town, Tortola, BVI	Foreign Company	Wholly-owned subsidiary	100%	2(87)
3.	STS Jewels Inc. 100 Michael Angelo Way, Suite 400 D, Austin Texas -78728, USA	Foreign Company	Wholly-owned subsidiary	100%	2(87)
4.	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)
5.	STS Gems Thai Limited 919/350A, 28th Floor, Jewelry Trade Center Building, Silom Road, Silom, Bangrak, Bangkok, 10500 - Thailand	Foreign Company	Wholly-owned subsidiary	100%	2(87)
6.	STS Gems Japan Limited 602 Kotokudo Building, 5-7-7 UENO, TAITO-KU, Tokyo – 110-0005	Foreign Company	Wholly-owned subsidiary	100%	2(87)
7.	The Jewellery Channel Ltd. Surrey House, Plane Tree, Crescent, Feltham TW13 7HF, UK	Foreign Company	Step-down subsidiary	100% through subsidiary company	2(87)
8.	Shop LC Global Inc., (formerly, The Jewelry Channel Inc.) 100 Michael Angelo Way, Suite 400 D, Austin Texas-78728, USA	Foreign Company	Step-down subsidiary	100% through subsidiary company	2(87)
9.	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)
10.	STS (Guangzhou) Trading Limited Panyu, Guangzhou City, China	Foreign Company	Step-down subsidiary	100% through subsidiary company	2(87)

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	33,68,974	-	33,68,974	10.34	22,53,121	-	22,53,121	6.89	(3.45)
(b)	Central Government	-	-	-	-	-	-	-	-	-
(c)	State Government(s)	-	-	-	-	-	-	-	-	-
(d)	Bodies Corporate	83,34,124	-	83,34,124	25.57	1,83,27,764	-	1,83,27,764	56.05	30.48
(e)	Banks / FI	-	-	-	-	-	-	-	-	-
(f)	Any Other	-	-	-	-	-	-	-	-	-
	Sub-total A(1) :	**1,17,03,098**	**-**	**1,17,03,098**	**35.91**	**2,05,80,885**	**-**	**2,05,80,885**	**62.94**	**27.03**
2	**Foreign**									
(a)	NRIs-Individuals	47,070	-	47,070	0.14	46,926	-	46,926	0.14	(0.00)
(b)	Other-Individuals	-	-	-	-	-	-	-	-	-
(c)	Bodies Corporate	99,18,640	-	99,18,640	30.43					(30.43)
(d)	Banks / FI	-	-	-	-	-	-	-	-	-
(e)	Any others	-	-	-	-	-	-	-	-	-
	Sub-total A(2) :	**99,65,710**	**-**	**99,65,710**	**30.58**	**46,926**	**-**	**46,926**	**0.14**	**(30.43)**
	Total shareholding of Promoter (A) = (A)(1)+(A)(2)	**2,16,68,808**	**-**	**2,16,68,808**	**66.49**	**2,06,27,811**	**-**	**2,06,27,811**	**63.08**	**(3.40)**
(B)	**Public Shareholding**									
1	**Institution**									
(a)	Mutual Funds	2,48,957	-	2,48,957	0.76	4,00,455	-	4,00,455	1.22	0.46
(b)	Banks / FI	9,911	-	9,911	0.03	16,706	-	16,706	0.05	0.02
(c)	Central Government	-	-	-	-	-	-	-	-	-
(d)	State Government(s)	-	-	-	-	-	-	-	-	-
(e)	Venture Capital Funds	-	-	-	-	-	-	-	-	-
(f)	Insurance Companies	-	-	-	-	-	-	-	-	-
(g)	Foreign Institutional Investors (FIIs)	57,64,674	-	57,64,674	17.69	72,07,026	-	72,07,026	22.04	4.35
(h)	Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	-
(i)	Others (specify)	-	-	-	-	-	-	-	-	-
	Sub-total B(1) :	**60,23,542**	**-**	**60,23,542**	**18.48**	**76,24,187**	**-**	**76,24,187**	**23.32**	**4.83**
2	**Non-Institutions**									
(a)	**Bodies Corporate**									
(i)	Indian	7,54,396	600	7,54,996	2.32	4,67,039	600	4,67,639	1.43	(0.89)
(ii)	Overseas	-	-	-	-	-	-	-	-	-
(b)	**Individual**									
(i)	Individuals holding nominal share capital upto ₹1 lac	13,58,761	23,357	13,82,118	4.24	12,68,196	23,057	12,91,253	3.95	(0.29)
(ii)	Individuals holding nominal share capital in excess of ₹1 lac	22,14,554	-	22,14,554	6.80	24,76,399	-	24,76,399	7.57	0.78
(c)	**Others (Specify)**									
(i)	Clearing Members	3,194	-	3,194	0.01	941	-	941	-	(0.01)
(ii)	Non-Resident Indians	5,31,102	2,700	5,33,802	1.64	1,68,052	2,700	1,70,752	0.52	(1.12)
(iii)	Trusts	5,803	660	6,463	0.02	39,254	-	39,254	0.12	0.10
(iv)	NBFC registered with RBI	3,376	-	3,376	0.01	1,000	-	1,000	0.00	(0.01)
	Sub-total B(2) :	**48,71,186**	**27,317**	**48,98,503**	**15.03**	**44,20,881**	**26,357**	**44,47,238**	**13.60**	**(1.43)**
	Total Public Shareholding (B)=(B)(1)+ (B)(2)	**1,08,94,728**	**27,317**	**1,09,22,045**	**33.51**	**1,20,45,068**	**26,357**	**1,20,71,425**	**36.92**	**3.40**
(C)	**Shares held by Custodian for GDRs & ADRs**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	Grand total (A+B+C) :	**3,25,63,536**	**27,317**	**3,25,90,853**	**100.00**	**3,26,72,879**	**26,357**	**3,26,99,236**	**100.00**	**-**

(ii) Shareholding of Promoters:

Sl. No.	Shareholder name	Shareholding at the beginning of the year			Shareholding at the end of the year			% Change in shareholding during the year
		No. of shares	% of total shares of the Company	% of shares pledged / encumbered to total shares	No. of shares	% of total shares of the Company	% of shares pledged / encumbered to total shares	
1	Sonymike's Holdings Ltd.*	99,18,640	30.43	-	-	-	-	(30.43)
2	Brett Enterprises Pvt. Ltd.	83,34,124	25.57	-	1,83,27,764	56.05	-	30.48
3	Nirmal Kumar Bardiya	17,91,628	5.50	-	11,25,581	3.44	-	(2.06)
4	Rahim Ullah	8,62,751	2.65	-	4,12,751	1.26	-	(1.39)
5	Deepti Agrawal	5,26,990	1.62	-	5,27,134	1.61	-	(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	22,400	0.07	-	22,450	0.07	-	0.00
9	Sanjeev Agrawal	8,320	0.03	-	8,320	0.03	-	0.00
10	Hursh Agrawal	10,000	0.03	-	10,000	0.03	-	0.00
11	Neil Agrawal	610	0.00	-	466	0.00	-	0.00

*Merged with Brett Enterprises Pvt. Ltd.

(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	30.43	99,18,640	30.43
	29/05/2018 (transfer to Brett Enterprises Pvt. Ltd. due to merger)	(99,18,640)	(30.43)	-	-
	At the end of the year			-	-
2	Brett Enterprises Pvt. Ltd.				
	At the beginning of the year	83,34,124	25.57	83,34,124	25.57
	29/05/2018 (transfer from Sonymike's Holdings Ltd. due to merger)	99,18,640	30.43	1,82,52,764	55.99
	04/01/2019 (Market Purchase)	50,000	0.15	1,83,02,764	56.01
	26/02/2019 (Market Purchase)	25,000	0.08	1,83,27,764	56.05
	At the end of the year			1,83,27,764	56.05
3	Nirmal Kumar Bardiya				
	At the beginning of the year	17,91,628	5.50	17,91,628	5.50
	12/12/2018 (Market Sale)	(3,00,000)	(0.92)	14,91,628	4.56
	31/01/2019 (Market Sale)	(1,75,000)	(0.54)	13,16,628	4.02
	01/02/2019 (Market Sale)	(44,000)	(0.13)	12,72,628	3.89
	01/03/2019 (Market Sale)	(47,047)	(0.14)	12,25,581	3.75
	07/03/2019 (Market Sale)	(1,00,000)	(0.31)	11,25,581	3.44
	At the end of the year			11,25,581	3.44
4	Rahim Ullah				
	At the beginning of the year	8,62,751	2.65	8,62,751	2.65
	09/07/2018 (Market Sale)	(1,20,000)	(0.37)	7,42,751	2.28
	02/08/2018 (Market Sale)	(1,80,000)	(0.55)	5,62,751	1.73
	06/08/2018 (Market Sale)	(50,000)	(0.16)	5,12,751	1.57
	09/10/2018 (Market Sale)	(1,00,000)	(0.31)	4,12,751	1.26
	At the end of the year			4,12,751	1.26
5	Deepti Agrawal				
	At the beginning of the year	5,26,990	1.62	5,26,990	1.62
	05/10/2018 (Interse transfer)	30	0.00	5,27,020	1.62
	02/11/2018 (Interse transfer)	114	0.00	5,27,134	1.62
	At the end of the year			5,27,134	1.61
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	22,400	0.07	22,400	0.07
	06/04/2018 (Market purchase)	50	0.00	22,450	0.07
	At the end of the year			22,450	0.07
9	Sanjeev Agrawal				
	At the beginning of the year	8,320	0.03	8,320	0.03
	Increase / Decrease	No Change			
	At the end of the year			8,320	0.03
10	Hursh Agrawal				
	At the beginning of the year	10,000	0.03	10,000	0.03
	Increase/Decrease	No Change			
	At the end of the year			10,000	0.03
11	Neil Agrawal				
	At the beginning of the year	610	0.00	610	0.00
	05/10/2018 (Interse transfer)	(30)	0.00	580	0.00
	02/11/2018 (Interse transfer)	(114)	0.00	466	0.00
	At the end of the year			466	0.00

(iv) Shareholding Pattern of 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	37,80,583	11.60	37,80,583	11.60
	02/11/2018 (Market Sale)	(2,65,728)	(0.81)	35,14,855	10.77
	09/11/2018 (Market Sale)	(1,24,500)	(0.38)	33,90,355	10.39
	16/11/2018 (Market Sale)	(30,000)	(0.09)	33,60,355	10.29
	25/01/2019 (Market Sale)	(642)	(0.00)	33,59,713	10.28
	At the end of the year			33,59,713	10.27
2	Malabar India Fund Limited				
	At the beginning of the year	12,11,713	3.72	12,11,713	3.72
	06/04/2018 (Market Purchase)	6,673	0.02	12,18,386	3.74
	13/04/2018 (Market Purchase)	22,692	0.07	12,41,078	3.81
	18/05/2018 (Market Purchase)	859	0.00	12,41,937	3.81
	25/05/2018 (Market Purchase)	28,567	0.09	12,70,504	3.90
	01/06/2018 (Market Purchase)	32,155	0.10	13,02,659	4.00
	08/06/2018 (Market Purchase)	25,033	0.08	13,27,692	4.07
	15/06/2018 (Market Purchase)	15,652	0.05	13,43,344	4.12
	22/06/2018 (Market Purchase)	2,49,082	0.76	15,92,426	4.88
	29/06/2018 (Market Purchase)	12,953	0.04	16,05,379	4.92
	10/08/2018 (Market Purchase)	1,72,958	0.53	17,78,337	5.45
	05/10/2018 (Market Purchase)	6,764	0.02	17,85,101	5.47
	12/10/2018 (Market Purchase)	10,604	0.03	17,95,705	5.51
	19/10/2018 (Market Purchase)	403	0.00	17,96,108	5.51
	26/10/2018 (Market Purchase)	1,18,067	0.36	19,14,175	5.87
	14/12/2018 (Market Purchase)	2,72,438	0.84	21,86,613	6.70
	08/02/2019 (Market Purchase)	1,00,000	0.31	22,86,613	6.99
	At the end of the year			22,86,613	6.99
3	Vijay Kishanlal Kedia				
	At the beginning of the year	3,47,276	1.07	3,47,276	1.07
	27/04/2018 (Market Purchase)	33,447	0.10	3,80,723	1.17
	11/05/2018 (Market Purchase)	5,364	0.02	3,86,087	1.18
	01/06/2018 (Market Purchase)	20,000	0.06	4,06,087	1.25
	29/06/2018 (Market Purchase)	16,701	0.05	4,22,788	1.30
	10/08/2018 (Market Purchase)	476	0.00	4,23,264	1.30
	24/08/2018 (Market Purchase)	2,00,000	0.61	6,23,264	1.91
	28/09/2018 (Market Purchase)	676	0.00	6,23,940	1.91
	05/10/2018 (Market Purchase)	37,778	0.12	6,61,718	2.03

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
	12/10/2018 (Market Purchase)	6,850	0.02	6,68,568	2.05
	19/10/2018 (Market Sale)	(45,000)	(0.14)	6,23,568	1.91
	23/11/2018 (Market Purchase)	14,540	0.04	6,38,108	1.95
	14/12/2018 (Market Purchase)	45,000	0.14	6,83,108	2.09
	29/03/2019 (Market Purchase)	1,00,500	0.31	7,83,608	2.40
	At the end of the year			7,83,608	2.40
4	Taiyo Greater India Fund Ltd.				
	At the beginning of the year	2,44,177	0.75	2,44,177	0.75
	13/04/2018 (Market Purchase)	1,440	0.00	2,45,617	0.75
	20/04/2018 (Market Purchase)	2,474	0.01	2,48,091	0.76
	25/05/2018 (Market Purchase)	22,000	0.07	2,70,091	0.83
	01/06/2018 (Market Purchase)	11,086	0.03	2,81,177	0.86
	29/06/2018 (Market Purchase)	20,916	0.06	3,02,093	0.93
	06/07/2018 (Market Purchase)	14,988	0.05	3,17,081	0.97
	13/07/2018 (Market Purchase)	1,20,000	0.37	4,37,081	1.34
	02/11/2018 (Market Purchase)	1,56,000	0.48	5,93,081	1.82
	At the end of the year			5,93,081	1.81
5	Ashish Kacholia				
	At the beginning of the year	4,73,637	1.45	4,73,637	1.45
	13/04/2018 (Market Purchase)	1,545	0.00	4,75,182	1.45
	At the end of the year			4,75,182	1.45
6	Malabar Value Fund				
	At the beginning of the year	2,48,957	0.76	2,48,957	0.76
	22/06/2018 (Market Purchase)	33,678	0.10	2,82,635	0.87
	29/06/2018 (Market Purchase)	2,694	0.01	2,85,329	0.88
	06/07/2018 (Market Purchase)	3,628	0.01	2,88,957	0.89
	27/07/2018 (Market Purchase)	8,358	0.03	2,97,315	0.91
	03/08/2018 (Market Purchase)	3,070	0.01	3,00,385	0.92
	07/09/2018 (Market Purchase)	1,308	0.00	3,01,693	0.93
	14/09/2018 (Market Purchase)	2,277	0.01	3,03,970	0.93
	28/09/2018 (Market Purchase)	8,517	0.03	3,12,487	0.96
	05/10/2018 (Market Purchase)	6,470	0.02	3,18,957	0.98
	14/12/2018 (Market Purchase)	30,000	0.09	3,48,957	1.07
	01/02/2019 (Market Purchase)	1,498	0.00	3,50,455	1.07
	08/02/2019 (Market Purchase)	50,000	0.15	4,00,455	1.22
	At the end of the year			4,00,455	1.22
7	Old Well Emerging Markets Master Fund, L.P.*				
	At the beginning of the year	-	-	-	-
	02/11/2018 (Market Purchase)	1,28,457	0.39	1,28,457	0.39
	09/11/2018 (Market Purchase)	1,18,714	0.36	2,47,171	0.76
	08/02/2019 (Market Purchase)	45,000	0.14	2,92,171	0.89
	At the end of the year			2,92,171	0.89
8	Grandeur Peak Emerging Markets Opportunities Fund				
	At the beginning of the year	2,00,319	0.61	2,00,319	0.61
	08/06/2018 (Market Purchase)	5,500	0.02	2,05,819	0.63
	22/06/2018 (Market Purchase)	25,500	0.08	2,31,319	0.71
	08/03/2019 (Market Purchase)	25,000	0.08	2,56,319	0.78
	At the end of the year			2,56,319	0.78
9	Mentor Capital Limited				
	At the beginning of the year	1,13,330	0.35	1,13,330	0.35
	02/11/2018 (Market Sale)	(1,13,330)	(0.35)	-	-
	30/11/2018 (Market Purchase)	25,000	0.08	25,000	0.08
	08/03/2019 (Market Purchase)	1,10,337	0.34	1,35,337	0.41
	30/03/2019 (Market Purchase)	2,993	0.01	1,38,330	0.42
	At the end of the year			1,38,330	0.42

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
10	Hem Chand Jain				
	At the beginning of the year	1,51,000	0.46	1,51,000	0.46
	06/04/2018 (Market Purchase)	3,000	0.01	1,54,000	0.48
	27/04/2018 (Market Purchase)	11,522	0.04	1,65,522	0.51
	22/06/2018 (Market Sale)	(33,000)	(0.10)	1,32,522	0.41
	29/06/2018 (Market Sale)	(6,922)	(0.02)	1,25,600	0.39
	At the end of the year			1,25,600	0.38
11	Panyaek Jainkijmanee#				
	At the beginning of the year	3,66,711	1.13	3,66,711	1.13
	20/04/2018 (Market Sale)	(3,357)	(0.02)	3,63,354	1.11
	27/04/2018 (Market Sale)	(7,602)	(0.02)	3,55,752	1.09
	22/06/2018 (Market Sale)	(2,00,000)	(0.61)	1,55,752	0.48
	06/07/2018 (Market Sale)	(1,50,000)	(0.46)	5,752	0.02
	At the end of the year			5,752	0.02

1. *Not in the list of Top 10 shareholders as on 01-04-2018. The same has been reflected above since the shareholder was one of the Top 10 shareholders as on 31-03-2019.
2. #Ceased to be in the list of Top 10 shareholders as on 31-03-2019. The same is reflected above since the shareholder was one of the Top 10 shareholders as on 01-04-2018
3. The data for Sale/Purchase in shareholding is taken from weekly Benpos received from depositories on PAN basis.
4. Percentage calculated on the paid up capital of the Company as on the date of change in shareholding.

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	Name of Directors and KMPs	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of share capital	No. of shares	% of share capital
1.	Sheela Agarwal, Director				
	At the beginning of the year	22,400	0.07	22,400	0.07
	06/04/2018 (Market Purchase)	50	0.00	22,450	0.07
	At the end of the year			22,450	0.07
2.	Rahim Ullah, Whole Time Director				
	At the beginning of the year	8,62,751	2.65	8,62,751	2.65
	09/07/2018 (Market Sale)	(1,20,000)	(0.37)	7,42,751	2.28
	02/08/2018 (Market Sale)	(1,80,000)	(0.55)	5,62,751	1.73
	06/08/2018 (Market Sale)	(50,000)	(0.16)	5,12,751	1.57
	09/10/2018 (Market Sale)	(1,00,000)	(0.31)	4,12,751	1.26
	At the end of the year			4,12,751	1.26
3.	Nirmal Kumar Bardiya, Director				
	At the beginning of the year	17,91,628	5.50	17,91,628	5.50
	12/12/2018 (Market Sale)	(3,00,000)	(0.92)	14,91,628	4.56
	31/01/2019 (Market Sale)	(1,75,000)	(0.54)	13,16,628	4.02
	01/02/2019 (Market Sale)	(44,000)	(0.13)	12,72,628	3.89
	01/03/2019 (Market Sale)	(47,047)	(0.14)	12,25,581	3.75
	07/03/2019 (Market Sale)	(1,00,000)	(0.31)	11,25,581	3.44
	At the end of the year			11,25,581	3.44
4.	Sunil Agrawal, 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	8,930	0.03	8,930	0.03
	04/05/2018 (Market Purchase)	1,500	0.00	10,430	0.03
	At the end of the year			10,430	0.03

Note: No other Director and KMP held any shares during the financial year 2018-19.

(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	66,57,82,474	-	-	66,57,82,474
(ii) Interest due but not paid	-	-	-	-
(iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	**66,57,82,474**	**-**	**-**	**66,57,82,474**
Change in Indebtedness during the financial year	**-**	**-**	**-**	**-**
Addition	-	-	-	
Reduction	18,26,575	-	-	18,26,575
Net Change	18,26,575	-	-	18,26,575
Indebtedness at the end of the financial year	-	-	-	-
(i) Principal amount	66,39,55,899	-	-	66,39,55,899
(ii) Interest due but not paid	-	-	-	-
(iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	**66,39,55,899**	**-**	**-**	**66,39,55,899**

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 Managing Director	Mr. Rahim Ullah 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 ₹)

Sr. 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**	
	• Fee for attending board/ committee meetings	6,40,000	5,55,000	6,90,000	-	-	18,85,000
	• Commission	-	17,78,333	-	46,15,752	18,90,287	82,84,372
	• Others	-	-	-	-	-	-
	Total (B) (1)	**6,40,000**	**23,33,333**	**6,90,000**	**46,15,752**	**18,90,287**	**1,01,69,372**

2.	**Other Non-Executive Directors**	**Mrs. Sheela Agarwal**	**Mr. Nirmal Kumar Bardiya**	**Mr. Pulak Chandan Prasad**	**Total Amount**
	• Fee for attending board / committee meetings	2,25,000	4,55,000	-	6,80,000
	• Commission	-	-	-	-
	• Others	-	--	-	-
	Total (B) (2)	**2,25,000**	**4,55,000**		**6,80,000**
	Total (B) = (B)(1)+(B)(2)				**1,08,49,372**

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	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	1,04,36,984	16,45,294	1,20,82,278
	(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	18,08,000	-	18,08,000
	Total	**1,22,44,984**	**16,45,294**	**1,38,90,278**

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, 2019
[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, 2019, 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, 2019, 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 and the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; 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, 2015; 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 and the Securities and Exchange Board of India (Buy Back of Securities) Regulations, 2018; Not applicable to the company during the period under review.

  (i) The SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

(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 1,08,383 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: 21st May, 2019

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 and standards is the responsibility of management. Our examination is limited to the verification of procedures on test basis.

7. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For B K Sharma & Associates
Company Secretaries
FRN - P2013RJ233500

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

Place: Jaipur
Date: 21st May, 2019

Annexure-5

Annual Report on Corporate Social Responsibility (CSR) Activities 2018-19

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**

   A brief outline of the Company's CSR policy - 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. CSR Policy inter-alia contains CSR Vision Statement & Guiding principles, CSR Committee & its functions, Resources, CSR activities, Monitoring & feedback, Board responsibility etc.

   Overview of projects or programs - The projects undertaken are within the broad framework of Schedule VII of the Companies Act, 2013. The projects/ programs under CSR policy inter-alia includes eradicating hunger, poverty and malnutrition; promoting healthcare, including preventive healthcare facilities to the society through recognised trust or societies and hospitals; promoting education through schools and other organisations; 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]

   Web-link to the CSR policy -. CSR Policy containing projects and programs is available on the 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	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[1]	Non-Executive Independent Director	Member

[1]Due to completion of tenure, Dr. Purushottam Agarwal has ceased as director of the Company w.e.f 14th May, 2019.

3. **Average net profit of the Company for last three financial years:**
   Average Net Profit/(Loss): ₹3,098.39 lacs

4. **Prescribed CSR Expenditure (two percent of the amount as in item 3 above):** ₹61.97 lacs

5. **Detail of CSR spends for the financial year:**
   a. Total amount spent for the financial year: ₹125.32 lacs
   b. Amount unspent, if any: N.A.
   c. Manner in which the amount spent during the financial year is detailed below:

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	Eradicating hunger, poverty and malnutrition	Providing mid-day meal through recognised trust / institutions	Jaipur, Rajasthan	106.42	106.42	106.42	Through implementing agency (Akshaya Patra Foundation, Jaipur)
2	Eradicating hunger, poverty and malnutrition	Providing mid-day meal through recognised trust / institutions	Jaipur, Rajasthan	9.55	9.55	115.97	Through implementing agency (Manav Seva Sangh Prem Niketan Bal Mandir)
3	Promoting healthcare, including preventive healthcare facilities to the society through recognised trust or societies and hospitals	Taking care of old age people	Jaipur, Rajasthan	2.40,	2.40	118.37	Through implementing agency (Manav Seva Sangh Prem Niketan Hospital)

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 education through schools and other organisations	Support schools for meeting the expenses relating to educational aids and other expenses	Jaipur, Rajasthan	1.80	1.80	120.17	Through implementing agency (Akshar Society, Jaipur)
5	Promoting healthcare, including preventive healthcare facilities to the society through recognised trust or societies and hospitals	Taking care of old age people	Jaipur, Rajasthan	4.35	4.35	124.52	Through implementing agency (Manav Seva Sangh Prem Niketan Ashram, Jaipur)
6	Promoting education through schools and other organisations	Scholarships to students and providing education to underprivileged children	Jaipur, Rajasthan	0.80	0.80	125.32	Through implementing agency (Prem Niketan Senior Secondary School, Jaipur)
	Total			125.32	125.32	125.32	

6. In case the company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board Report.: Not Applicable

7. Responsibility Statement

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

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

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

Harsh Bahadur
Chairman of the Board
DIN: 00724826

Place : Jaipur
Date : 21st May, 2019

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:

Sl. No.	Name of Person	Designation	Ratio of Remuneration to MRE[1]	% Increase / (Decrease) in Remuneration[2]
1	Mr. Rahim Ullah	Whole Time Director	17.50	0.00
2	Mrs. Sheela Agarwal	Non-Executive Non-Independent Director	0.94	(25.00)
3	Mr. Nirmal Kumar Bardiya	Non-Executive Non-Independent Director	1.90	42.19
4	Mr. Harsh Bahadur	Independent Director	9.72	6.06
5	Mr. Sunil Goyal	Independent Director	2.67	7.25
6	Dr. Purushottam Agarwal[3]	Independent Director	2.88	18.97
7	Mr. James Patrick Clarke	Independent Director	19.23	10.45
8	Mr. Santiago Roces	Independent Director	7.88	7.96

[1] including sitting fees and profit related commission paid/payable during the financial year 2018-19. MRE – Median Remuneration of employees.
[2] based on annualized remuneration including sitting fees and profit related commission.
[3] Dr. Purushottam Agarwal ceased as director w.e.f. 14th May, 2019.

2. The percentage increase in gross remuneration of Group CFO was 15.78% and of Company Secretary was 13.00% during the year.
3. The median remuneration of employees was ₹2,40,000 as on 31st March, 2019 and ₹2,18,064 as on 31st March, 2018. There was increase in MRE during the financial year 2018-19 of 10.06%.
4. Number of permanent employees on the rolls of Company was 1,110 employees as on 31st March, 2019.
5. Average salary increase of non-managerial personnel was 17.39% and that of managerial personnel was 5.83% (annualized) during the financial year 2018-19. There are no exceptional circumstances in increase in managerial remuneration.
6. Remuneration paid during the financial year ended 31st March, 2019 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 as per remuneration as on 31st March, 2019:

Sr. No.	Emp. Name	Designation	Remuneration FY 2018-19* ₹ in lacs	Date of Commencement of employment	Education Qualification	Age	Experience (In Years)	Last Employment
1.	Puru Aggarwal	Group CFO	122.45	26-Aug-15	C.M.A, C.A, C.S	52	27	Teva Pharm India Pvt. Ltd.
2.	Pushpendra Singh	Vice President	85.39	1-Dec-12	M.B.A, L.L.B	49	24	JSPL
3.	Raj Kumar Singh	Vice President	51.11	9-Mar-11	M.B.A, B.Sc.	48	25	Steckbeck Jewelery Pvt. Ltd.
4.	Rahim Ullah	Whole Time Director	42.00	25-Jan-99	B.Com	63	45	Self-employed
5.	Dipti Vikram Rajput	Deputy General Manager	27.20	10-Jan-19	M.Com, CFA	36	10	Sweet Industries India Private Ltd.
6.	Kamlesh Kumar Jain	Deputy General Manager	25.99	27-Mar-07	B.Com	47	25	Tachedimonds Pvt Ltd
7.	Sam George	Deputy General Manager	25.40	5-Mar-19	M.B.A.	44	18	Core Edge Technology LLC UAE
8.	Om Prakash Agarwal	Deputy General Manager	23.51	21-Dec-17	B.Com	50	14	Jewelry Television (JTV)
9.	Alok Dadheech	Deputy General Manager	22.40	20-Feb-17	C.A.	37	12	BSR & Co. LLP
10.	Anshuman Khandelwal	Deputy General Manager	17.80	1-Mar-11	C.A, M.B.A	39	15	Deloitte Touche Tohmatsu India Pvt. Ltd.

*Annualized remuneration during the financial year 2018-19 calculated as per Gross Salary under IT Act.

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.
3. No employee is relative of any director or manager of the Company.

b) (i) Employees specified at Sr. No. 1 was falling under criteria prescribed in Rule 5(2)(i) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

(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

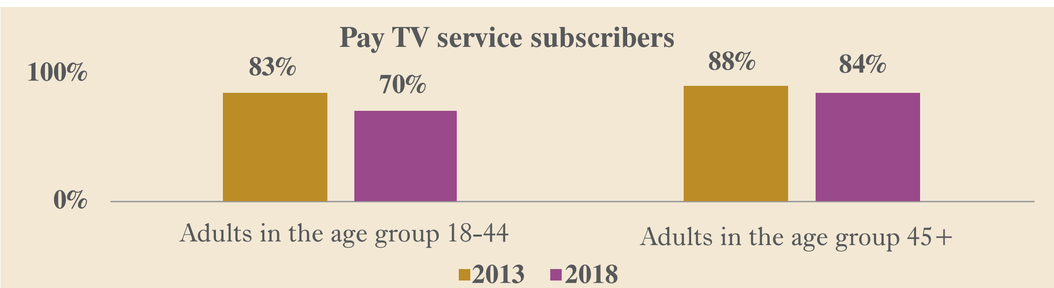
Industry Structure and Developments

Vaibhav Global has a highly differentiated model catering to the retail sector of two of the world's largest economies – the US and UK. The structural story VGL built around consumer spending in both these economies remains strong and is improving steadily.

2018 was a good year for the US economy, which saw a record-breaking holiday season for online retailers. The US retail industry, at over USD 5.3 trillion, registered a growth of around 4.8% for the year 2018. This performance was supported by a strong labour market, expansion in disposable personal income and improved consumer confidence. E-commerce sales in 2018 accounted for 9.7% of total sales, as against 8.9% of total sales in 2017.

Digital revolution in the US, and to some extent in the UK, is leading consumers to obtain their entertainment, news and shopping online rather than through traditional means. It also impacts the TV shopping industry where consumer cuts the cord to their cable/satellite subscription and goes towards streaming services like Netflix, Amazon Fire, Hulu, etc. The top pay TV providers witnessed a decline of 3.1% in subscribers in 2018, as against a decline of 1.6% in 2017, as per Leichtman Research Group (LRG). VGL obtains approximately 70% of retail revenues through TV channels, so this is a crucial issue to us.

However, VGL caters predominantly to older customers. The Pay TV subscription remains relatively stable with such audience. This is evidenced by findings of a survey undertaken by LRG where the random sample of respondents was distributed and weighted to best reflect the demographic and geographic make-up of the US.



Source - Leichtman Research Group (LRG)

VGL has aggressively invested in alternate mediums to reach tomorrow's consumers, i.e. web platforms; OTT (over-the-top) boxes to reach Amazon Fire, AppleTV, Hulu and smart TVs; marketplace stores on Amazon, Wal-Mart, EBay, Wish.com, etc.; social commerce and personal shoppers.

Over-the-air antenna (OTA) households in the US are increasing rapidly with the advent of cord cutting on one hand and digital content available on ever increasing number of channels on the other. According to Nielsen May 2018 estimates, there were over 16 million such homes in 2018, as compared to 11 million in 2010. VGL is present in around 11 million households, as on March 2019.

The coming year will be a year of transition for US retailers. Launch of new digital sales models, improved fulfillment processes and initiatives to bridge the gap between transactional loyalty vs. emotional loyalty will continue to have their impact next year as well. Further, increasing number of shoppers are mindful of sustainability and social consciousness equity of a company while making their choices. Investments made by VGL in customer interface, CRM, e-com platform, studios, production, warehousing facilities, supply chain and CSR will serve us well to navigate the industry transformation.

As per the National Statistics, UK, retail sales for the year 2018 grew 4.4%. The year also saw retailers move from a store-based past to a digital future. While bulk of sales still take place in-store, growth is primarily coming from online. Towards the end of 2018, e-com was 20% of all retail sales.

In the midst of a continually changing industry landscape where reinvention is the new norm, companies that can innovate and match their investments to profitably empower the consumer will continue to excel. VGL has been an early adopter of the changing industry trends. The innovation agenda focused on technology to drive efficiency across the operating model, and a customer program pivoted around conscientious consumption experience are testaments. It is also important to note that VGL being highly differentiated due to very low average price points, has a unique position in the marketplace and is at a huge advantage.

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Business Overview

Vaibhav Global is an electronic retailer of fashion jewellery, accessories and lifestyle products in the US and UK, where consumer spending makes up roughly two-thirds of their respective GDPs. The retail segment of the business contributes nearly 92% of the total revenue.

As a company, we meet our retail customers where they are – on proprietary home shopping TV and web platforms, with direct access to almost 100 million TV households in the US and UK combined, and digital platforms, including marketplaces, social media platforms and mobile apps. In an environment where sales channel boundaries are blurring, VGL's omni-channel presence drives and deepens customer engagement, changing the playbook for retail productivity.

VGL's vertically-integrated model with a robust manufacturing set-up in India augurs well for the deep value proposition that it offers to its customers through its retail channels - Shop LC in the US and TJC in the UK. Strong supply chain management with vigorous sourcing channels in micro-markets across India, China, Thailand and Indonesia further strengthen and support VGL's vision to be the value leader in electronic retailing of fashion jewellery, accessories and lifestyle products.

In an ever-evolving retail landscape where survival of the fittest is the norm, VGL has been agile in adapting and catering to customer needs, while meeting competition in the eye. In the second half of FY16, in a significant move, the company launched 'Budget Pay,' offering products on EMI to customers. This initiative was well-received by the market, evident in the contribution of Budget Pay to the extent of ~38% to the total retail sales for FY19.

As a fast fashion retailer, VGL has been expanding its portfolio of products, designs and brands on a continuous basis. 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. Strategic expansion of product portfolio to include non-jewellery categories is aimed at providing synergistic adjacency to our fashion jewellery portfolio at similar price points, allowing us to target a larger wallet share of our customers' spending, as well as readying the pitch for future growth. Some of our successful lifestyle brands include in-house curated collections such as Sukriti and Strada and designer brands such as Alicia Douvall, Sankom and Opatra.

During 2018-19, revenues improved by 15% YoY to ₹1,814 cr. An expanding product portfolio, backed by innovation, data analytics and constantly evolving customer-centric programs, combined with leveraging judiciously-built technological assets, have paved the way for current and future growth. Retail revenues expanded by 22% to ₹1,667 cr over the last year, while wholesale revenues stood at ₹147 cr for 2018-19, as against ₹201 cr during 2017-18.

EBITDA margin at 12% for 2018-19 marked an improvement of 190 bps over the previous year. VGL is committed to staying ahead in the game, while continuing to maintain a lean cost structure translating into higher operating leverage.

Strong revenue growth, combined with improved EBITDA, helped realise profit after tax (before exceptional items) of ₹154 cr (8.5% of revenues).

Strong operating cash flows and free cash flows for the period under review, at ₹193 cr and ₹170 cr, respectively, demonstrate healthy operating and financial performance. As we look ahead, we feel confident of delivering strong growth in the medium to long term. A well-defined strategic blueprint, financial prudence and focus on agile execution will enable us to further improve our performance.

CSR Activities

At VGL, CSR is culturally interwoven into the business ethos of the Company. We firmly believe in inclusive growth and stand committed to our responsibility towards all our stakeholders, including the local communities around which we operate, and the society and environment at large. We are passionate about supporting education, eradicating hunger and promoting healthcare. For the period under review, VGL group contributed a sum of about ₹4.5 cr to various social institutions, primarily towards mid-day meal, education and health.

As a retailer of fashion jewellery, accessories and lifestyle products, we are leading the shift from conspicuous to conscientious consumption where consumers are increasingly influenced by retailers' ethical and sustainability credentials. We have engaged our consumers such that they are spending their money in ways that align with their ethics, identity and social responsibility. This is achieved through our One for One program at the global level, where one meal is donated to children for every product sold at VGL's retail channels, namely Shop LC in the US and The Jewellery Channel (TJC) in the UK.

At the Group-level, VGL delivered about 25 mn meals since the inception of the One for One program, upto March 2019, through locally registered charity partners which include 'Akshaya Patra' in India and US, 'No Kid Hungry' in the US and 'Magic Breakfast' in the UK. For FY2018-19, total meals provided under the program stood at approximately 10 mn. In India, the program spans across 350 schools in Jaipur with 15+ vehicles providing logistical support to this initiative, which feeds over 35,000 meals on school days on behalf of Shop LC, US, and TJC, UK. Partnering with local charity institutions ensures tailored contribution to the local communities. In India, besides Akshaya Patra Foundation, we have tie ups with Manav Seva Sangh Prem Niketan Ashram/Bal Mandir/Hospital.

Environmental Sustainability Initiatives

At VGL, we value natural resources and are committed to inclusive and sustainable growth. As a business, we have integrated environmental objectives with our economic goals. Innovation in business processes and products that work in tandem with sustainability is a maxim that we follow at VGL. Across the group, environmental consciousness is promoted, supported and rewarded.

Being mindful of our ecological footprint, we are continually taking conscientious steps at maintaining the ecosystems that we operate in. In our efforts at environment conservation, we are focused on several areas, including renewable sources of energy, rainwater harvesting, plastic recycling, waste management, tree plantation, power saving, etc.

Initiatives undertaken at VGL India

Renewable energy

Currently, our installed capacity of rooftop solar panels in India is 300 KW, providing nearly 6% of our combined electricity requirement at our manufacturing facilities in Jaipur, Rajasthan. We are in the process of commencing work on two solar power projects - 1.3 MW in Bikaner, Rajasthan and 85 KW in Jaipur (through PPA). Once commissioned, along with the existing solar facility, we will be able to meet around 45% of our total power requirements at our manufacturing facilities in Jaipur, Rajasthan.

Rainwater harvesting

As per the UN-Water report, more than 5 bn people could suffer from water shortages by 2050 due to climate change, increased demand and polluted supplies. Water, as a resource, is getting scarce by the day, posing a threat to several sectors. We are doing our bit in the area of water conservation through water harvesting, which covers ~95,000 sft area, enabling ~52 lac litres of water harvesting in the rainy season.

Tree plantation

The need for a greener earth, climate amelioration and protecting the ecological balance is both urgent and important. In line with this, we planted around 800 trees during the year.

Waste management

With the objective of protecting the environment, we have been working consistently towards reducing and managing waste.

- The STP (sewage treatment plant) processes 43KL per day, translating to ~15,000KL on a yearly basis
- Generated 900 kg compost from biodegradable waste
- Residual casting powder amounting to 154,000 kg was utilised for brick manufacturing
- About 1,400 kg of plastic and e-waste was consolidated and sent for recycling
- Ozonator water treatment plant has been installed for treatment of water that gets discharged from the manufacturing units. This process facilitates removal of dirt, inorganic chemical impurities and odour from water, thereby eliminating/reducing the risk of ground water contamination. Ozone generator can generate 10 grams of oxygen per hour to disinfect water
- Venturi and wet scrubber installations reduce toxicity of fumes that get generated in the jewellery manufacturing process

Initiatives undertaken at US and UK operations

At Shop LC, US, we have seen progress as we phased-out plastic and styrofoam and replaced these with biodegradable sugarcane utensils. Recycling containers have been deployed with 'how to' signs. Furthermore, several power saving initiatives have been undertaken, like conversion to LED, auto off-on of large TVs on campus, etc. At TJC, UK, we have stopped using plastic cutlery in office. Additionally, we have also started using paper delivery bags for customers.

SWOT Analysis

Strengths

- Omni-channel presence catering to the retail industry across the US and UK through the electronic mediums of TV, web, marketplaces, social and new-age digital platforms. Seamless transition across sales platforms supports wider reach
- Robust supply chain supporting a vertically-integrated business model provides synergies across the value chain. World-class manufacturing facilities aided by proven sourcing capabilities enable rapid and appropriate response to evolving fashion trends and expansion to other product categories
- Focus on low operating costs across the organisation forms the cornerstone of the business, resulting in a constantly improving operating leverage

- Successful homegrown brands such as Iliana, Rhapsody, J Francis, Karis, Elanza, Strada, Genoa and Eon 1962
- Successful in-house curated collections such as Sukriti, Bali Legacy, Bali Goddess, Milaan, etc.
- Exclusive designer brands such as Giuseppe Perez, Rachel Galley, Lucy Q, etc.
- Scalable business model with limited capex requirements
- Entertaining, engaging and compelling storytelling-based selling model resulting in greater customer engagement
- Senior management with established track record in manufacturing, supply chain and retail

Weaknesses

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

Opportunities

- Sizeable opportunity available to increase revenue per household
- Market share gains 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)
- Augmenting asset base with the newest manufacturing and product development technologies
- Reinforcing the low price point 'discount' model in both the US and 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

- Advanced logistics capabilities developed by companies like Amazon, Wal-Mart etc.
- Low-cost end-to-end business model being adopted by existing or new competitors

Outlook

Brick-and-mortar-based retailers closed around 7,000 stores and opened around 3,000 stores in 2018, nearly all of which were in the value category. The opening of new stores along with growth shown by many retailers also showcases opportunities present for savvy retailers and brands ready to take the challenges head-on. The biggest of 2018 casualty included Sears, a 125-year-old business that was once the largest retailer in the US, serving a reminder that online is the way forward.

VGL is well-placed with unique assets to serve customers in all the ways they want to shop and to win in the new age of retail. Our symbiotic omni-channel business model allows us differentiated visibility with our customers as we continue to grow our TV and web sales.

VGL is one of the few Indian companies to successfully create a strong, respected and sizeable B2C franchisee in developed markets globally. The company represents the culmination of everything that has been developed in the field of customer experience and digital technologies. Keeping in mind our future growth plans, during the year, we effected several initiatives, including replacing few outsourced call centres with in-house service, augmenting marketing and affiliates departments, improving analytics capabilities and adopting assured time delivery for a part of the business. Besides, we made investments in building talent and expanding reach. We enhanced studio operations by adding remote broadcasting capabilities to support offsite live programming, and focused on better channel positioning. We know we have the right strategy in place as we see customers are responding.

Our laser-focus in improving manufacturing productivity and sourcing quality merchandise at optimal costs allows us to not only maintain industry-leading gross margins, but also to offer a deep value proposition to our customers. Leveraging our assets along with top quartile growth in our operating markets has resulted in the generation of strong free cash flow. Being financially and operationally on a firm footing will allow us to win newer customers and create value for our shareholders.

Risks and Concerns

Risk management and strong governance form the foundation for sustained performance. Your company has developed a strong risk management policy to identify, evaluate and mitigate various risks, including strategic, operational and financial risks. This framework, integrated into the strategic and business planning processes, defines the risk management approach across the enterprise at various levels, including documentation and reporting. It is aimed at identifying risks and opportunities and ensuring that your company is able to fulfil its key functions, achieve its objectives and serve its customers.

Internal control systems and their adequacy

The internal control framework is designed to ensure appropriate safeguarding of assets, maintaining accurate 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 organisational structure, authority levels and internal rules and guidelines for conducting business transactions. The Company intends to undertake further measures, as necessary, in line with its intent to adhere to procedures, guidelines and regulations, as applicable, in a transparent manner.

B. Khosla & Co., 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 actionable items.

Discussion on Financial Performance with respect to Operational Performance

On a consolidated basis, the Company recorded total operating revenues of ₹1,814 cr in 2018-19, as compared to ₹1,571 cr in 2017-18, marking an increase of 15%. Net profit at ₹154 cr for the financial year 2018-19, improved by 37% from ₹113 cr for the financial year 2017-18. The improvement in profits was achieved on the back of strong revenues on a relatively stable operating expense base.

A. **Retail via a 24x7 TV Shopping Network**
TV home shopping sales constitute ~70% of the total retail sales and include live shows on all major cable, satellite and DTH platforms. Your company sold 6.3 mn pieces on TV during the year under review, against 5.7 mn pieces during the last year. Average selling price per piece was $26.4 as compared with $27 in the previous year.

B. **Web Sales**
Almost 30% of our total retail sales came from the web, increasing from ₹373 cr in 2017-18 to ₹510 cr in 2018-19. Web sales comprise catalogue sales, rising auction and live TV streaming. Volumes

under this segment improved to 3.5 mn pieces in 2018-19, from 2.8 mn pieces in 2017-18. Average selling price per piece was $20.7 as compared with $20.4 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 sales stood at ₹147 cr in 2018-19, as compared to ₹201 cr for the previous financial year. The plan is to substantially reduce this business segment going forward.

Development Plans

With the objective of delivering deep value proposition to discount-seeking customers, VGL will continue to invest in marketing, operations, human capital, facilities and technology. A robust platform that is built to enhance customer experience is imperative for a retail player in the electronic space, and VGL will expend on maintenance and upgradation of its retail platforms on an ongoing basis.

Key Financial Ratios

Standalone

1. During the financial year 2018-19, debtors' turnover ratio improved to 5.4 times from 3.5 times in 2017-18. Efficient collection of receivables and lower third party B2B sales resulted in lower average trade receivables, as compared to the previous year, thereby marking an improvement in the ratio.
2. Interest coverage ratio stood at 29.2 times for 2018-19, as compared to 18.9 times in the previous year on account of higher profits and lower credit utilization during the year under review.
3. Return on net worth, computed as net profit by average net worth, improved marginally to 5.95% for 2018-19, owing to increase in net profits to ₹33 crore from ₹31 crore during the previous year.

Consolidated

1. Interest coverage ratio improved to 130.8 times from 56.0 times as compared to the previous year on account of improved profitability and lower credit utilization during 2018-19.
2. Return on net worth for 2018-19, computed as net profit by average net worth, increased to 24.7% from 22.9% in the previous year. This has been achieved on the back of improved net profit from ₹113 crore to ₹154 crore.

Human Resources, Material Developments and Industrial Relations

As a company, we truly value our employees and believe that human capital is central to the success of any organisation. At the heart of our HR initiatives is creating a platform for our employees that propel them towards greater personal and professional achievements. This is accomplished by educating them on various vertical and horizontal growth opportunities within the organisation and providing adequate training and counselling to help actualise their true potential, aligned with their career aspirations. An engaged and enthusiastic workforce, in turn, helps deliver value to our customers, while helping realise our business objectives.

The company is deeply invested in its employees as it is in delivering joy to each stakeholder group. Adequate emphasis is laid on driving an effective and transparent performance culture. Incubating and promoting internal talent and building cross-functional expertise remain one of our key areas of thrust. We have put in place several recognition initiatives to reward our employees with respect to their performance and contribution. With the objective of nurturing cohesiveness and team work, various cultural and sports events were organised during the year.

An ecosystem that encourages openness, enthusiasm and vibrancy along with well-entrenched people processes enable the Company to attract and retain the best talent in the industry.

Some of our HR initiatives/achievements include:

1. Regular medical examination of all employees
2. Employees Stock Option Plan (ESOP)
3. Performance-based incentive plan
4. Succession planning through identification of second level of managers of all units, locations and functions
5. Identifying and strengthening capabilities through a 360-degree appraisal system
6. Enhancing learning capabilities by delivering innovative leadership development programs - partnered with the University of Wisconsin, LinkedIn Learning and Erudite Architects
7. Conducted employee engagement surveys in all countries where we have a major presence through a global tie-up with 'Great Place to Work'; recognised as a 'Great Place to Work' in Greater China, India and the UK
8. Adopted the Malcolm Baldrige Performance Excellence model as a key continuous improvement management model. Shop LC has already applied for the Malcolm Baldridge Progress Level Award from Quality Texas Foundation after receiving recognition for the Malcolm Baldrige Commitment Level Award

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 2019, the Company had 3,807 employees, including outsourced labour, on its rolls, which will increase in line with the growing business aspirations in the current fiscal year.

Disclaimer

Statements in the 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 operations include, among others, economic conditions affecting demand/supply and price conditions, variation in prices of raw materials, changes in government regulations, tax regimes, economic developments and other incidental factors.

For and on behalf of the Board of Directors

Harsh Bahadur
Chairman
DIN: 00724826

Place: Jaipur
Date: 21st May, 2019

CORPORATE GOVERNANCE REPORT

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

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

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

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

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 (hereinafter referred to as 'SEBI (LODR) Regulations, 2015'), as applicable, with regards to corporate governance.

2. Board of Directors

A) Board 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 2018-19 are as follows:

Category	No. of Directors	Name of Directors	Promoter / Promoter Group	Date of first appointment	Current tenure
Executive Directors	2	Mr. Sunil Agrawal	Yes	08/05/1989	Managing Director upto 31/01/2024
		Mr. Rahim Ullah	Yes	25/01/1999	Whole time Director upto 31/01/2024*
Non – Executive Non – Independent Directors	3	Mr. Nirmal Kumar Bardiya	Yes	10/07/2001	NA*
		Mrs. Sheela Agarwal	Yes	10/11/2008	NA*
		Mr. Pulak Chandan Prasad	No	29/10/2013	NA*
Independent Directors	5	Mr. Harsh Bahadur	No	26/09/2015	Upto 25/09/2022
		Mr. Santiago Roces	No	28/07/2015	Upto 27/07/2022
		Mr. James Patrick Clarke	No	07/02/2017	Upto 06/02/2024
		Mr. Sunil Goyal	No	08/03/2017	Upto 07/03/2020
		Dr. Purushottam Agarwal**	No	15/05/2017	Upto 14/05/2019

*Director liable to retire by rotation

**Due to completion of tenure, Dr. Purushottam Agarwal ceased as director w.e.f. 14th May, 2019

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

B) Chairman of the Board

Mr. Sunil Agrawal acted as Chairman and Managing Director of the Company till 31st January, 2019. The Board has appointed Mr. Harsh Bahadur as Non-Executive Chairman of the Board w.e.f. 1st February, 2019. The Chairman presides over the meetings of the Board and of the shareholders of the Company.

C) Independent Directors

Independent Directors are Non-Executive Directors as defined under Regulation 16(1)(b) of the SEBI (LODR) Regulations, 2015 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, 2015 and Section 149(6) of the Act.

D) Board Skills and Expertise

The Company recognises and embraces the benefits of having a diverse Board of Directors to enhance the quality of its performance. The Company considers increasing diversity at Board level as an essential element in maintaining a competitive advantage in the complex business that it operates.

The Board of the Company is composed of appropriately qualified people with a broad range of experience relevant to the business of the Company, which is important to achieve effective corporate governance and sustained commercial success of the Company. All appointments at Board level are made on merit, in the context of skills, experience, independence, knowledge and integrity which the Board requires to be effective.

The table summarizes the key skills and attributes which are considering while identifying, selecting and nominating the candidate to serve on the Board of the Company.

Sr No.	Particulars	Description
1.	Business	Experience and understanding of the Industry, business environment, economic conditions, Strategic thinking.
2.	Financial	Knowledge and understanding of finance management, accountancy, ability to read and understand financial statements.
3.	Board Services and Governance	Experience as director on other's Board, maintaining Board and management accountability, observing good governance practices.
4.	Specialized Skills	Specialized knowledge of Accounting/ Finance/ Law/Management/ Information Technology/ Sales & Marketing/Procurement/ Manufacturing /Human Resource Management/E-commerce/ Public relations/ Corporate Social responsibility/Administration etc.
5.	Leadership and sound Judgement	Leadership and sound judgement ability in regular and complex business environment.
6.	Other diversity	Representation of gender, ethnic, geographic, culture and other perspective to compliment Board's understanding of our customers, employees, governments, community and various other stakeholders in different geographies.

Expertise/Skill of individual directors are highlighted below:

Name of the Director	Area of expertise					
	Business	Financial	Board Services and Governance	Specialized Skills	Leadership and sound Judgement	Other diversity
Mr. Sunil Agrawal	√	√	√	√	√	√
Mr. Rahim Ullah	√	√	√	√	√	-
Mr. Nirmal Kumar Bardiya	√	√	√	√	√	-
Mrs. Sheela Agarwal	√	√	√	-	√	√
Mr. Pulak Chandan Prasad	√	√	√	√	√	√
Mr. Santiago Roces	√	√	√	√	√	√
Mr. Harsh Bahadur	√	√	√	√	√	√
Mr. James Patrick Clarke	√	√	√	√	√	√
Mr. Sunil Goyal	√	√	√	√	√	√

E) 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.

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

The Board meets once 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 29th AGM held on 30th July, 2018	Attendance at Board Meeting held during 2018-19			
		23rd May, 2018	30th July, 2018	29th October, 2018	28th January, 2019
Mr. Sunil Agrawal	√	√	√	√	√
Mr. Rahim Ullah	√	√	√	√	√
Mr. Nirmal Kumar Bardiya	√	√	√	√	Leave
Mrs. Sheela Agarwal	√	√	√	√	Leave
Mr. Pulak Chandan Prasad	Leave	√	√	√	√
Mr. Santiago Roces	Leave	Leave	√	√	√
Mr. Harsh Bahadur	√	√	√	Leave	√
Mr. James Patrick Clarke	Leave	√	Leave	√	√
Mr. Sunil Goyal	√	√	√	√	√
Dr. Purushottam Agarwal	√	√	√	√	√

G) **Directorship and Committee's Membership**

Name of the Director	Number of Directorship(s) held in other Indian public Limited Companies[1]	Directorship in other listed Companies and category of directorship	Committee(s) Position (including VGL)[2]	
			Membership	Chairmanship
Mr. Sunil Agrawal	1	Nil	Nil	Nil
Mr. Rahim Ullah	2	Nil	1	Nil
Mr. Nirmal Kumar Bardiya	3	Nil	1	Nil
Mrs. Sheela Agarwal	Nil	Nil	Nil	Nil
Mr. Pulak Chandan Prasad	2	1. Just Dial Limited - Non-Executive - Non Independent Director 2. Berger Paints India Limited - Non-Executive - Independent Director	1	Nil
Mr. Santiago Roces	Nil	Nil	Nil	Nil
Mr. Harsh Bahadur	1	1. Indian Terrain Fashions Limited - Non-Executive - Independent Director	3	Nil
Mr. James Patrick Clarke	Nil	Nil	Nil	Nil
Mr. Sunil Goyal	1	1. Shree Rajasthan Syntex Ltd - Non-Executive - Independent Director	1	2
Dr. Purushottam Agarwal	1	Nil	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.

H) **Board Committees**

i) **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 composition of the Committee, details of meetings held and attendance of the members is given hereunder:

Name of the Director	Category of the Directors	Position held in the Committee	Attendance at Audit Committee Meeting held during 2018-19			
			23rd May, 2018	30th July, 2018	29th October, 2018	28th January, 2019
Mr. Sunil Goyal	Non – Executive Independent Director	Chairman	√	√	√	√
Mr. Harsh Bahadur	Non – Executive Independent Director	Member	√	√	Leave	√
Mr. Nirmal Kumar Bardiya	Non – Executive Non -Independent Director	Member	√	√	√	Leave
Dr. Purushottam Agarwal	Non – Executive Independent Director	Member	√	√	√	√

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

ii) **Nomination, Remuneration and Compensation Committee**

The Company has Nomination, Remuneration & Compensation Committee (NRC Committee) in terms of Section 178 of the Companies Act, 2013, Regulation 19 of the SEBI (LODR) Regulations, 2015 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 & implementation of share based employee benefit plan(s).

The composition of the Committee, details of meetings held and attendance of the members is given hereunder:

Name of the Director	Category of the Directors	Position held in the Committee	Attendance at NRC Committee Meeting held during 2018-19	
			14th May, 2018	28th January, 2019
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	√	√

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

Evaluation Process:

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 Nomination and Remuneration policy and expressed its satisfaction. The Independent Directors in their Meeting have evaluated the performance of Non-Independent Directors and the Board as a whole and Chairman of the Board. 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's 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.

Remuneration to Directors:

i) **Executive Directors:** The Executive Director(s) 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. The office of executive director(s) may be terminated by the Company or by them by giving prior notice in writing as per the policy of the Company. No severance fees is payable to the Executive Director(s) and they shall not be entitled for any share-based employee benefit.

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 for any share-based employee benefit.

Details of remuneration, sitting fees, etc. paid/payable/entitlement to Directors for the year ended 31st March, 2019 is as under:

Name of the Director	Details of remuneration paid/payable during the year				Shares of VGL held as on 31st March, 2019
	Salary (₹)	Sitting Fees (₹)	Profit Related Commission (₹)	Total (₹)	
Mr. Sunil Agrawal	-	-	-	-	28,140
Mr. Rahim Ullah	42,00,000	-	-	42,00,000	4,12,751
Mr. Nirmal Kumar Bardiya	-	4,55,000	-	4,55,000	11,25,581
Mrs. Sheela Agarwal	-	2,25,000	-	2,25,000	22,450
Mr. Pulak Chandan Prasad	-	-	-	-	-
Mr. Santiago Roces	-	-	18,90,287	18,90,287	-
Mr. Harsh Bahadur	-	5,55,000	17,78,333	23,33,333	-
Mr. James Patrick Clarke	-	-	46,15,752	46,15,752	-
Mr. Sunil Goyal	-	6,40,000	-	6,40,000	-
Dr. Purushottam Agarwal	-	6,90,000	-	6,90,000	-

iii) **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.

The composition of the Committee is given hereunder:

Name of the Director	Category of the Directors	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. Rahim Ullah	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, 2018	Nil
Complaints received during the period 1st April, 2018 to 31st March, 2019	3
Complaints disposed-off during the period 1st April, 2018 to 31st March, 2019	3
Complaints outstanding as on 31st March, 2019	Nil

Details of the Compliance Officer

Name: Mr. Sushil Sharma

Designation: Company Secretary & Compliance Officer

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

iv) **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 composition of the Committee, meetings held during the year and attendance of the members is given hereunder:

Name of the Director	Category of the Directors	Position held in the Committee	Attendance of member at the meeting held on 23rd May, 2018
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.

v) **Risk Management Committee**

During the year, the Risk Management Committee was constituted by the Board of Directors in their meeting held on 28th January, 2019. The terms of reference, inter-alia, includes to monitor and review the risk management plan and to perform functions as defined and SEBI (LODR) Regulations, 2015 and the Companies Act, 2013.

Name of the member	Category /Designation of the member	Position held in the Committee
Mr. Sunil Goyal	Non- Executive Independent Director	Chairman
Mr. Harsh Bahadur	Non- Executive Independent Director	Member
Mr. Puru Aggarwal	Group Chief Financial Officer	Member

vi) **Allotment Committee**

The Allotment Committee has been constituted for the approval, issue and allotment of shares/securities. It comprises three members, i.e. Executive Director and two senior management personnel. The Committee meets as and when need arises particularly for allotment and issue of shares to the employees under the Stock Option Plan(s) of the Company.

I) **Independent Directors' meeting**

As per the requirement of the Companies Act, 2013 and Regulation 25(3) of SEBI (LODR) Regulations, 2015, the Independent Directors of the Company met on 23rd May, 2018, discussed and reviewed the performance of Non-Independent Directors, the Board of Directors as a whole, Chairperson of the Company and assessed the quality, quantity and timeliness of flow of information between the Company's management and the Board.

J) **Certificate of non- disqualification of directors**

As per the requirements of SEBI (LODR) Regulations, 2015, a certificate issued by M/s. B K Sharma & Associates, Company Secretaries, confirming that none of the directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as directors of companies by the SEBI/ Ministry of Corporate Affairs or any such statutory authority.

3. General Body Meetings

a) **Details of last three Annual General Meetings (AGM):**

Meeting	Date	Time (IST)	Venue	No. of Special Resolution(s) Passed
29th AGM	30th July, 2018	10.00 A.M.	E-69, EPIP, Sitapura, Jaipur – 302022 (Rajasthan)	Nil
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

b) **Resolutions passed through Postal ballot**

During the year, the Company has circulated 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

Further, the Company has also circulated the following resolutions through postal ballot notice dated 28th January, 2019, which have been duly passed on 30th March, 2019:

Sr. No.	Type of Resolution	Particulars	Voting Pattern (%)	
			Favor	Against
1.	Special Resolution	Re-appointment of Mr. Sunil Agrawal as Managing Director of the Company	99.43	0.57
2.	Special Resolution	Re-appointment of Mr. Rahim Ullah as Whole Time Director of the Company and fix the remuneration	100.00	0.00

Sr. No.	Type of Resolution	Particulars	Voting Pattern (%)	
			Favor	Against
3.	Special Resolution	Continuation of directorship of Mrs. Sheela Agarwal as Non-Executive Non-Independent Director of the Company	99.95	0.05
4.	Special Resolution	Re-appointment of Mr. James Patrick Clarke as Independent Director of the Company	100.00	0.00
5.	Special Resolution	Approval of 'Vaibhav Global Limited Restricted Stock Unit Plan – 2019' of the Company	99.43	0.57
6.	Special Resolution	Approval of 'Vaibhav Global Limited Restricted Stock Unit Plan – 2019' extended to the eligible employees of Subsidiaries	99.43	0.57
7.	Special Resolution	Amendment in VGL ESOP (As Amended) -2006	99.43	0.57
8.	Special Resolution	Amendment in VGL ESOP (As Amended) -2006 extended to the eligible employees of Subsidiaries	99.43	0.57

Mr. B.K. Sharma, Practicing Company Secretary, was appointed as the scrutinizer for the postal ballot notice dated 3rd April, 2018 and 28th January, 2019 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.

There is no any special resolution proposed to be conducted through postal ballot.

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 – Tuesday, 30th July, 2019 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, 2019 to 31st March, 2020.

(iii) Date of book closure for AGM & Dividend: 13th July, 2019

(iv) Dividend payment date: on/after 2nd August, 2019.

(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 2019-20 to BSE Limited and National Stock Exchange of India Limited.

(vii) Registrar & Share Transfer Agent (RTA):
Karvy Fintech Private Limited,
(Unit: Vaibhav Global Limited)
Karvy Selenium Tower B, Plot 31-32,
Gachibowli Financial District, Nanakramguda, Hyderabad - 500 032

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

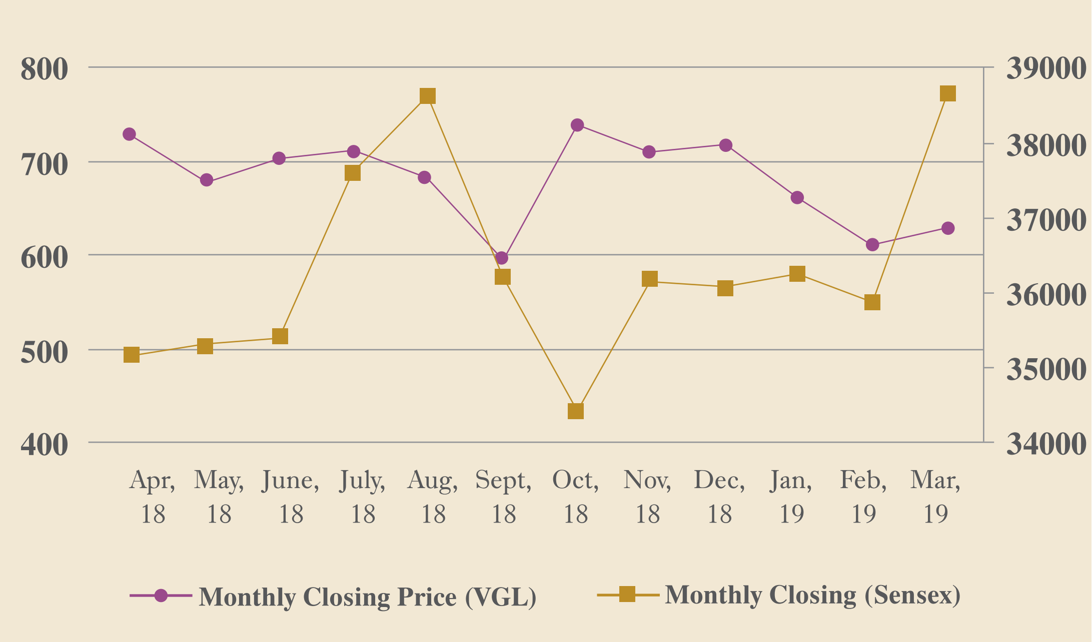
(ix) Dematerialization of shares
The Company has set up requisite facilities for dematerialization of its equity shares in accordance with the provisions of Depository Act, 1996 with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). The Company has entered into agreements with both the depositories. International Securities Identification Number (ISIN) for equity shares is INE884A01019. The status of dematerialization as on 31st March, 2019 is as under:

Mode		No. of Shares	% (Percentage)
Physical Form		26,357	0.08
Sub-total		26,357	0.08
Dematerialization Form	NSDL	2,89,13,806	88.42
	CDSL	37,59,073	11.50
Sub-total		3,26,72,879	99.92
Total		**3,26,99,236**	**100.00**

(x) **Market price data**

Month	VGL Price at BSE (₹)		VGL Price at NSE (₹)	
	High price	Low price	High price	Low price
April, 2018	738.95	657.90	745.00	659.05
May, 2018	735.00	651.50	736.00	671.00
June, 2018	725.00	660.50	714.00	670.00
July, 2018	719.85	660.05	750.00	650.00
August, 2018	710.00	675.00	710.00	675.00
September, 2018	770.00	589.65	775.70	589.65
October, 2018	750.00	573.30	752.00	577.40
November, 2018	767.00	695.00	769.00	690.20
December, 2018	740.00	675.15	743.00	680.00
January, 2019	726.00	637.05	730.00	632.75
February, 2019	687.55	596.00	672.00	596.00
March, 2019	675.00	608.05	677.95	609.00

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



(xi) **Distribution of shareholding as on 31st March, 2019**

Sr. No	No. of equity shares	Number of shares	% of shareholding	No. of shareholders
1.	upto 5000	5,91,144	1.81	6,430
2.	5001 - 10000	2,12,940	0.66	282
3.	10001 - 20000	2,33,429	0.71	160
4.	20001 - 30000	1,54,613	0.47	59
5.	30001 - 40000	1,05,095	0.32	30
6.	40001 - 50000	79,170	0.24	17
7.	50001 - 100000	2,83,222	0.87	39
8.	100001 & Above	3,10,39,623	94.92	68
	Total	**3,26,99,236**	**100.00**	**7,085**

(xii) Shareholding Pattern as on 31st March, 2019

Category	Number of shares	% of shareholding
Promoters		
Indian Promoters	2,05,80,885	62.94
Foreign Promoters	46,926	0.14
Sub-total	**2,06,27,811**	**63.08**
Public		
FIIs including Foreign Portfolio Investors	72,07,026	22.04
Corporate Bodies	4,67,639	1.43
Individuals/HUF	37,67,652	11.52
NRIs	1,70,752	0.52
Alternative Investment Fund (AIF)	4,00,455	1.22
Financial Institution / Banks	16,706	0.05
Trusts	39,254	0.12
Clearing Member	941	0.00
NBFC	1,000	0.00
Sub-total	**1,20,71,425**	**36.92**
Grand Total	**3,26,99,236**	**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 – 400 001
- HW – 4070, H Tower, West Wing, 4th Floor, Bharat Diamond Bourse, Bandra Kurla Complex, Bandra (E) Mumbai – 400 051

(xv) Address for correspondence

Shareholders may note that the share transmission, dividend payment and other investor related activities are attended to and processed at the office of Company's Registrar & Transfer Agents (RTA). For any grievances/ complaints, shareholders may contact the RTA at the address mentioned in point (vii). For any escalations, shareholder may write to the company at investor_relations@vaibhavglobal.com or may contact at:

The Company Secretary and Compliance Officer
E-69, EPIP, Sitapura, Jaipur
Phone: 91-141-2771948/49
Fax: 91-141-2770510

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, 2019.

(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) Credit Rating

The detail of credit rating obtained by the Company during the year is provided in the Board's Report, which forms a part of the Annual Report.

(xix) 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, email Ids, 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, email ids, 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.
- 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 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.
- We request shareholders whose shares are in the physical mode to dematerialize their shares. 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/vglpolicies. 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 and appointment of Non executive Chairman of the Board.

(v) Major part of foreign exchange impact is notional, being arisen from consolidation of subsidiaries' financials in parent entity, without real conversion of currency.

For the export receivables, arisen from exports from manufacturing and sourcing entities to the selling entities, there is a natural hedge available due to import of raw materials. Further, working capital from banks in foreign currencies also provides a natural hedge against export receivables. Invoicing from China, BKK & Bali entities to UK entity from dollars to GBP has also reduced the currency risk to the extent.

The details of foreign currency exposure are disclosed in Notes to the Annual Financial Statements.

(vi) During the year, no complaint was received to the Committee established, as per Policy on Anti Sexual Harassment of the Company, under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

(vii) The detail of unclaimed dividend and requirement for transfer of shares and dividend to IEPF is provided in the Board's Report.

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. During the year, the Risk Management Committee was constituted by the Board to monitor and review the risk management plan and to perform other functions as defined under SEBI (LODR) Regulations, 2015 and the Companies Act, 2013.

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 has a policy for determining 'material subsidiaries' which is disclosed on its website at the following link: http://www.vaibhavglobal.com/vgl-policies. The Company is having material foreign subsidiaries and all compliance in this regard as provided in SEBI (LODR) Regulations, 2015 are duly complied with.

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/vglpolicies

12. Fee paid to Statutory Auditors

Total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part, is provided in the consolidated financial statements which form part of this report.

13. 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, 2019. A declaration to this effect, signed by Mr. Sunil Agrawal, Managing Director of the Company, is appended at the end of this report.

14. 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

15. Compliance Certificate

The Compliance Certificate on the financial statements for the financial year ended 31st March, 2019 is enclosed at the end of this report.

16. 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 2018-19.

For and on behalf of the Board of Directors

Sunil Agrawal
Managing Director
DIN: 00061142

Place: Jaipur
Date: 21st May, 2019

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, 2019, 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 2018-19 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
Managing Director
DIN: 00061142

Puru Aggarwal
Group Chief Financial Officer

Place: Jaipur
Date: 21st May, 2019

CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members of
Vaibhav Global Limited

1. We have examined the compliance of conditions of Corporate Governance by Vaibhav Global Limited ("the Company") for the year ended on March 31, 2019 as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46 (2) & other applicable regulations and paragraphs C, D and E of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('the SEBI Listing Regulations').

Management Responsibility

2. The preparation of the Corporate Governance Report is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents. This responsibility also includes the design, implementation and maintenance of internal control procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in the Listing Regulations.

Auditors' Responsibility

3. Our responsibility is to provide a reasonable assurance that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations.

4. Our examination was carried out in accordance with the Guidance Note on Certification of Corporate Governance and Guidance Manual on Quality of Audit and Attestation Services issued by the Institute of Company Secretaries of India. It was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

Opinion

5. In our opinion and to the best of our information and according to the explanations given to us, and the representation made by the Management of the company, we are of the opinion that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations, as applicable for the year ended March 31, 2019, referred to in paragraph 1 above.

Other matters and Restriction on use

6. This Certificate 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.

7. This Certificate is addressed to and provide to the Members of the Company solely for the purpose of enabling it to comply with its obligations under the SEBI Listing Regulations and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing.

For **B K Sharma & Associates**
Company Secretaries
FRN - P2013RJ233500

BRIJ KISHORE SHARMA
Proprietor
M. No. : FCS - 6206
COP No.: 12636

Place: Jaipur
Date: 21st May, 2019

INDEPENDENT AUDITORS' REPORT

To The Members of
Vaibhav Global Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of Vaibhav Global Limited ("the Company"), which comprise the standalone balance sheet as at 31 March 2019, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("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 2019, and profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditors' Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Description of Key Audit Matter:

Valuation of inventories

See note 9 to the standalone financial statements

The key audit matter	How the matter was addressed in our audit
The Company manufactures and sells fashion jewellery and lifestyle products goods which may be subject to changing consumer demands and fashion trends. The Company has a plan wherein inventory is verified on a quarterly basis to ascertain the existence of inventory and its valuation. Inventory valuation also involves significant assumptions and estimations made by the Management. We have identified inventory as a key audit matter because of the judgement applied in the valuation and provision for inventory. The Company's principal accounting policy on inventory and accounting estimates and judgements on inventory are on described in Note 3(e).	In view of the significance of the matter we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence: In view of the significance of the matter we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence: • We assessed the appropriateness of the inventories accounting policies and its compliances with applicable accounting standards. • We evaluated the design of internal financial controls and operating effectiveness of the relevant key controls with respect to physical verification of inventory, valuation of inventory and provision for inventory. • We attended physical verification of stocks conducted by the management as at the year end. We also performed surprise stock counts at selected location on a sample basis. • We tested, on a sample basis, the valuation of inventories as at the year end. • Evaluating the reasonableness of the valuation obtained by the management on periodic basis from an independent valuer. • We evaluated the reasonableness of valuation involving judgment of the management which is also supported by valuation from an independent valuer, wherever required. • We considered the adequacy and appropriateness of the disclosures in the financial statements, relating to the inventories.

Information Other than the Standalone Financial Statements and Auditors' Report Thereon

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and our auditors' report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Standalone Financial Statements

The Company's management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, profit/loss 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) specified 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 of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management and Board of Directors are 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.

Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- 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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the standalone 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 auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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 the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

   (A) 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 standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this Report are in agreement with the books of account.

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

   e) On the basis of the written representations received from the directors as on 31 March 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2019 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".

   (B) With respect to the other matters to be included in the Auditors' 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 as at 31 March 2019 on its financial position in its standalone financial statements - Refer Note 34(a) to the standalone financial statements;

   ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

   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 standalone 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 in these financial statements since they do not pertain to the financial year ended 31 March 2019.

   (C) With respect to the matter to be included in the Auditors' Report under section 197(16):

   In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

For **B S R & Co. LLP**
Chartered Accountants
ICAI Firm's Registration number: 101248W/W-100022

Rajiv Goyal
Partner
Membership No.: 094549

Place: London
Date: 21 May 2019

ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT

Report to the members of Vaibhav Global Limited on the standalone Ind AS financial statements for the year ended 31 March 2019

(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 in a phased manner over a period of three years. In accordance, with this program, certain fixed assets were physically verified during the current financial 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 have been physically verified, at reasonable intervals by management during the year. 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) The Company has complied with provisions of section 186 of the Companies Act, 2013 in respect of investments made. According to information and explanations given by the management, there are no loans, guarantee and securities given in respect of which provisions of section 185 and 186 of the Companies Act, 2013 are applicable and hence not commented upon.

(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, duty of customs, goods and services tax 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, duty of customs, goods and services tax, cess and other statutory dues to the extent applicable were in arrears as at 31 March 2019 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, goods and services 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 2019 except as follows:

Name of the statue	Nature of dues	Amount of dispute *	Amount paid under protest	Period to which amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	4.08	10.00	Assessment Year 2007 – 08	Assessing Officer
		8.10	1.61	Assessment Year 2008 – 09	Commissioner of Income Tax (Appeals)
		149.58	53.38	Assessment Year 2013 – 14	Rajasthan High Court
The Finance Act, 1994	Service Tax	5.40	5.40	Assessment Year 2017 – 18	Customs Excise and Service Tax Appellate Tribunal
	Service Tax	30.20	30.20	Assessment Year 2017 – 18	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 2019.

(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 term loans 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 course of our audit.

(xi) According to the information and explanations given to us and based on our examination of the records of the Company, the managerial remuneration has been paid or provided by the Company in accordance with the provisions of Section 197 read with Schedule V to 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's Registration number: 101248W/W-100022

Rajiv Goyal
Place: London *Partner*
Date: 21 May 2019 Membership No.: 094549

ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT

Report on the internal financial controls with reference to the aforesaid standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

(Referred to in paragraph 1(A) (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

We have audited the internal financial controls with reference to financial statements of Vaibhav Global Limited ('the Company') as of 31 March 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2019, based on the internal financial controls with reference to financial statements 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 (the 'Guidance Note').

Management's Responsibility for Internal Financial Controls

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. 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 with reference to financial statements were established and maintained and whether 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 with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of such internal financial controls, 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 standalone 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 with reference to financial statements.

Meaning of Internal Financial controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements 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 controls with reference to financial statements include 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 with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **B S R & Co. LLP**
Chartered Accountants
ICAI Firm's Registration number: 101248W/W-100022

Rajiv Goyal
Partner
Membership No.: 094549

Place: London
Date: 21 May 2019

BALANCE SHEET as at 31 March 2019

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

Particulars	Note No.	31 March 2019	31 March 2018
ASSETS			
Non-current assets			
Property, plant and equipment	4	3,985.20	3,984.85
Intangible assets	5	90.40	104.72
Intangible assets under development		139.39	-
Financial assets			
Investments	6A	29,256.31	29,256.31
Others	7	385.41	180.18
Deferred tax assets (net)	29	409.11	341.98
Other non-current assets	8	508.59	463.26
Total non-current assets		**34,774.41**	**34,331.30**
Current assets			
Inventories	9	9,316.20	10,981.64
Financial assets			
Investments	6B	1,800.73	1,150.85
Trade receivables	10	5,669.03	12,285.78
Cash and cash equivalents	11A	18,028.72	2,904.96
Bank balance other than above	11B	1.81	0.51
Loans	12	1,752.54	1,663.85
Others	7	160.21	11.16
Other current assets	13	1,016.28	1,208.57
Total current assets		**37,745.52**	**30,207.32**
Total assets		**72,519.93**	**64,538.62**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	14A	3,266.24	3,258.44
Other equity	14B	53,133.21	51,111.90
Total equity		**56,399.45**	**54,370.34**
Liabilities			
Non-current liabilities			
Provisions	15	204.41	283.44
Total non-current liabilities		**204.41**	**283.44**
Current liabilities			
Financial liabilities			
Borrowings	16	6,639.55	6,657.82
Trade payables	17		
-Total outstanding dues of micro enterprises and small enterprises		-	-
-Total outstanding dues of creditors other than micro enterprises and small enterprises		3,466.00	2,801.09
Other financials liabilites	18	156.45	233.46
Other current liabilities	19	5,448.05	64.00
Provisions	15	206.02	128.47
Total current liabilities		**15,916.07**	**9,884.84**
Total liabilities		**16,120.48**	**10,168.28**
Total equity and liabilities		**72,519.93**	**64,538.62**
Significant accounting policies	3		

The accompanying notes are an integral part of the standalone financial statements.

As per our attached report of even date

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

Rajiv Goyal
Partner
Membership No. : 094549
Place: London
Date: 21 May 2019

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

Sunil Agrawal
Managing Director
DIN: 00061142
Place: Jaipur
Date: 21 May 2019

Rahim Ullah
Whole Time Director
DIN: 00043791
Place: Jaipur
Date: 21 May 2019

Puru Aggarwal
Group CFO
Place: Jaipur
Date: 21 May 2019

Sushil Sharma
Company Secretary
ICSI Membership No: F6535
Place: Jaipur
Date: 21 May 2019

STATEMENT OF PROFIT AND LOSS for the year ended 31 March 2019

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

Particulars	Note No.	Year ended 31 March 2019	Year ended 31 March 2018
Revenue from operations	20	48,039.72	47,001.86
Other income	21	873.07	446.76
Total income		**48,912.79**	**47,448.62**
EXPENSES			
Cost of material consumed	22	30,251.52	30,945.11
Purchases of Stock-in-trade	23	1,601.75	1,358.94
Changes in inventories of finished goods, stock-in-trade and work-in-progress	24	141.15	(22.83)
Employee benefits expense	25	4,376.08	3,845.32
Finance costs	26	391.28	313.03
Depreciation and amortisation expense	27	382.93	374.60
Other expenses	28	7,687.82	7,001.72
Total expense		**44,832.53**	**43,815.89**
Profit before tax		**4,080.26**	**3,632.73**
Tax expense	29		
Current tax		879.50	777.90
Tax pertaining to earlier years		(18.35)	(11.17)
Deferred tax		(77.60)	(213.29)
Tax expense		**783.55**	**553.44**
Profit for the year (A)		**3,296.71**	**3,079.29**
Other comprehensive income			
(i) Items that will not be reclassified to profit or loss		48.64	5.14
(ii) Income tax relating to items that will not be reclassified to profit or loss		(10.48)	(1.78)
Total other comprehensive income for the year, net of tax (B)		**38.16**	**3.36**
Total comprehensive income for the year (A + B)		**3,334.87**	**3,082.65**
Earnings per equity share	30		
Basic		10.11	9.46
Diluted		9.80	9.20
Significant accounting policies	3		

The accompanying notes are an integral part of the standalone financial statements.

As per our attached report of even date

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

Rajiv Goyal
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Date: 21 May 2019

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Place: Jaipur
Date: 21 May 2019

STATEMENT OF CHANGES IN EQUITY for the year ended 31 March 2019

(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 2019		31 March 2018	
	No. of Shares	Amount	No. of Shares	Amount
Balance at the beginning of the year	**3,25,84,390**	**3,258.44**	**3,25,45,617**	**3,254.56**
Add: Shares issued to employee benefit trust (refer note 14A)	1,14,846	11.48	45,236	4.52
Balance at the end of the year	**3,26,99,236**	**3,269.92**	**3,25,90,853**	**3,259.08**
Less: Treasury shares (refer note 32)	36,852	3.68	6,463	0.64
	3,26,62,384	**3,266.24**	**3,25,84,390**	**3,258.44**

B. Other equity:

For the year ended 31 March 2019

	Share application money pending allotment	Reserves and surplus						Total
		Securities premium	Share based payment reserve	Capital redemption reserve	Capital reserve	General reserve	Retained earnings	
Balance as at 1 April 2018	4.22	32,911.72	1,526.53	4,400.00	812.64	1,296.47	10,160.32	51,111.90
Profit of the year	-	-	-	-	-	-	3,296.71	3,296.71
Other comprehensive income (net of tax) (refer note 29)	-	-	-	-	-	-	38.16	38.16
Total comprehensive income	**-**	**-**	**-**	**-**	**-**	**-**	**3,334.87**	**3,334.87**
Interim Dividend of ₹5/- per share (including tax on dividend of ₹335.27 lacs)	-	-	-	-	-	-	(1,966.36)	(1,966.36)
Share options exercised	(4.22)	330.54	-	-	-	-	-	326.32
Transfer from share based payment reserve on allotment	-	84.78	(84.78)	-	-	-	-	-
Share based payments to employees	-	-	432.29	-	-	-	-	432.29
Treasury Shares	-	(105.81)	-	-	-	-	-	(105.81)
Balance as at 31 March 2019	**-**	**33,221.23**	**1,874.04**	**4,400.00**	**812.64**	**1,296.47**	**11,528.83**	**53,133.21**

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	
Balance 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 year	-	-	-	-	-	-	3,079.29	3,079.29
Other comprehensive income (net of tax) (refer note 29)	-	-	-	-	-	-	3.36	3.36
Total comprehensive income	**-**	**-**	**-**	**-**	**-**	**-**	**3,082.65**	**3,082.65**
Share options exercised	2.73	138.62	-	-	-	-	-	141.35
Transfer from share based payment reserve on allotment	-	32.96	(32.96)	-	-	-	-	-
Share based payments to employees	-	-	409.12	-	-	-	-	409.12
Treasury Shares	-	(8.74)	-	-	-	-	-	(8.74)
Balance as 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**

Significant accounting policies	3

The accompanying notes are an integral part of the standalone financial statements.

As per our attached report of even date

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

Rajiv Goyal
Partner
Membership No. : 094549
Place: London
Date: 21 May 2019

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

Sunil Agrawal
Managing Director
DIN: 00061142
Place: Jaipur
Date: 21 May 2019

Rahim Ullah
Whole Time Director
DIN: 00043791
Place: Jaipur
Date: 21 May 2019

Puru Aggarwal
Group CFO
Place: Jaipur
Date: 21 May 2019

Sushil Sharma
Company Secretary
ICSI Membership No: F6535
Place: Jaipur
Date: 21 May 2019

CASH FLOW STATEMENT for the year ended 31 March 2019

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

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
A. Cash flow from operating activities		
Profit for the year	4,080.26	3,632.73
Adjustment for :		
Depreciation and amortisation	382.93	374.60
Unrealised foreign exchange difference (net)	55.67	(356.27)
Share based payments to employees	205.61	159.22
Loss on sale / write off of fixed assets	2.75	4.22
Liabilities no longer required written back	(29.22)	(11.09)
Gain on sale of current investments (including change in fair value)	(227.51)	(131.54)
Interest income	(374.23)	(95.41)
Finance costs	391.28	313.03
Operating profit before working capital changes:	**4,487.54**	**3,889.49**
Working capital adjustments :		
(Increase) / decrease in trade receivable	6,714.10	2,521.82
(Increase) / decrease in inventories	1,665.44	(1,254.23)
(Increase) / decrease in other assets	202.21	292.62
Increase / (decrease) in trade payables, provisions, other current liabilities	6,076.97	(1,384.16)
Cash generated from operating activities	**19,146.26**	**4,065.54**
Income taxes paid	875.27	831.60
Net cash generated from operating activities (A)	**18,270.99**	**3,233.94**
B. Cash flow from investing activities		
Purchase of fixed assets	(542.31)	(231.28)
Proceeds from sale of fixed assets	-	1.00
Movement in deposits	(220.00)	25.24
Interest received	225.18	90.61
Purchase of current investments in liquid mutual funds	(58,166.15)	(17,550.94)
Proceed from sale of current investments in liquid mutual funds	57,743.77	16,951.76
Net cash used in investing activities (B)	**(959.51)**	**(713.61)**

CASH FLOW STATEMENT for the year ended 31 March 2019

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

Particulars		Year ended 31 March 2019	Year ended 31 March 2018
C. Cash flow from financing activities			
Proceeds from exercise of share options		232.54	135.55
Movement in short term borrowings		(81.85)	(803.20)
Dividend paid		(1,631.09)	-
Corporate dividend tax		(335.27)	-
Interest paid		(372.04)	(289.37)
Net cash used in financing activities (C)		**(2,187.71)**	**(957.02)**
Net increase in cash and cash equivalents (A+B+C)		**15,123.76**	**1,563.31**
Opening balance of cash and cash equivalents		2,904.96	1,341.65
Closing balance of cash and cash equivalents		**18,028.72**	**2,904.96**
Cash and cash equivalents comprises			
Cash on hand		12.77	10.09
Balance with bank in current accounts		2,897.26	394.87
Term deposits with original maturity of less than 3 months		15,118.69	2,500.00
		18,028.72	**2,904.96**
Significant accounting policies	3		

The accompanying notes are an integral part of the standalone 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.
2. Change in financial liabilities arising from financial activities

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Opening balance of short term borrowings	6,657.82	7,237.33
Movement in short term borrowings	(81.85)	(803.20)
Non cash changes - effect of foreign currency translation	63.58	223.69
Closing balance of short term borrowings	6,639.55	6,657.82

As per our attached report of even date

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

Rajiv Goyal
Partner
Membership No. : 094549
Place: London
Date: 21 May 2019

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

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Managing Director
DIN: 00061142
Place: Jaipur
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Place: Jaipur
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Puru Aggarwal
Group CFO
Place: Jaipur
Date: 21 May 2019

Sushil Sharma
Company Secretary
ICSI Membership No: F6535
Place: Jaipur
Date: 21 May 2019

Notes on Standalone Financial Statement for the year ended 31 March 2019

(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 Limited (NSE) and BSE Limited (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 (as amended from time to time) notified under Section 133 of Companies Act, 2013, (the 'Act') and other relevant provisions of the Act.

The standalone financial statements were authorised for issue by the Company's Board of Directors on 21 May 2019.

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 (₹) 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 arrangement	Fair value
Net defined benefit (assets) / liability	Fair value of plan assets less present value of defined benefit obligations

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 2019 is included in the following notes:

- Note 29 – 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 34 – recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources;
- Note 41 – impairment of financial and non-financial assets;

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.

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.

Notes on Standalone Financial Statement for the year ended 31 March 2019

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

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 32 – share-based payment; and
- Note 40 and 41 – 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.

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.

Effective 01 April 2018, the Company has adopted 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 asset, expense or income when an entity has received or paid advance consideration in a foreign currency. The effect on account of adoption of this amendment was insignificant.

Notes on Standalone Financial Statement for the year ended 31 March 2019

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

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

- amortised 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 amortised 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 amortised 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 de-recognition 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 amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised 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.

Financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised 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 amortised 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 designates certain foreign exchange forward as hedge instruments in respect of foreign exchange risks. These hedges are accounted for as cash flow hedges.

The Company uses hedging instruments that are governed by the policies of the Company which are approved by the Board of Directors. The policies provide written principles on the use of such financial derivatives consistent with the risk management strategy of the Company.

The hedge instruments are designated and documented as hedges at the inception of the contract. The Company determines the existence of an economic relationship between the hedging instruments and hedged item based on the currency, amount and timing of their respective cash flows. The effectiveness of hedge instruments to reduce the risk associated with the exposure being hedged is assessed and measured at inception and on an ongoing basis. If the hedged future cash flows are no longer expected to occur, then the amounts that have been accumulated in other equity are immediately reclassified in net foreign exchange gains in the statement of profit and loss.

The effective portion of change in the fair value of the designated hedging instrument is recognised in the other comprehensive income and accumulated under the heading cash flow hedging reserve.

The Company separates the intrinsic value and time value of an option and designates as hedging instruments only the change in intrinsic value of the option. The change in fair value of the time value and intrinsic value of an option is recognised in the statement of other comprehensive income and accounted as a separate component of equity. Such amounts are reclassified into the statement of profit and loss when the related hedged items affect profit or loss.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated or no longer qualifies for hedge accounting. Any gain or loss recognised in other comprehensive income and accumulated in equity till that time remains and is recognised in statement of profit and loss when the forecasted transaction ultimately affects the 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

Notes on Standalone Financial Statement for the year ended 31 March 2019

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

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. 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.

iii. 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.

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.

iv. Leased assets

Leasehold improvements are amortised 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 amortised 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. 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 de-recognition 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.

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 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.

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, wherever required.

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) recognised during the period is recognised as income / expense in the statement of profit and loss. This amount is reflected in a separate line in the Profit and Loss 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 expenses / credit in statement of profit and loss 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 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.

Notes on Standalone Financial Statement for the year ended 31 March 2019

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

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.

Re-measurements 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 recognised 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;
- 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.

Notes on Standalone Financial Statement for the year ended 31 March 2019

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

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 statement of profit and loss.

Effective 01 April 2018, the Company has applied Ind AS 115 which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised. Ind AS 115 replaces Ind AS 18 Revenue. The Company has adopted Ind AS 115 using the retrospective method. The effect of applying this standard have been adjusted retrospectively. The impact of the adoption of the standard on the financial statements of the Company is insignificant.

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 amortised 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 amortised 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 amortised 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.

l. Tax Expense

Tax expenses 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 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.

Notes on Standalone Financial Statement for the year ended 31 March 2019

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

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 recognised 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 recognised 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. 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. Company issues shares to EBT for allotting them to the employees. EBT is treated as an extension of the Company, and accordingly, shares held by EBT are netted off from the total share capital. Consequently, all the assets, liabilities, income and expenses of the trust are accounted for as assets, liabilities, income and expenses of the Company, except for profit / loss on issue of shares to the employees and the dividend earned by the trust which are directly taken to the Share Based Payment Reserve.

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 recognised 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 recognised on declaration by the Board of Directors.

Notes on Standalone Financial Statement for the year ended 31 March 2019

(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

Ministry of Corporate Affairs ("MCA"), through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified the following new and amendments to Ind ASs which the Company has not applied as they are effective from April 1, 2019:

Ind AS – 116 – Leases:

Ind AS 116 will replace the existing leases standard, Ind AS 17 Leases. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lessee accounting model for lessees. A lessee recognises right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. The standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

The Company will adopt Ind AS 16, effective annual reporting period beginning 01 April 2019. The Company will apply the standard to its leases, retrospectively, with the cumulative effect of initially applying the standard, recognised on the date of initial application. Accordingly, the Company will not restate comparative information, instead, the cumulative effect of initially applying this Standard will be recognised as an adjustment to the opening balance of retained earnings as on 01 April 2019. On that date, the Company will recognise a lease liability measured at the present value of the remaining lease payments. The right-of-use asset is recognised at its carrying amount as if the standard had been applied since the commencement date, but discounted using the lessee's incremental borrowing rate as at 01 April 2019. In accordance with the standard, the Company will elect not to apply the requirements of Ind AS 116 to short-term leases and leases for which the underlying asset is of low value.

On transition, the Company will be using the practical expedient provided the standard and therefore, will not reassess whether a contract, is or contains a lease, at the date of initial application.

The Company is in the process of finalising changes to systems and processes to meet the accounting and reporting requirements of the standard.

With effect from 01 April 2019, the Company will recognise new assets and liabilities for its operating leases of premises and other assets. The nature of expenses related to those leases will change from lease rent in previous periods to a) amortization change for the right-to-use asset, and b) interest accrued on lease liability.

Previously, the Company recognised operating lease expense on a straight line basis over the term of the lease, and recognised assets and liabilities only to the extent that there was a timing difference between actual lease payments and the expense recognised.

Ind AS 12 – Income taxes (amendments relating to income tax consequences of dividend and uncertainty over income tax treatments):

The amendment relating to income tax consequences of dividend clarify that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. The Company does not expect any impact from this pronouncement. It is relevant to note that the amendment does not amend situations where the entity pays a tax on dividend which is effectively a portion of dividends paid to taxation authorities on behalf of shareholders. Such amount paid or payable to taxation authorities continues to be charged to equity as part of dividend, in accordance with Ind AS 12.

The amendment to Appendix C of Ind AS 12 specifies that the amendment is to be applied to the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. It outlines the following: (1) the entity has to use judgement, to determine whether each tax treatment should be considered separately or

Notes on Standalone Financial Statement for the year ended 31 March 2019

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

whether some can be considered together. The decision should be based on the approach which provides better predictions of the resolution of the uncertainty (2) the entity is to assume that the taxation authority will have full knowledge of all relevant information while examining any amount (3) entity has to consider the probability of the relevant taxation authority accepting the tax treatment and the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates would depend upon the probability. The Company does not expect any significant impact of the amendment on its financial statements.

Ind AS 109 – Prepayment Features with Negative Compensation

The amendments relate to the existing requirements in Ind AS 109 regarding termination rights in order to allow measurement at amortised cost (or, depending on the business model, at fair value through other comprehensive income) even in the case of negative compensation payments. Company does not expect this amendment to have any impact on its financial statements.

Ind AS 19 – Plan Amendment, Curtailment or Settlement

The amendments clarify that if a plan amendment, curtailment or settlement occurs, it is mandatory that the current service cost and the net interest for the period after the re-measurement are determined using the assumptions used for the remeasurement. In addition, amendments have been included to clarify the effect of a plan amendment, curtailment or settlement on the requirements regarding the asset ceiling. Company does not expect this amendment to have any significant impact on its financial statements.

Ind AS 23 – Borrowing Costs

The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings. Company does not expect any impact from this amendment.

Ind AS 28 – Long-term Interests in Associates and Joint Ventures

The amendments clarify that an entity applies Ind AS 109 Financial Instruments, to long-term interests in an associate or joint venture that form part of the net investment in the associate or joint venture but to which the equity method is not applied. Company does not currently have any long-term interests in associates and joint ventures.

Ind AS 103 – Business Combinations and Ind AS 111 – Joint Arrangements

The amendments to Ind AS 103 relating to re-measurement clarify that when an entity obtains control of a business that is a joint operation, it re-measures previously held interests in that business. The amendments to Ind AS 111 clarify that when an entity obtains joint control of a business that is a joint operation, the entity does not re-measure previously held interests in that business. Company will apply the pronouncement if and when it obtains control / joint control of a business that is a joint operation.

Notes on Standalone Financial Statement for the year ended 31 March 2019

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4. Property, plant and equipment *

Reconciliation of carrying amount

Particulars	Leasehold land	Building	Plant and equipment	Electric installation	Furniture & fixture	Office equipment	Computers	Vehicles	Total
Cost or deemed cost									
Balance as at 01 April 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 / disposals	-	-	(7.40)	(0.17)	(0.10)	(0.02)	(1.36)	(0.66)	(9.71)
Balance as at 31 March 2018	**380.61**	**1,760.12**	**1,787.44**	**572.68**	**139.82**	**98.28**	**262.75**	**48.68**	**5,050.38**
Additions	-	14.71	154.06	3.07	34.76	36.38	69.17	24.51	336.66
Written off / disposals	-	-	(2.75)	-	-	-	-	-	(2.75)
Balance as at 31 March 2019	**380.61**	**1,774.83**	**1,938.75**	**575.75**	**174.58**	**134.66**	**331.92**	**73.19**	**5,384.29**
Accumulated depreciation									
Balance as at 01 April 2017	3.55	157.88	273.42	144.11	29.94	32.60	90.83	6.20	738.53
Depreciation charge for the year	11.46	54.73	106.52	44.99	11.26	50.42	42.73	4.89	327.00
Written off / disposals	-	-	-	-	-	-	-	-	-
Balance as at 31 March 2018	**15.01**	**212.61**	**379.94**	**189.10**	**41.20**	**83.02**	**133.56**	**11.09**	**1,065.53**
Depreciation charge for the year	2.02	54.81	140.10	45.35	13.41	16.34	54.01	7.52	333.56
Written off / disposals	-	-	-	-	-	-	-	-	-
Balance as at 31 March 2019	**17.03**	**267.42**	**520.04**	**234.45**	**54.61**	**99.36**	**187.57**	**18.61**	**1,399.09**
Carrying amount (net)									
Balance as at 01 April 2017	**377.06**	**1,599.35**	**1,429.41**	**422.49**	**90.47**	**48.09**	**107.93**	**21.53**	**4,096.33**
Balance as at 31 March 2018	**365.60**	**1,547.51**	**1,407.50**	**383.58**	**98.62**	**15.26**	**129.19**	**37.59**	**3,984.85**
Balance as at 31 March 2019	**363.58**	**1,507.41**	**1,418.71**	**341.30**	**119.97**	**35.30**	**144.35**	**54.58**	**3,985.20**

* Refer note 35 for assets hypothecated as security against bank borrowings.

Notes on Standalone Financial Statement for the year ended 31 March 2019

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

5. Intangible assets

Particulars	Softwares
Cost or deemed cost	
Balance as at 01 April 2017	233.47
Additions	10.53
Disposals	-
Balance as at 31 March 2018	**244.00**
Additions	35.05
Disposals	-
Balance as at 31 March 2019	**279.05**
Accumulated amortisation	
Balance as at 01 April 2017	91.68
Amortisation charge for the year	47.60
Disposals	-
Balance as at 31 March 2018	**139.28**
Amortisation charge for the year	49.37
Disposals	-
Balance as at 31 March 2019	**188.65**
Carrying amount (net)	
Balance as at 01 April 2017	**141.79**
Balance as at 31 March 2018	**104.72**
Balance as at 31 March 2019	**90.40**

6. Financial assets - Investments

Particulars	31 March 2019	31 March 2018
A Non-current investments		
Investment at cost		
Unquoted equity shares		
a) Wholly owned subsidiaries		
1 46,821,633 (31 March 2018: - 46,821,633) ordinary shares of US $ 1 each of Genoa Jewelers Limited *	22,841.49	22,841.49
Amount of impairment in value of investment	-	-
	22,841.49	**22,841.49**
2 350,000 (31 March 2018: - 350,000) ordinary shares of Baht 100 each STS Gems Thai Limited	11,125.99	11,125.99
Amount of impairment in value of investment	(11,125.99)	(11,125.99)
	-	-
3 500 (31 March 2018: - 500) common shares with no par value of STS Jewels Inc. *	19,950.80	19,950.80
Amount of impairment in value of investment	(15,110.98)	(15,110.98)
	4,839.82	**4,839.82**
4 1,500 (31 March 2018: - 1,500) ordinary shares of Yen 50,000 each STS Gems Japan Limited	199.18	199.18
Amount of impairment in value of investment	(199.18)	(199.18)
	-	-
5 87,500 (31 March 2018: - 87,500) ordinary shares of HK $100 each STS Gems Limited, Hong Kong *	1,575.00	1,575.00
Amount of impairment in value of investment	-	-
	1,575.00	**1,575.00**

Notes on Standalone Financial Statement for the year ended 31 March 2019
(All amount in lacs of Indian Rupees, except share data and as stated otherwise)

6. Financial assets - Investments (contd.)

Particulars	31 March 2019	31 March 2018
b) Others		
360,000 (31 March 2018: - 360,000) equity shares of ₹10 each of VGL Softech Limited	52.07	52.07
Amount of impairment in value of investment	(52.07)	(52.07)
	-	-
Investment at cost	**55,744.53**	**55,744.53**
Impairment on the investment	**26,488.22**	**26,488.22**
Total non current investments	**29,256.31**	**29,256.31**
* Refer note 35 for investment hypothecated as security against bank borrowings.		
B Current investments		
Unquoted investments at FVTPL		
SBI Magnum Ultra Short Duration Fund - Direct Daily Dividend - 107,461 units (31 March 2018: - Nil units)	1,800.73	-
Principal Cash Management Fund - Regular Plan Growth - Nil units (31 March 2018: - 59,372 units)	-	1,000.67
Principal Low Duration Fund - Regular Plan Growth - Nil units (31 March 2018: - 5,429 units)	-	150.18
Total current investment at FVTPL	**1,800.73**	**1,150.85**
Note:-		
Aggregate amount of unquoted investments	57,545.26	56,895.38
Aggregate amount of impairment in value of investments	26,488.22	26,488.22

7. Financial assets - Others

Particulars	31 March 2019	31 March 2018
Non- current		
Bank deposits- pledged *	295.64	75.64
Security deposits - unsecured, considered good	89.77	104.54
	385.41	**180.18**
Current		
Interest accrued on bank deposits	113.42	10.79
Other receivables (refer note 39)	46.79	0.37
	160.21	**11.16**

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

8. Other non-current assets

Particulars	31 March 2019	31 March 2018
Deposits with tax authorities	477.38	463.26
Capital advances	31.21	-
	508.59	**463.26**

9. Inventories*

Particulars	31 March 2019	31 March 2018
Materials-in-process	8,814.04	10,408.78
Semi finished goods	27.54	115.41
Finished goods	298.74	352.02
Stores and consumables	175.88	105.43
Total inventories at the lower of cost and net realisable value	**9,316.20**	**10,981.64**

* Refer note 35 for current assets hypothecated as security against bank borrowings.

Notes on Standalone Financial Statement for the year ended 31 March 2019

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

10. Financial assets - Trade receivables*

Particulars	31 March 2019	31 March 2018
Unsecured, considered good	5,669.03	12,285.78
Doubtful	-	-
	5,669.03	**12,285.78**
Loss allowance		
Unsecured, considered good	-	-
Doubtful	-	-
	-	-
Net trade receivables	**5,669.03**	**12,285.78**

Of the above, trade receivables from related parties are given in note 39.

* Refer note 35 for current assets hypothecated as security against bank borrowings.

11. Financial assets - cash and cash equivalents *

Particulars	31 March 2019	31 March 2018
A Cash and cash equivalents		
(i) Balances with banks:		
Balances with banks - current accounts	2,897.26	394.87
Term deposits with original maturity of less than 3 months	15,118.69	2,500.00
	18,015.95	**2,894.87**
(ii) Cash on hand	12.77	10.09
	18,028.72	**2,904.96**
B Bank balances other than above		
Unpaid dividend account	1.81	0.51
	1.81	**0.51**

* Refer note 35 for current assets hypothecated as security against bank borrowings.

12. Financial assets - loans*

Particulars	31 March 2019	31 March 2018
Current		
Loans to subsidiaries (refer note 39)	1,733.78	1,630.33
Other receivables	18.76	33.52
	1,752.54	**1,663.85**

* Refer note 35 for current assets hypothecated as security against bank borrowings.

13. Other current assets *

Particulars	31 March 2019	31 March 2018
Unsecured, Considered good		
Advances other than capital advances		
Advance to suppliers	150.33	222.29
Others		
Balances with tax authorities	676.62	817.55
Prepaid expenses	175.61	145.05
Other receivables	13.72	23.68
	1,016.28	**1,208.57**

* Refer note 35 for current assets hypothecated as security against bank borrowings.

14A. Equity share capital

Particulars	31 March 2019	31 March 2018
Authorised shares		
41,000,000 (31 March 2018: - 41,000,000) equity shares of ₹10 each	4,100.00	4,100.00
4,500,000 (31 March 2018: - 4,500,000) unclassified equity shares of ₹100 each	4,500.00	4,500.00
	8,600.00	**8,600.00**
Issued, subscribed and fully paid-up shares		
32,662,384 (31 March: - 2018 32,584,390) equity shares of ₹10 each	3,266.24	3,258.44
Total issued, subscribed and fully paid-up share capital	**3,266.24**	**3,258.44**

Notes on Standalone Financial Statement for the year ended 31 March 2019

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

14A. Equity share capital (contd.)

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 2019		31 March 2018	
	No. of Shares	Amount	No. of Shares	Amount
Balance at the beginning of the year	**3,25,84,390**	**3,258.44**	**3,25,45,617**	**3,254.56**
Shares issued to employee benefit trust	1,14,846	11.48	45,236	4.52
Balance at the end of the year	**3,26,99,236**	**3,269.92**	**3,25,90,853**	**3,259.08**
Less: Treasury shares (refer note 32)	36,852	3.68	6,463	0.64
	3,26,62,384	**3,266.24**	**3,25,84,390**	**3,258.44**

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. 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 32 regarding share-based payments.

d) **Details of shareholding more than 5% shares in the Company**

Name of the shareholder	31 March 2019		31 March 2018	
	% of Holding	No. of Shares	% of Holding	No. of Shares
Brett Enterprises Private Limited*	56.11%	1,83,27,764	25.58%	83,34,124
Nalanda India Fund Limited	10.29%	33,59,713	11.60%	37,80,583
Malabar India Fund Limited	7.00%	22,86,613	-	-
Nirmal Kumar Bardiya**	3.45%	11,25,581	5.50%	17,91,628
Sonymike`s Holdings Ltd.***	-	-	30.44%	99,18,640

*The ultimate holding company(previously known as Brett Plastics Private Limited) (also refer note 39)

** As at 31 March 2019, shareholding is less than 5%.

*** Sonymike's Holdings Ltd. has ceased to be the shareholder with effect from 28 May 2018 owing to merger with Brett Enterprises Private Limited.

e) **Shares reserved for issue under options**

	31 March 2019		31 March 2018	
	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 ₹541.77 per share (31 March 2018: ₹474.73 per share) (refer note 32)	13,83,529	138.35	12,01,500	120.15

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

14B. Other equity

Particulars	31 March 2019	31 March 2018
a) Share application money pending allotment:		
Opening balance	4.22	1.49
Exercise of share based options	(4.22)	2.73
Closing balance	**-**	**4.22**
b) Reserves and Surplus		
Capital reserve:		
Opening balance	812.64	812.64
Transfer from retained earnings	-	-
Closing balance	**812.64**	**812.64**
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:		

Notes on Standalone Financial Statement for the year ended 31 March 2019

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

14B. Other equity (contd.)

Particulars	31 March 2019	31 March 2018
Opening balance	32,911.72	32,748.88
Security premium received on exercise of stock options	330.54	138.62
Transfer from share based payment reserve on allotment	84.78	32.96
Treasury Shares (refer note 32)	(105.81)	(8.74)
Closing balance	**33,221.23**	**32,911.72**
Share based payment reserve:		
Opening balance	1,526.53	1,150.37
Expenses for the year	432.29	409.12
Transfer to securities premium reserve on allotment	(84.78)	(32.96)
Closing balance	**1,874.04**	**1,526.53**
General reserve:		
Opening balance	1,296.47	1,296.47
Transfer from retained earnings	-	-
Closing balance	**1,296.47**	**1,296.47**
Retained earnings:		
Opening balance	10,160.32	7,077.67
Net profit for the year	3,296.71	3,079.29
Other comprehensive income for the year	38.16	3.36
Interim dividend for the year ended 31 March 2019	(1,631.09)	-
Dividend distribution tax	(335.27)	-
Closing balance	**11,528.83**	**10,160.32**
Total (a+b)	**53,133.21**	**51,111.90**

14C. Nature of reserve

a. Capital reserve

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

b. 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.

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 32 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.

Dividends

The following dividends were declared and paid by the Company during the year:

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
₹5 per equity share (31 March 2018: ₹Nil)	1,631.09	-
Dividend distribution tax (DDT) on interim dividend to equity shareholders	335.27	-
	1,966.36	**-**

Notes on Standalone Financial Statement for the year ended 31 March 2019

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

14C Nature of reserve (contd.)

After the reporting dates following dividend (excluding dividend distribution tax) is proposed by the directors subject to the approval at annual general meeting. The dividends have not been recognised as liabilities. Dividends would attract dividend distribution tax when declared or paid.

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
₹5 per equity share (31 March 2018: ₹Nil) *	**1,634.96**	**-**

* calculated on the basis number of shares outstanding as on 31 March 2019 i.e. 3,26,99,236 shares.

15. Provisions

Particulars	Non-Current		Current	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018
Provision for employee benefits (refer note 31)				
Provision for gratuity	94.46	177.58	135.73	110.27
Provision for compensated absences	109.95	105.86	24.20	18.20
Other provision				
Provision for expected sales return	-	-	46.09	-
	204.41	**283.44**	**206.02**	**128.47**

16. Borrowings

Particulars	31 March 2019	31 March 2018
Loan repayable on demand (from bank)		
Pre-shipment credit (secured) ^	6,505.11	4,864.56
Post-shipment credit (secured) ^	134.44	1,793.26
Net current borrowings	**6,639.55**	**6,657.82**

Notes

Information about company exposure to interest rate foreign currency and liquidity risk is given in note 41.

^ **Nature of security:-**

(i) Secured by charge on all the current assets viz inventory, bill receivable, book debts and all other current 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 and vehicles) situated at K-6A & K-6B, Adarsh Nagar and E-68, Sitapura, Jaipur

(iii) Pledge of 200 common shares with no par value of STS Jewels Inc.

(iv) Pledge of 87,500 Ordinary Shares of HK $100 each of STS Gems Limited, HKK.

(v) Pledge of 12,576,633 equity shares of US $ 1 each of Genoa Jewelers Limited, BVI.

(vi) Personal guarantee of Mr. Sunil Agrawal, Managing Director of the Company. (refer note 39)

17. Trade payables

Particulars	31 March 2019	31 March 2018
Trade payables		
- Total outstanding dues of micro enterprises and small enterprises (refer note 33)	-	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises	3,466.00	2,801.09
	3,466.00	**2,801.09**

18. Other financial liabilities

Particulars	31 March 2019	31 March 2018
Employee benefit payables	153.39	169.46
Forward contract payable	-	58.28
Unclaimed dividend	1.81	0.51
Other payables	1.25	5.21
	156.45	**233.46**

Notes on Standalone Financial Statement for the year ended 31 March 2019

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

19. Other current liabilities

Particulars	31 March 2019	31 March 2018
Statutory dues payable	104.84	64.00
Advance from customers (refer note 39)	5,343.21	-
	5,448.05	**64.00**

20. Revenue from operations

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Sale of products	47,320.17	45,702.12
Other operating revenues	85.66	131.08
Foreign exchange gain (net)	633.89	1,168.66
	48,039.72	**47,001.86**

21. Other income

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Interest income on bank deposits	327.63	67.09
Interest income on loans and advances	46.60	28.32
Gain on sale of current investments (including change in fair value)	227.51	131.54
Gain on sale of fixed assets	-	0.14
Liabilities no longer required written back	29.22	11.09
Miscellaneous income	242.11	208.58
	873.07	**446.76**

22. Cost of material consumed

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Material in process at the beginning of the year	10,408.78	9,109.68
Add: Purchases during the year	28,656.78	32,244.21
	39,065.56	41,353.89
Less: Material in process at the end of the year	(8,814.04)	(10,408.78)
	30,251.52	**30,945.11**

23. Purchases of stock-in-trade

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Purchases of stock-in-trade	1,601.75	1,358.94
	1,601.75	**1,358.94**

24. Changes in inventories of finished goods, stock-in-trade and work in progress

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Inventory at the beginning of the year		
Semi finished goods	115.41	110.05
Finished goods *	352.02	334.55
	467.43	**444.60**
Inventory at the end of the year		
Semi finished goods	27.54	115.41
Finished goods *	298.74	352.02
	326.28	**467.43**
	141.15	**(22.83)**

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

NOTES ON STANDALONE FINANCIAL STATEMENT for the year ended 31 March 2019

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

25. Employee benefits expense

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Salaries and wages	3,462.74	3,146.39
Contribution to provident and other funds	417.62	329.05
Share based payments to employees	205.61	159.22
Staff welfare expenses	290.11	210.66
	4,376.08	**3,845.32**

26. Finance costs

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Interest on debts and borrowings	144.94	202.55
Other borrowing costs	246.34	110.48
	391.28	**313.03**

27. Depreciation and amortisation expense

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Depreciation of property, plant and equipment	333.56	327.00
Amortisation of intangible assets	49.37	47.60
	382.93	**374.60**

28. Other expenses

Particulars	31 March 2019	31 March 2018
a. Manufacturing and direct expenses		
Job work charges	3,913.12	3,635.15
Stores and consumables	555.91	472.72
Power and fuel	459.56	454.00
Repair and maintenance - machinery	97.57	63.83
Other manufacturing and direct expenses	182.95	187.63
	5,209.11	**4,813.33**
b. Administrative and selling expenses		
Rent	15.09	10.66
Rates and taxes	17.42	17.37
Insurance	62.15	118.51
Travelling and conveyance	480.21	439.33
Legal and professional fees (refer note 28A)	278.39	128.82
Repairs and maintenance		
Buildings	32.18	25.94
Others	56.37	44.53
Advertising and sales promotion	163.63	149.55
Packing and forwarding	616.43	534.52
Postage and telephone	82.04	82.39
Printing and stationery	24.52	18.00
Security expenses	28.33	27.66
Directors' remuneration	82.84	58.84
Directors' sitting fees	25.65	25.80
CSR expenditure (refer note 28B)	125.32	143.81
Loss on sale / write off of fixed assets	2.75	4.22
Information technology expenses	172.55	163.40
Miscellaneous expenses	212.84	195.04
	2,478.71	**2,188.39**
	7,687.82	**7,001.72**

Notes on Standalone Financial Statement for the year ended 31 March 2019

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

28A. Payment to auditors

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Statutory audit	13.50	14.00
Limited review	6.00	6.00
Other services	7.00	16.72
Reimbursement of expenses	4.26	10.68
	30.76	**47.40**

28B. Corporate social responsibility

As per Section 135 of Companies Act,2013, a Company needs to spend at least 2% of its average net profit for the immediately preceding three financial years on Corporate Social Responsibility (CSR) activities. A CSR Committee has been formed by the Company as per act. The CSR Committee and Board had approved the projects with specific outlay on the activities as specified in Schedule VII of the act, in pursuant of the CSR policy.

a Gross amount required to be spend by the Company during the year ₹61.97 lacs (31 March 2018: ₹64.26 lacs).

b Amount spent during the year ending as under:

Particulars	Year ended 31 March 2019		
	In cash	Yet to be paid in cash	Total
(i) Construction/ acquisition of any asset	-	-	-
(ii) On purpose other than above (i) above	117.76	7.56	125.32

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 above (i) above	137.34	6.47	143.81

29. Tax expense

(a) Tax expense charged to statement of profit or loss

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Current tax	879.50	777.90
Tax pertaining to earlier years	(18.35)	(11.17)
	861.15	**766.73**
Deferred tax		
Attributable to:		
Original and reversal of temporary differences	(77.60)	(213.29)
	(77.60)	**(213.29)**
	783.55	**553.44**

(b) Income tax charged to other comprehensive income

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Remeasurement of the net defined benefit liability	**(10.48)**	**(1.78)**

NOTES ON STANDALONE FINANCIAL STATEMENT for the year ended 31 March 2019

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

29. Tax expense (contd.)

(c) Reconciliation of effective tax rate

Name of the shareholder	Year ended 31 March 2019		Year ended 31 March 2018	
	%	Amount	%	Amount
Profit before tax		4,080.26		3,632.73
Tax expense as per statutory income tax rate	34.94%	1,425.81	34.61%	1,257.21
Net tax impact on deduction/ disallowances in ascertaining taxable income as per Income Tax Act 1961	0.08%	3.15	0.05%	1.81
Net of timing difference reversed within tax exemption period and prior period deferred taxation	0.33%	13.35	1.38%	50.05
Less: Exempted tax as per provisions for section 10AA of income tax exemption	-15.70%	(640.41)	-20.49%	(744.46)
Income tax adjustment related to earlier year	-0.45%	(18.35)	-0.31%	(11.17)
Income tax reported in statement of profit and loss and effective tax rate	**19.20%**	**783.55**	**15.23%**	**553.44**

The company has benefited from certain tax incentives that the Government of India has provided for the units situated in Special Economic Zones (SEZs) under the Special Economic Zone Act, 2005, which began providing services on or after April 1, 2005. The eligible units are eligible for a deduction of 100% of profits or gains derived from the export of services for the first five years from commencement of provision of services and 50% of such profits and gains for a further five years. Certain tax benefits are also available for a further five years subject to the unit meeting defined conditions. The aforesaid tax benefits will not be available to Units commencing operations on or after April 1, 2020.

The Company is subject to Minimum Alternate Tax (MAT) on its book profits, which gives rise to future economic benefits in the form of adjustment of future income tax liability. MAT paid for a year can be set-off against the normal tax liability within fifteen subsequent years, expiring between the years 2023 to 2033.

(d) MAT credit entitlement

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Opening balance	303.77	-
Add: MAT credit entitlement for current year	25.84	303.77
Closing Balance	**329.61**	**303.77**

(e) Recognised deferred tax assets / (liabilities)

Deferred tax assets / (liabilities) are attributable to the following:

Particulars	31 March 2019	31 March 2018
Property, plant and equipment	(82.46)	(87.17)
Provision for employee benefits	172.44	123.56
MAT credit entitlement	329.61	303.77
Other items	(10.48)	1.82
	409.11	**341.98**

(f) Movement in temporary differences

	Property, plant and equipment	Provision-employee benefits	Other items	MAT credit entitlement	Total
Balance as at 01 April 2017	4.66	138.78	(13.30)	-	130.14
Recognised in profit and loss during the year	(91.83)	(15.22)	-	-	(107.05)
Recognised in OCI during the year	-	-	15.12	-	15.12
MAT credit entitlement during the year	-	-	-	303.77	303.77
Balance as at 31 March 2018	**(87.17)**	**123.56**	**1.82**	**303.77**	**341.98**
Recognised in profit and loss during the year	4.71	48.88	-	-	53.59
Recognised in OCI during the year	-	-	(12.30)	-	(12.30)
MAT credit entitlement during the year	-	-	-	25.84	25.84
Balance as at 31 March 2019	**(82.46)**	**172.44**	**(10.48)**	**329.61**	**409.11**

NOTES ON STANDALONE FINANCIAL STATEMENT for the year ended 31 March 2019

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

30. Earning per share

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
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 for the year, attributable to equity holders	3,296.71	3,079.29
(ii) Weighted average number of equity shares for basic EPS		
Opening balance*	3,25,84,390	3,25,34,814
Effect of share options exercised	31,680	19,077
Weighted average number of equity shares *	3,26,16,070	3,25,53,891
(iii) **Basic earning per share**	**10.11**	**9.46**
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 for the year, attributable to equity holders	3,296.71	3,079.29
(ii) Weighted average number of equity shares for diluted EPS		
Opening balance*	3,25,84,390	3,25,34,814
Effect of share options excercised	31,680	19,077
Dilution of equity	10,15,893	9,19,224
Weighted average number of equity shares (diluted) for the year*	3,36,31,963	3,34,73,115
(iii) **Diluted earning per share**	**9.80**	**9.20**

* Excludes treasury shares (refer note 32)

31. Employee benefit obligation

(A) Defined contribution plan

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

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Employer's contribution to Employee's Providend Fund	179.00	146.13
Employer's contribution to Employee's State Insurance	70.18	64.43
Employer's contribution to National Pension Scheme	16.32	14.46
	265.50	**225.02**

(B) Defined benefit plan

(i) 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 summarize the components of net benefit expense recognised in the statement of profit or 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 is as under:

(a) Net benefit expense recognised in the statement of profit or loss:

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Current service cost	129.45	115.50
Interest cost on benefit obligation	22.90	21.71
Net benefit expenses	**152.35**	**137.21**

(b) Position of the assets and obligation

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Fair Value of plan assets	472.77	357.87
Present value of the obligations	(702.96)	(645.72)
Assets / (liability) recognised in balance sheet	**(230.19)**	**(287.85)**

NOTES ON STANDALONE FINANCIAL STATEMENT for the year ended 31 March 2019

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

31. Employee benefit obligation (contd.)

(c) 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 2019		
	Defined benefit obligation	Fair value of plan assets	Benefit Liability / (Assets)
Opening balance	645.72	357.87	287.85
Gratuity cost charged to profit or loss			
Service cost	129.45	-	129.45
Net interest expense	49.03	26.12	22.91
Benefits paid	(77.12)	(55.84)	(21.28)
Remeasurement gains/(losses) in other comprehensive income			
Return on plan assets (excluding amounts included in net interest expense)	-	4.52	(4.52)
Actuarial changes arising from changes in demographic assumptions	(22.31)	-	(22.31)
Actuarial changes arising from changes in financial assumptions	(7.29)	-	(7.29)
Experience adjustments	(14.52)	-	(14.52)
Contributions by employer	-	140.10	(140.10)
	702.96	**472.77**	**230.19**

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)
Contributions by employer	-	145.72	(145.72)
	645.72	**357.87**	**287.85**

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

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Funds managed by insurer	**100%**	**100%**

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

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Discount rate	7.50%	7.30%
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	16.43%	12.42%

The estimates of future salary increases, considered in the actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Notes on Standalone Financial Statement for the year ended 31 March 2019

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

31. Employee benefit obligation (contd.)

(f) Sensitivity analysis

A quantitative sensitivity analysis for significant assumption as at 31 March 2019 and 31 March 2018 are shown as below:

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Impact on defined benefit obligation		
Discount rate		
Increase by 1%	37.98	41.78
Decrease by 1%	34.30	47.38
Future salary		
Increase by 1%	35.22	44.50
Decrease by 1%	32.78	40.63

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.

(g) Defined benefit liability and employer contributions:

Expected contributions to defined benefit obligation for the year ending 31 March 2020 are ₹109.68 lacs. The expected maturity analysis of defined benefit plan is as follows:

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Year		
- Within the next 12 months (next annual reporting period)	109.68	79.16
- Above 1 to 5 years	293.24	209.76
- More than 5 years	300.04	356.80
Total expected payments	**702.96**	**645.72**

The average duration of the defined benefit plan obligation at the end of the reporting period is 8 years (31 March 2018: 11 years).

(ii) Leave obligations

The amount of the provision of ₹134.15 lacs (31 March 2018: – ₹124.06 lacs) is presented as current and non current. The Company has provided for the liability on the basis of actuarial valuation.

32. Share-based payments

a) Vaibhav Global Limited, Employee Stock Options Plan (As amended) - 2006

Under the Vaibhav Global Limited, Employee Stock Options Plan (As amended) - 2006 (herein referred as 'ESOP Plan'), the Nomination and Remuneration Committee decides upon the employees who qualify under the ESOP Plan and the number 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 ESOP Plan. 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) Vaibhav Global Limited Restricted Stock Unit Plan – 2019

During the current financial year, the shareholders has approved the Vaibhav Global Limited Restricted Stock Unit Plan – 2019 (herein referred as 'RSU Plan') through postal ballot resolution dated 30 March 2019. According to RSU Plan, the Nomination and Remuneration Committee decides upon the employees who qualify under the Plan and the number of Restricted Stock Unit (RSU) to be issued to such employees. The exercise price of the RSU shall be the face value of the equity shares as on date of exercise unless otherwise determined by the Board / Committee. The exercise price shall not be less than the face value of equity share of the Company. Out of RSU granted, 20% RSU 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 RSU Plan. The fair value of the RSU will be estimated at the grant date using a Black-Scholes pricing model, taking into account the terms and conditions upon which the RSU 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 RSU will be 3 months from the date of respective vesting. RSU under the scheme are yet to be issued.

Notes on Standalone Financial Statement for the year ended 31 March 2019

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

32. Share-based payments (contd.)

c) 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:

	Year ended 31 March 2019		Year ended 31 March 2018	
	Number	WAEP	Number	WAEP
Outstanding at beginning of the year	12,01,500	474.73	9,97,181	442.17
Granted during the year	4,04,600	711.54	3,40,649	546.14
Forfeited during the year	(1,44,577)	590.77	(86,754)	496.79
Exercised during the year *	(77,994)	298.14	(49,576)	271.96
Outstanding at the end of the year	**13,83,529**	**541.77**	**12,01,500**	**474.73**
Exercisable at 31 March	5,59,110	541.59	4,68,867	563.82

* The weighted average share price at the date of exercise of these options was ₹692.22 (31 March 2018: ₹638.58)

The weighted average remaining contractual life for the share options outstanding as at 31 March 2019 was 7.56 years (31 March 2018: 7.99 years)

The weighted average fair value of options granted during the year was ₹280.76 (31 March 2018: ₹294.62).

The range of exercise prices for options outstanding at the end of the year was ₹45.30 to ₹752.60 (31 March 2018: ₹45.30 to ₹737.20)

The following tables list the inputs to the models used for the three plans for the years ended 31 March 2019 and 31 March 2018, respectively:

	Year ended 31 March 2019			Year ended 31 March 2018		
	U	V	W	R	S	T
Stock price of option as on Grant Date	711.85	682.25	685.35	544.15	633.55	737.20
Exercise price of option	711.85	682.25	685.35	544.15	633.55	737.20
Risk free rate	7.74% to 7.94%	7.78% to 7.98%	7.71% to 7.91%	6.46% to 6.50%	6.82% to 6.91%	6.82% to 6.91%
Volatility	42.22% to 43.79%	42.78% to 43.79%	42.18% to 43.68%	44.39% to 49.28%	44.42% to 49.10%	44.39% to 48.41%

d) The expense recognised for employee services received during the year is shown in the following table:

Particulars	31 March 2019	31 March 2018
Expense arising from equity-settled share-based payment transactions	**205.61**	**159.22**

There were no cancellations or modifications to the awards in 31 March 2019 or 31 March 2018.

e) A summary of movement of treasury shares is as follows:

	Number of Shares	Amount
Opening balance as on 01 April 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**	**0.64**
Add: Shares allocated by Company	1,08,383	10.84
Less: Shares exercised by employee	(77,994)	(7.80)
Closing balance as on 31 March 2019	**36,852**	**3.68**

33. Dues to micro and small suppliers

The Ministry of Micro, Small and Medium Enterprises has issued an Office Memorandum dated 26 August 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with their customers the Entrepreneurs Memorandum number as allocated after filing of the said Memorandum. Accordingly, the disclosures in below respect of the amounts payable to such enterprises as at the year-end has been made based on information received and available with the Company.

S. No.	Particulars	31 March 2019	31 March 2018
i)	The principal amount and the interest due thereon remaining unpaid to any supplier at the end of accounting year;		
	- Principal amount	Nil	Nil
	- Interest thereon	Nil	Nil
ii)	the amount of interest paid by the buyer under MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year;	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
iv)	The amount of interest accrued and remaining unpaid at the end of accounting year; and	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

Notes on Standalone Financial Statement for the year ended 31 March 2019

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

34. Contingent liabilities and Commitments

a) Contingent liabilities:

Particulars	31 March 2019	31 March 2018
(a) Demand / show cause notices received from government authorities		
(i) Demand / show cause notice received under Income Tax Act	197.39	266.81
(b) Guarantees provided by the Company		
(i) Guarantee given by the bank on behalf of the Company	536.69	535.00

Pending resolution of the respective proceedings, it is not practicable for the Company 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 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.

b) Commitments:

Particulars	31 March 2019	31 March 2018
Estimated amount of contracts remaining to be executed on capital account and not provided for	43.95	-

35. Assets hypothecated as security

The carrying amount of assets hypothecated as security for current borrowings are:

Particulars	31 March 2019	31 March 2018
Current assets	37,745.52	30,207.32
Non- current		
Property, plant and equipment	3,985.20	3,984.85
Investment in subsidiaries		
- 200 common shares with no par value of STS Jewels Inc.	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
- 12,576,633 equity shares of US $ 1 each of Genoa Jewelers Limited, BVI.	6,135.39	6,135.39
Other financial assets - bank deposits	295.64	75.64
Total non-current assets hypothecated as security	**19,971.55**	**19,751.20**
Total assets hypothecated as security	**57,717.07**	**49,958.52**

36. Segment reporting

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

37. Capital management

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and the market confidence and to sustain future development of the business. Management monitors the return on capital, as well as the level of dividends to equity shareholders.

The board of directors seeks to maintain a balance between the higher returns that might be possible with the higher level of borrowings and the advantages and security afforded by a sound capital position. The Company monitors capital using a ratio of 'adjusted net debt' to 'adjusted equity'. For this purpose, adjusted net debt is defined as total liabilities, comprising interest-bearing short term borrowing less cash and cash equivalents. Adjusted equity comprises of all components of equity.

The Company's adjusted net debt to equity ratio as at 31 March 2019 is as follows:

Particulars	31 March 2019	31 March 2018
Total liabilities	16,120.48	10,168.28
Cash and cash equivalents (refer note 11A)	(18,028.72)	(2,904.96)
Bank balances other than above (refer note 7 and note 11B)	(297.45)	(76.15)
Net debt	**(2,205.69)**	**7,187.17**
Equity share capital (refer note 14A)	3,266.24	3,258.44
Other equity (refer note 14B)	53,133.21	51,111.90
Total equity	**56,399.45**	**54,370.34**
Net debt to equity ratio	**(3.91%)**	**13.22%**

38. The disclosures regarding details of specified bank notes held and transacted during 8 November 2016 to 30 December 2016 has not been made in these financial statements since the requirement does not pertain to financial year ended 31 March 2019.

NOTES ON STANDALONE FINANCIAL STATEMENT for the year ended 31 March 2019

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

39. Related party transactions

A. List of related parties :

Ultimate Holding Company

Brett Enterprises Private Limited (formerly known as Brett Plastics Private Limited) w.e.f. 29 May 2018.

Subsidiaries (direct and step down)

S. No.	Name of the subsidiaries	Country of Incorporation	Percentage Holding as at	
			31 March 2019	31 March 2018
Direct subsidiaries				
1.	STS Gems Limited	Hong Kong	100	100
2.	STS Gems Thai Limited	Thailand	100	100
3.	Genoa Jewelers Limited	British Virgin Islands	100	100
4.	STS Gems Japan Limited	Japan	100	100
5.	STS Jewels Inc.	USA	100	100
Step down subsidiaries of direct subsidiaries				
6.	PT STS Bali	Indonesia	100	100
7.	Shop LC Global Inc., USA (previously known as The Jewelry Channel Inc., USA)	USA	100	100
8.	The Jewellery Channel Ltd.	United Kingdom	100	100
9.	Jewel Gem USA Inc. *	USA	Not applicable	Not applicable
10.	STS (Guangzhou) Trading Limited Company**	China	100	Not applicable

* Merged into Shop LC Global Inc. USA w.e.f. 28 February 2018.

** Incorporated during the year.

Key Management Personnel (KMP) :

1. Mr. Sunil Agrawal - Managing Director (chairman till 31 January 2019)
2. Mr. Rahim Ullah - Whole Time Director
3. Mr. Puru Aggarwal - Group Chief Financial Officer
4. Mr. Sushil Sharma - Company Secretary

Non-Executive and Non-Independent Directors

5. Mr. Nirmal Kumar Bardiya
6. Mrs. Sheela Agarwal
7. Mr. Pulak Chandan Prasad

Non-Executive and Independent Directors

8. Mr. Harsh Bahadur (appointed as chairman w.e.f. 01 February 2019)
9. Mr. Purushottam Agarwal
10. Mr. James Patrick Clarke
11. Mr. Sunil Goyal
12. Mr. Santiago Roces

Relatives of key management personnel

1. Mr. Hursh Agarwal
2. Mrs. Deepti Agarwal
3. Master Neil Agarwal
4. Mr. Sanjeev Agarwal
5. Mrs. Minakshi Aggarwal
6. Miss Maple Aggarwal
7. Mrs. Renu Raniwala

Others (significant influence)

1. VGL Softech Limited
2. Brett Enterprises Private Limited (formerly known as Brett Plastics Private Limited) till 28 May 2018
3. Sony Mikes Holdings Limited ***

*** Merged into Brett Enterprises Private Limited w.e.f. 29 May 2018.

NOTES ON STANDALONE FINANCIAL STATEMENT for the year ended 31 March 2019

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

B. Details of material related party transactions and balances:

Particulars	Ultimate Holding Company	Subsidiaries / Step down subsidiaries						Total
	Brett Enterprises Private Limited	The Jewellery Channel Limited	Shop LC Global Inc.	STS Jewels Inc.	STS Gems Limited	PT STS Bali	STS Gems Thai Limited	
Transactions during the year ending 31 March 2019:								
Sale of goods	-	8,385.30	26,408.31	5,702.66	3,717.68	26.31	650.70	44,890.96
Purchase of goods	-	77.00	131.61	2,627.64	3,431.94	83.02	1,317.48	7,668.69
Expenses reimbursement	-	209.64	655.75	108.45	99.77	8.87	7.88	1,090.36
Dividend paid	912.64	-	-	-	-	-	-	912.64
Interest Income	-	-	-	-	-	-	46.60	46.60
Purchase of fixed assets	-	-	-	-	-	-	-	-

Particulars	Ultimate Holding Company	Subsidiaries / Step down subsidiaries						Total
	Brett Enterprises Private Limited	The Jewellery Channel Limited	Shop LC Global Inc.	STS Jewels Inc.	STS Gems Limited	PT STS Bali	STS Gems Thai Limited	
Transactions during the year ending 31 March 2018:								
Sale of goods	-	7,183.28	23,248.78	5,899.48	2,307.06	-	102.70	38,741.30
Purchase 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
Dividend paid	-	-	-	-	-	-	-	-
Interest Income	-	-	-	-	-	-	28.33	28.33
Purchase of fixed assets	-	-	-	4.10	-	-	-	4.10

Particulars	Subsidiaries / Step down subsidiaries						Total
	The Jewellery Channel Limited	Shop LC Global Inc.	STS Jewels Inc.	STS Gems Limited	PT STS Bali	STS Gems Thai Limited	
Transactions during the year ending 31 March 2019:							
Amount receivable	852.63	-	1,837.97	2,137.54	59.21	313.46	5,200.81
Amount payable	45.08	44.37	412.04	367.55	15.00	109.25	993.29
Advance received	-	5,342.38	-	-	-	-	5,342.38
Interest receivable	-	-	-	-	-	46.79	46.79
Loan receivable	-	-	-	-	-	1,733.78	1,733.78

Particulars	Subsidiaries / Step down subsidiaries						Total
	The Jewellery Channel Limited	Shop LC Global Inc.	STS Jewels Inc.	STS Gems Limited	PT STS Bali	STS Gems Thai Limited	
Transactions during the year ending 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

NOTES ON STANDALONE FINANCIAL STATEMENT for the year ended 31 March 2019

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

39. Related party transactions (contd.)

C. Details of related party transactions and balances with others, key managerial persons along with their relatives:

Type of transaction	Key Managerial Persons and their relatives						Others	
	Mr. Sunil Agrawal	Mr. Rahim Ullah	Mr. Puru Aggarwal	Mr. Sushil Sharma	Other Directors	Total	VGL Softech Limited	Total
Transaction during the year ending :								
Remuneration *								
- 31 March 2019	-	42.00	122.45	16.45	82.84	263.74	-	-
- 31 March 2018	-	42.00	106.46	9.04	58.84	216.34	-	-
Share based payment to employees **								
- 31 March 2019	-	-	33.20	2.62	-	35.82	-	-
- 31 March 2018	-	-	23.66	0.79	-	24.45	-	-
Dividend paid								
- 31 March 2019	1.41	20.64	0.52	-	90.70	113.27	-	-
- 31 March 2018	-	-	-	-	-	-	-	-
Dividend paid to relatives of Key Managerial Persons								
- 31 March 2019	27.30	0.05	0.46	0.02	-	27.83	-	-
- 31 March 2018	-	-	-	-	-	-	-	-
Directors commission/sitting fees								
- 31 March 2019	-	-	-	-	25.65	25.65	-	-
- 31 March 2018	-	-	-	-	25.80	25.80	-	-
Balance as at year end:								
- 31 March 2019	-	-	-	-	22.66	22.66	52.07	52.07
- 31 March 2018	-	-	-	-	18.20	18.20	52.07	52.07
Less: Impairment loss recognised								
- 31 March 2019	-	-	-	-			(52.07)	(52.07)
- 31 March 2018	-	-	-	-	-	-	(52.07)	(52.07)

* The above remuneration excludes provision for gratuity and leave benefits as separate actuarial valuation is not available.

** Refer note 3(g)(ii)

Note: The working capital borrowings of the Company are secured by the personal guarantee of Mr. Sunil Agarwal, Managing Director of the Company. (Refer note 16)

40. 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 at 31 March 2019	Note No.	FVTPL	FVTOCI	Amortised cost	Total carrying value
Financial assets					
Cash and cash equivalents	11A	-	-	18,028.72	18,028.72
Bank balance other than above	11B	-	-	1.81	1.81
Loans- current	12	-	-	1,752.54	1,752.54
Trade receivables	10	-	-	5,669.03	5,669.03
Investments *	6B	1,800.73	-	-	1,800.73
Other non current financial asset	7	-	-	385.41	385.41
Other current financial asset	7	-	-	160.21	160.21
		1,800.73	**-**	**25,997.72**	**27,798.45**
Financial liabilities					
Borrowings- Current	16	-	-	6,639.55	6,639.55
Trade payables	17	-	-	3,466.00	3,466.00
Other financials liabilities	18	-	-	156.45	156.45
		-	**-**	**10,262.00**	**10,262.00**

Notes on Standalone Financial Statement for the year ended 31 March 2019

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

40. Fair value measurements (contd.)

(i) Financial assets and liabilities: (contd.)

As at 31 March 2018	Note No.	FVTPL	FVTOCI	Amortised cost	Total carrying value
Financial assets					
Cash and cash equivalents	11A	-	-	2,904.96	2,904.96
Bank balance other than above	11B	-	-	0.51	0.51
Loans- current	12	-	-	1,663.85	1,663.85
Trade receivables	10	-	-	12,285.78	12,285.78
Investments *	6B	1,150.85	-	-	1,150.85
Other non current financial asset	7	-	-	180.18	180.18
Other current financial asset	7	-	-	11.16	11.16
		1,150.85	**-**	**17,046.44**	**18,197.29**
Financial liabilities					
Borrowings- Current	16	-	-	6,657.82	6,657.82
Trade payables	17	-	-	2,801.09	2,801.09
Other financials liabilities	18	58.28	-	175.18	233.46
		58.28	**-**	**9,634.09**	**9,692.37**

* Investment excludes investment in subsidiaries which are accounted at historical cost.

(ii) Fair value hierarchy

The table shown below analysis 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	As at 31 March 2019	
	Lavel 1	Lavel 2
Financial assets		
Investments (unquoted)	-	1,800.73
Total	**-**	**1,800.73**
Financial liabilities		
Forward foreign currency contract	-	-
Total	**-**	**-**

Financial Instruments	As at 31 March 2018	
	Lavel 1	Lavel 2
Financial assets		
Investments (unquoted)		1,150.85
Total	**-**	**1,150.85**
Financial liabilities		
Forward foreign currency contract	-	58.28
Total	**-**	**58.28**

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.

41. 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 6, 7, 10, 11, 12, 16, 17 and 18.

Risk management framework

Company is 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;
- Improve compliance with good corporate governance guidelines and practices as well as laws & regulations; and
- 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. 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.

The Company operates on cost plus model that enables it to pass the commodity price fluctuation, if any, to the end consumers, since our average price point (ASP) is the lowest among comparables.

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 Company has been rated by Care Ratings Ltd (CARE) for its banking facilities in line norms.

Notes on Standalone Financial Statement for the year ended 31 March 2019

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

41. Financial risk management objective and policies (contd.)

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	As at 31 March 2019			
	<1 year	1-3 Years	3 Years <	Total
Current borrowings	6,639.55	-	-	6,639.55
Trade and other payables	3,466.00	-	-	3,466.00
Other financials liabilites	156.45	-	-	156.45
Total	**10,262.00**	**-**	**-**	**10,262.00**

Financial liabilities	As at 31 March 2018			
	<1 year	1-3 Years	3 Years <	Total
Current borrowings	6,657.82	-	-	6,657.82
Trade and other payables	2,801.09	-	-	2,801.09
Other financials liabilites	233.46	-	-	233.46
Total	**9,692.37**	**-**	**-**	**9,692.37**

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 loans 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 effected as the Rupee appreciates/depreciates against these foreign currencies.

	31 March 2019		
	USD	GBP	EURO
Financial Assets	30,990.09	852.63	111.32
Financial Liabilities	7,734.36	48.06	4.38

	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

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 2019 and 2018 by ₹1,208.36 lacs and ₹1,669.68 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	31 March 2019	31 March 2018
Floating rate financial liabilities	6,639.55	6,657.82

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.

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
0.50%	33.20	33.29
1%	66.40	66.58
1.50%	99.59	99.87

41. Financial risk management objective and policies (contd.)

(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 10 for exposure to trade receivables 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 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 2019 is ₹9,382.51 lacs, 31 March 2018 is ₹15,291.82 lacs.

Derivative financial instruments

The Company is exposed to foreign currency fluctuations on foreign currency assets / liabilities and forecast cash flows denominated in foreign currency. The use of derivatives to hedge United States of Dollar forecasted cash flows is governed by the Company's strategy, which provides principles on the use of such forward contracts consistent with the Company's Risk Management Policy. The counterparty in these derivative instruments is a bank and the Company considers the risks of non-performance by the counterparty as insignificant. The Company has entered into a series of foreign exchange forward contracts that are designated as cash flow hedges. The Company does not use forward covers and currency options for speculative purposes.

During the current year, the Company has incurred losses on account of cash flow hedging derivatives amounting to ₹1,467.13 lacs. The above loss has been reclassified into net sales on occurrence of hedged transactions. All the foreign exchange forward contracts designated as cash flow hedges along with related forecasted transactions are matured within the current financial year.

The fair value of the derivative instruments presented on a net basis as at each date indicated below is as follows:

Particulars	Year ended 31 March 2019		Year ended 31 March 2018	
	Assets	Liabilities	Assets	Liabilities
Derivatives designated as hedging instruments				
Foreign exchange contracts in an assets / liability position	-	-	-	-
Derivatives not designated as hedging instruments				
Foreign exchange contracts in an assets / liability position	-	-	-	58.28
Net assets / liability	**-**	**-**	**-**	**58.28**

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.

As per our attached report of even date

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

Rajiv Goyal
Partner
Membership No. : 094549
Place: London
Date: 21 May 2019

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

Sunil Agrawal
Managing Director
DIN: 00061142
Place: Jaipur
Date: 21 May 2019

Rahim Ullah
Whole Time Director
DIN: 00043791
Place: Jaipur
Date: 21 May 2019

Puru Aggarwal
Group CFO
Place: Jaipur
Date: 21 May 2019

Sushil Sharma
Company Secretary
ICSI Membership No: F6535
Place: Jaipur
Date: 21 May 2019

INDEPENDENT AUDITORS' REPORT

To the Members of
Vaibhav Global Limited

Report on the Audit of Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Vaibhav Global Limited (hereinafter referred to as the 'Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), which comprise the consolidated balance sheet as at 31 March 2019, and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

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 such subsidiaries as were audited by the other auditors, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("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 2019, of its consolidated profit and other comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India, and we have fulfilled our other ethical responsibilities in accordance with the provisions of the Act. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Revenue recognition

See note 3(k) to the consolidated financial statements

The key audit matter	How the matter was addressed in our audit
Revenue from sale of goods is recognised when control of the products being sold is transferred to the customer and when there are no longer any unfulfilled obligations. The performance obligations in the contracts are fulfilled at the time of dispatch, delivery or upon formal customer acceptance depending on customer terms. Revenue is measured at fair value of the consideration received or receivable, after deduction of any trade discounts, volume rebates and any taxes or duties collected on behalf of the government such as goods and services tax, etc. Accumulated experience is used to estimate the provision for returns and rebates. Revenue is only recognised to the extent that it is highly probable a significant reversal will not occur. There is a risk of revenue being overstated due to fraud, including through manipulation of rebates and discounts, resulting from pressure the management may feel to achieve performance targets at the reporting period end. Additionally, the Company has adopted Ind AS 115 – Revenue from Contracts with Customers, which is the new revenue accounting standard. The application and transition to the accounting standard is complex and is an area of focus in the audit. The Group have also restated the comparative periods.	In view of the significance of the matter we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence: • We assessed the appropriateness of the revenue recognition accounting policies, including those relating to rebates, discounts and estimated provision of sales returns by comparing with applicable accounting standards and with the Group's policy. • We evaluated the design of key controls and operating effectiveness of the relevant key controls with respect to revenue recognition on selected transactions. • We performed substantive testing by selecting samples of revenue transactions recorded during the year by verifying the underlying documents, which included goods dispatch notes and shipping documents. • We carried out analytical procedures on revenue recognised during the year to identify unusual variances. • We performed analytical procedure on revenue by obtaining and examining reconciliation of sale during the year with amount collected through various payment channels and enquired about reasons for material differences, if any. • We performed analytical procedure on revenue by obtaining reconciliation of sales as per books of account with the sales as per Indirect tax records, wherever applicable and enquired about reasons for material differences, if any. • We performed cut-off testing for samples of revenue transactions recorded before and after the financial year end date by comparing with relevant underlying documentation, which included goods dispatch notes and shipping documents, to assess whether the revenue was recognized in the correct period. We also verified the reasonableness of management's estimate of sales return. • We assessed journals posted to revenue to identify unusual items on a test check basis.

Valuation of inventories

See note 9 to the consolidated financial statements

The key audit matter	How the matter was addressed in our audit
The Group manufactures and sells fashion jewellery and lifestyle products goods which may be subject to changing consumer demands and fashion trends. The Group has a plan wherein inventory is verified on a periodic basis to ascertain the existence of inventory and its valuation. Inventory valuation also involves significant assumptions and estimations made by the Management. We have identified inventory as a key audit matter because of the judgement applied in the valuation and provision for inventory. The Company's principal accounting policy on inventory and accounting estimates and judgements on inventory are on described in Note 3(g).	In view of the significance of the matter we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence: • We assessed the appropriateness of the inventories accounting policies and its compliances with applicable accounting standards. • We evaluated the design of internal financial controls and operating effectiveness of the relevant key controls with respect to physical verification of inventory, valuation of inventory and provision for inventory. • We attended physical verification of stocks conducted by the management as at the year. We also performed surprise stock counts at selected location on a sample basis. • We tested, on a sample basis, the valuation of inventories as at the year end. • Evaluating the reasonableness of the valuation obtained by the management on periodic basis from an independent valuer. • We evaluated the reasonableness of valuation involving judgment of the management which is also supported by valuation from an independent valuer, wherever required. • We considered the adequacy and appropriateness of the disclosures in the financial statements, relating to the inventories.

Information Other than the Consolidated Financial Statements and Auditors' Report Thereon

The Holding Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Holding Company's annual report, but does not include the financial statements and auditors' report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit/ loss and 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 each company. 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 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 management and Board of Directors of the companies included in the Group are responsible for assessing the ability of each company 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.

The respective Board of Directors of the companies included in the Group is responsible for overseeing the financial reporting process of each company.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our 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 the Group (Company and subsidiaries) to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of such entities or business activities within the Group to express an opinion on the consolidated financial statements, of which we are the independent auditors. We are responsible for the direction, supervision and performance of the audit of financial information of such entities. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in para (a) of the section titled 'Other Matters' in this audit report.

We believe that the audit evidence obtained by us along with the consideration of audit reports of the other auditors referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

We did not audit the financial statements of five subsidiaries, whose financial statements reflect total assets of ₹16,776.80 lacs (₹8,180.81 lacs, net of elimination on consolidation) as at 31 March 2019, total revenues of ₹36,844.90 lacs (₹2,622.94 lacs, net of elimination on consolidation) and net cash inflows amounting to ₹1,042.39 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, in so far as it relates to the aforesaid subsidiaries is based solely on the audit reports of the other auditors.

These subsidiaries are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Company's management has converted the financial statements of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Company and audited by us.

Our opinion on the consolidated financial statements, and our report on 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 and the financial statements certified by the Management.

Report on Other Legal and Regulatory Requirements

A. As required by Section 143(3) of the Act, based on our audit and on the consideration of reports of the other auditors on separate financial statements of such subsidiaries as were audited by other auditors, as noted in the 'Other Matters' 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 (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows 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 Ind AS 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 31 March 2019 taken on record by the Board of Directors of the Holding Company , none of the directors of the Holding Company is disqualified as on 31 March 2019 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".

B. 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 reports of the other auditors on separate financial statements of the subsidiaries, as noted in the 'Other Matters' paragraph:

i. The consolidated financial statements disclose the impact of pending litigations as at 31 March 2019 on the consolidated financial position of the Group. Refer Note 34(a) to the consolidated financial statements.

ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended 31 March 2019.

iii. There has been no delay in transferring amounts to the Investor Education and Protection Fund by the Holding Company or its subsidiary companies incorporated in India during the year ended 31 March 2019.

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 in the financial statements since they do not pertain to the financial year ended 31 March 2019.

C. With respect to the matter to be included in the Auditor's report under section 197(16):

In our opinion and according to the information and explanations given to us and based on the reports of the statutory auditors of such subsidiary companies incorporated in India which were not audited by us, the remuneration paid during the current year by the Holding Company and its subsidiary companies to its directors is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the Holding Company and its subsidiary companies is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

For **B S R & Co. LLP**
Chartered Accountants
ICAI Firm's Registration number: 101248/W-100022

Rajiv Goyal
Partner
Membership No.: 094549

Place: London
Date: 21 May 2019

ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT

To the Members of
Vaibhav Global Limited

Report on the internal financial controls with reference to the aforesaid consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

(Referred to in paragraph A (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31 March 2019, we have audited the internal financial controls with reference to consolidated financial statements of Vaibhav Global Limited (hereinafter referred to as "the Holding Company") as of that date.

In our opinion, the Holding Company, have in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls were operating effectively as at 31 March 2019, based on the internal financial controls with reference to consolidated financial statements criteria established by such companies considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The Holding Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements based on the criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note. 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 Companies Act, 2013 (hereinafter referred to as "the Act").

Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to consolidated financial statements. 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 with reference to consolidated financial statements were 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 with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of the internal controls 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 consolidated 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 internal financial controls with reference to consolidated financial statements.

Meaning of Internal Financial controls with Reference to Consolidated Financial Statements

A company's internal financial controls with reference to consolidated financial statements 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 controls with reference to consolidated financial statements 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 with Reference to consolidated Financial Statements

Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, 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 with reference to consolidated financial statements to future periods are subject to the risk that the internal financial controls with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **B S R & Co. LLP**
Chartered Accountants
ICAI Firm's Registration number: 101248/W-100022

Rajiv Goyal
Partner
Membership No.: 094549

Place: London
Date: 21 May 2019

CONSOLIDATED BALANCE SHEET as at 31 March 2019

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

Particulars	Note No.	31 March 2019	31 March 2018
ASSETS			
Non-current assets			
Property, plant and equipment	4	6,971.92	6,713.93
Goodwill	5	2,868.32	2,868.32
Other intangible assets	5	1,746.15	2,392.69
Intangible assets under development		139.39	-
Financial assets			
Investments	6A	0.31	0.30
Others	7	933.96	821.72
Deferred tax assets (net)	29	1,049.34	3,141.22
Other non-current assets	8	1,140.78	472.70
Total non-current assets		**14,850.17**	**16,410.88**
Current assets			
Inventories	9	39,613.34	35,158.52
Financial assets			
Investments	6B	1,800.73	1,150.85
Trade receivables	10	11,777.61	12,901.05
Cash and cash equivalents	11A	22,595.53	6,655.91
Bank balances other than above	11B	1.81	91.70
Loans	12	108.25	88.89
Others	7	113.42	10.79
Other current assets	13	3,389.72	3,814.25
Total current assets		**79,400.41**	**59,871.96**
Total Assets		**94,250.58**	**76,282.84**
EQUITY AND LIABILTIES			
Equity			
Equity share capital	14A	3,266.24	3,258.44
Other equity	14B	66,401.36	51,756.82
Total equity		**69,667.60**	**55,015.26**
Liabilities			
Non-current liabilities			
Financial liabilities			
Provisions	15	384.07	374.63
Total non-current liabilities		**384.07**	**374.63**
Current liabilities			
Financial liabilities			
Borrowings	16	6,639.56	6,657.82
Trade payables	17	12,302.92	10,266.13
Other financial liabilities	18	286.75	209.64
Other current liabilities	19	2,578.50	1,599.21
Provisions	15	2,201.34	1,612.63
Current tax liabilities (net)		189.84	547.52
Total current liabilities		**24,198.91**	**20,892.95**
Total liabilities		**24,582.98**	**21,267.58**
Total equity and liabilities		**94,250.58**	**76,282.84**
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's Registration No.: 101248W/W-100022

Rajiv Goyal
Partner
Membership No. : 094549
Place: London
Date: 21 May 2019

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

Sunil Agrawal
Managing Director
DIN: 00061142
Place: Jaipur
Date: 21 May 2019

Rahim Ullah
Whole Time Director
DIN: 00043791
Place: Jaipur
Date: 21 May 2019

Puru Aggarwal
Group CFO
Place: Jaipur
Date: 21 May 2019

Sushil Sharma
Company Secretary
ICSI Membership No: F6535
Place: Jaipur
Date: 21 May 2019

CONSOLIDATED STATEMENT OF PROFIT AND LOSS for the year ended 31 March 2019

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

Particulars	Note No.	Year ended 31 March 2019	Year ended 31 March 2018
Revenue from operations	20	1,81,397.68	1,57,065.82
Other income	21	1,417.19	1,046.57
Total Income		**1,82,814.87**	**1,58,112.39**
EXPENSES			
Cost of materials consumed	22	30,251.52	30,945.11
Purchases of stock-in-trade	23	35,109.36	28,353.05
Changes in inventories of finished goods, stock-in-trade and work-in-progress	24	(4,933.71)	(2,884.17)
Employee benefits expense	25	33,691.48	27,100.62
Finance costs	26	465.75	429.60
Depreciation and amortisation expense	27	2,460.74	2,545.14
Other expenses	28	66,953.99	58,708.09
Total expenses		**1,63,999.13**	**1,45,197.44**
Profit before tax		**18,815.74**	**12,914.95**
Tax expense	29		
Current tax		1,156.27	2,544.66
Tax pertaining to earlier years		102.01	(11.17)
Deferred tax		2,140.43	(865.18)
Tax expense		**3,398.71**	**1,668.31**
Profit for the year (A)		**15,417.03**	**11,246.64**
Other comprehensive income			
(i) Items that will not be reclassified to profit or loss		48.64	(32.21)
(ii) Income tax relating to items that will not be reclassified to profit or loss		(10.48)	(1.78)
		38.16	**(33.99)**
(i) Items that will be reclassified to profit or loss		502.86	(145.75)
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
		502.86	**(145.75)**
Total other Comprehensive Income for the year, net of tax (B)		**541.02**	**179.74**
Total Comprehensive Income for the year (A) + (B)		**15,958.05**	**11,066.90**
Of the Total Comprehensive Income above			
- Profit for the year attributable to owners of the parent		15,417.03	11,246.64
- Other comprehensive income attributable to owners of the parent		541.02	(179.74)
Earnings per equity share	30		
Basic		47.27	34.55
Diluted		45.84	33.60
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's Registration No.: 101248W/W-100022

Rajiv Goyal
Partner
Membership No. : 094549
Place: London
Date: 21 May 2019

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

Sunil Agrawal
Managing Director
DIN: 00061142
Place: Jaipur
Date: 21 May 2019

Rahim Ullah
Whole Time Director
DIN: 00043791
Place: Jaipur
Date: 21 May 2019

Puru Aggarwal
Group CFO
Place: Jaipur
Date: 21 May 2019

Sushil Sharma
Company Secretary
ICSI Membership No: F6535
Place: Jaipur
Date: 21 May 2019

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY for the year ended 31 March 2019

(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 2019		31 March 2018	
	No. of Shares	Amount	No. of Shares	Amount
Balance at the beginning of the year	**3,25,84,390**	**3,258.44**	**3,25,45,617**	**3,254.56**
Shares issued to employee benefit trust (refer note 14A)	1,14,846	11.48	45,236	4.52
Balance at the end of the year	**3,26,99,236**	**3,269.92**	**3,25,90,853**	**3,259.08**
Less: Treasury shares (refer note 32)	36,852	3.68	6,463	0.64
	3,26,62,384	**3,266.24**	**3,25,84,390**	**3,258.44**

B. Other Equity:

For the year ended 31 March 2019

	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 2018	4.22	32,911.72	1,526.53	4,400.00	954.76	1,296.47	11,804.28	-	(1,141.16)	51,756.82
Profit of the year	-	-	-	-	-	-	15,417.03	-	-	15,417.03
Other comprehensive income (net of tax) (refer note 29)	-	-	-	-	-	-	38.16	-	502.86	541.02
Total comprehensive income	**-**	**-**	**-**	**-**	**-**	**-**	**15,455.19**	**-**	**502.86**	**15,958.05**
Interim Dividend of ₹5/- per share (including tax on dividend of ₹335.27 lacs)	-	-	-	-	-	-	(1,966.36)	-	-	(1,966.36)
Share options exercised	(4.22)	330.54	-	-	-	-	-	-	-	326.32
Transfer from share based payment reserve on allotment	-	84.78	(84.78)	-	-	-	-	-	-	-
Share based payments to employees	-	-	432.34	-	-	-	-	-	-	432.34
Treasury Shares	-	(105.81)	-	-	-	-	-	-	-	(105.81)
Balance as at 31 March 2019	**-**	**33,221.23**	**1,874.09**	**4,400.00**	**954.76**	**1,296.47**	**25,293.11**	**-**	**(638.30)**	**66,401.36**

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	1,188.36	4,400.00	954.76	1,296.47	791.03	(199.40)	(995.41)	40,185.68
Profit of the year	-	-	-	-	-	-	11,246.64	-	-	11,246.64
Other comprehensive income (net of tax) (refer note 29)	-	-	-	-	-	-	(233.39)	199.40	(145.75)	(179.74)
Total comprehensive income	**-**	**-**	**-**	**-**	**-**	**-**	**11,013.25**	**199.40**	**(145.75)**	**11,066.90**
Share options exercised	2.73	134.09	-	-	-	-	-	-	-	136.82
Transfer from share based payment reserve on allotment	-	37.99	(37.99)	-	-	-	-	-	-	-
Share based payments to employees	-	-	376.16	-	-	-	-	-	-	376.16
Treasury Shares	-	(8.74)	-	-	-	-	-	-	-	(8.74)
Balance as at 31 March 2018	4.22	32,911.72	1,526.53	4,400.00	954.76	1,296.47	11,804.28	-	(1,141.16)	51,756.82

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's Registration No.: 101248W/W-100022

Rajiv Goyal
Partner
Membership No. : 094549
Place: London
Date: 21 May 2019

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

Sunil Agrawal
Managing Director
DIN: 00061142
Place: Jaipur
Date: 21 May 2019

Rahim Ullah
Whole Time Director
DIN: 00043791
Place: Jaipur
Date: 21 May 2019

Puru Aggarwal
Group CFO
Place: Jaipur
Date: 21 May 2019

Sushil Sharma
Company Secretary
ICSI Membership No: F6535
Place: Jaipur
Date: 21 May 2019

CONSOLIDATED CASH FLOW STATEMENT for the year ended 31 March 2019

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

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
A. Cash flow from operating activities		
Profit for the year	18,815.74	12,914.95
Adjustment for :		
Depreciation and amortisation	2,460.74	2,545.14
Unrealised foreign exchange difference (net)	55.67	(356.27)
Share based payments to employees	432.29	376.16
Gain on sale of broadcasting rights and fixed assets	(186.75)	(0.14)
Liabilities no longer required written back	(95.22)	(11.09)
Gain on sale of current investments (including change in fair value)	(227.51)	(131.54)
Allowances for / write off doubtful debts and advances	2,103.91	846.45
Interest income	(337.82)	(168.07)
Finance costs	465.75	429.60
Operating profit before working capital changes	**23,486.80**	**16,445.19**
Working capital adjustments :		
(Increase) / decrease in trade receivable	(749.96)	(3,518.13)
(Increase) / decrease in inventories	(4,454.82)	(4,796.77)
(Increase) / decrease in other assets	512.93	(902.59)
Increase / (decrease) in trade payables, provisions, other current liabilities	3,691.34	(1,525.14)
Cash generated from operating activities	**22,486.29**	**5,702.56**
Income taxes paid	2,060.91	1,617.54
Net cash generated from operating activities (A)	**20,425.38**	**4,085.02**
B. Cash flow from investing activities		
Purchase of fixed assets	(2,222.91)	(1,792.08)
Proceeds from sale of fixed assets	185.44	1.00
Movement in deposits	(220.00)	51.58
Interest received	235.19	202.12
Purchase of current investments	(58,166.15)	(17,550.11)
Proceeds from sale of current investments	57,743.77	16,951.76
Net cash used in investing activities (B)	**(2,444.68)**	**(2,135.73)**
C. Cash flow from financing activities		
Proceeds from exercise of share options	232.53	135.55
Movement in short term borrowings	(81.85)	(2,125.54)
Dividend paid	(1,631.09)	-
Corporate dividend tax	(335.27)	-
Interest Paid	(465.75)	(429.60)
Net cash used in financing activities (C)	**(2,281.43)**	**(2,419.59)**

CASH FLOW STATEMENT for the year ended 31 March 2019

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

Particulars		Year ended 31 March 2019	Year ended 31 March 2018
D. Impact of movement of exchange rates			
Exchange difference on translation foreign operations		240.35	(119.33)
Net Increase/(Decrease) in cash and cash equivalents (A+B+C+D)		**15,939.62**	**(589.63)**
Opening balance of cash and cash equivalents		6,655.91	7,245.54
Closing balance of cash and cash equivalents		**22,595.53**	**6,655.91**
Cash and cash equivalents comprises			
Balance with scheduled bank in current accounts		6,395.87	4,054.73
Term Deposits with original maturity of less than 3 months		15,118.69	2,500.00
Cash on hand		214.45	101.18
Funds-in-transit		866.52	-
		22,595.53	**6,655.91**
Significant accounting policies	3		

The accompanying notes are an integral part of the consolidated financial statements.

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.

2. Change in financial liabilities arising from financial activities

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Opening balance of short term borrowings	**6,657.82**	**7,237.33**
Opening balance of bank overdraft	-	1,034.71
Movement in short term borrowings	(81.85)	(803.20)
Movement in bank overdraft	-	(1,034.71)
Non cash changes - effect of foreign currency translation	63.59	223.69
Closing balance of short term borrowings	**6,639.56**	**6,657.82**
Closing balance of bank overdraft	**-**	**-**

As per our attached report of even date

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

Rajiv Goyal
Partner
Membership No. : 094549
Place: London
Date: 21 May 2019

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

Sunil Agrawal
Managing Director
DIN: 00061142
Place: Jaipur
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DIN: 00043791
Place: Jaipur
Date: 21 May 2019

Puru Aggarwal
Group CFO
Place: Jaipur
Date: 21 May 2019

Sushil Sharma
Company Secretary
ICSI Membership No: F6535
Place: Jaipur
Date: 21 May 2019

Notes on Consolidated Financial Statement for the year ended 31 March 2019

(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 of India Limited (NSE) and BSE Limited (BSE) in India. The consolidated financial statements comprise financial statements of Vaibhav Global Limited and its subsidiaries (hereinafter collectively referred to as "the Group") for the year ended 31 March 2019. 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 consolidated financial statements were authorised for issue by the Company's Board of Directors on 21 May 2019.

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 round 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 derivative 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 obligations

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 33 – leases: whether an arrangement contains a lease;
- Note 33 – 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 2019 is included in the following notes:

- Note 29 – 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;
- Note 34 – recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources;
- Note 41 – impairment of financial and non - financial assets

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 non-financial assets such as goodwill. Goodwill and intangible assets recognised in business combination are measured at fair value initially and subsequently when there is an indicator of impairment, the impairment is recognised. 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 32 – share-based payment; and
- Note 40 – 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.

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.

Notes on Consolidated Financial Statement for the year ended 31 March 2019

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

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 2019, which are as follows:

Name of the subsidiaries	Country of Incorporation	Percentage Holding as at 31 March 2019	Percentage Holding as at 31 March 2018
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
STS (Guangzhou) Trading Limited Company	China	100	Not applicable
Jewel Gems USA, Inc.*	USA	Not applicable	Not applicable

*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 company, i.e., year ended on 31 March.

b. Business combinations and goodwill

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 recognised 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 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 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);

Effective 01 April 2018, the Group has adopted 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 asset, expense or income when an entity has received or paid advance consideration in a foreign currency. The effect on account of adoption of this amendment was insignificant.

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 recognised in the statement of profit and loss.

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

- amortised 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 amortised 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 amortised 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 de-recognition 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).

Notes on Consolidated Financial Statement for the year ended 31 March 2019

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

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 amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised 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 de-recognition 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 amortised 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 amortised 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 de-recognition 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.

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 designates certain foreign exchange forward as hedge instruments in respect of foreign exchange risks. These hedges are accounted for as cash flow hedges.

The Group uses hedging instruments that are governed by the policies of the Company which are approved by the Board of Directors of the Company. The policies provide written principles on the use of such financial derivatives consistent with the risk management strategy of the Group.

The hedge instruments are designated and documented as hedges at the inception of the contract. The Group determines the existence of an economic relationship between the hedging instruments and hedged item based on the currency, amount and timing of their respective cash flows. The effectiveness of hedge instruments to reduce the risk associated with the exposure being hedged is assessed and measured at inception and on an ongoing basis. If the hedged future cash flows are no longer expected to occur, then the amounts that have been accumulated in other equity are immediately reclassified in net foreign exchange gains in the statement of profit and loss.

NOTES ON CONSOLIDATED FINANCIAL STATEMENT for the year ended 31 March 2019

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

The effective portion of change in the fair value of the designated hedging instrument is recognised in the other comprehensive income and accumulated under the heading cash flow hedging reserve.

The Group separates the intrinsic value and time value of an option and designates as hedging instruments only the change in intrinsic value of the option. The change in fair value of the time value and intrinsic value of an option is recognised in the statement of other comprehensive income and accounted as a separate component of equity. Such amounts are reclassified into the statement of profit and loss when the related hedged items affect profit or loss.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated or no longer qualifies for hedge accounting. Any gain or loss recognised in other comprehensive income and accumulated in equity till that time remains and is recognised in statement of profit and loss when the forecasted transaction ultimately affects the 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.

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.

v. Leased assets

Leasehold improvements are amortised 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 amortised 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.

Other intangible assets

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

Notes on Consolidated Financial Statement for the year ended 31 March 2019

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

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.

Amortisation

Goodwill is not amortised 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 de-recognition 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.

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) recognised during the period is recognised as income / expense in the statement of profit and loss. This amount is reflected in a separate line in the Profit and Loss 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

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 expense / credit in statement of profit and loss 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 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.

Remeasurement 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.

Notes on Consolidated Financial Statement for the year ended 31 March 2019

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

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 recognised 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 recognised 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 profit and loss.

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.

Effective 1 April 2018, the Company adopted Ind AS 115 "Revenue from Contracts with Customers" retrospectively to each prior reporting quarter / year presented, in accordance with Ind AS 8, Accounting Policies, Change in Accounting Estimates and Errors. Accordingly, the comparatives of previous period / year have been retrospectively adjusted. Further, the adoption has no impact on the profit of the current and comparative year. The adoption has impacted the current and previous figures as below:

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Decrease in Revenue from Operations and Other Expenses	868.96	474.65

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 amortised 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 amortised 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 amortised 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.

n. Tax Expense

Tax Expense 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.

The current income tax expense for overseas subsidiaries has been computed based on the tax laws applicable to each subsidiary in the respective jurisdiction in which it operates.

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.

Notes on Consolidated Financial Statement for the year ended 31 March 2019

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

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 recognised 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 recognised 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.

o. 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.

p. 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.

q. 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. Company issue shares to EBT for allotting them to the employees of Group. EBT is treated as an extension of the Group, and accordingly, shares held by EBT are netted off from the total share capital. Consequently, all the assets, liabilities, income and expenses of the trust are accounted for as assets, liabilities, income and expenses of the Group, except for profit / loss on issue of shares to the employees and the dividend earned by the trust which are directly taken to the Share Based Payment Reserve.

r. 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.

s. Dividend

Final dividends proposed by the Board of Directors are recognised 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 recognised on declaration by the Board of Directors.

t. Earnings per share (EPS)

Basic EPS amounts are computed by dividing the net profit attributable to the equity holders of the 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 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.

u. Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA"), through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified the following new and amendments to Ind ASs which the Company has not applied as they are effective from 01 April 2019:

Ind AS – 116 – Leases:

Ind AS 116 will replace the existing leases standard, Ind AS 17 Leases. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lessee accounting model for lessees. A lessee recognises right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. The standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

The Group will adopt Ind AS 16, effective annual reporting period beginning 01 April 2019. The Group will apply the standard to its leases, retrospectively, with the cumulative effect of initially applying the standard, recognised on the date of initial application. Accordingly, the Group will not restate comparative information, instead, the cumulative effect of initially applying this Standard will be recognised as an adjustment to the opening balance of retained earnings as on 01 April 2019. On that date, the Group will recognise a lease liability measured at the present value of the remaining lease payments. The right-of-use asset is recognised at its carrying amount as if the standard had been applied since the commencement date, but discounted using the lessee's incremental borrowing rate as at 01 April 2019. In accordance with the standard, the Group will elect not to apply the requirements of Ind AS 116 to short-term leases and leases for which the underlying asset is of low value.

On transition, the Group will be using the practical expedient provided the standard and therefore, will not reassess whether a contract, is or contains a lease, at the date of initial application.

The Group is in the process of finalising changes to systems and processes to meet the accounting and reporting requirements of the standard.

With effect from 01 April 2019, the Group will recognise new assets and liabilities for its operating leases of premises and other assets. The nature of expenses related to those leases will change from lease rent in previous periods to a) amortization change for the right-to-use asset, and b) interest accrued on lease liability.

Previously, the Group recognised operating lease expense on a straight line basis over the term of the lease, and recognised assets and liabilities only to the extent that there was a timing difference between actual lease payments and the expense recognised.

Ind AS 12 – Income taxes (amendments relating to income tax consequences of dividend and uncertainty over income tax treatments):

The amendment relating to income tax consequences of dividend clarify that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. The Group does not expect any impact from this pronouncement. It is relevant to note that the amendment does not amend situations where the entity pays a tax on dividend which is effectively a portion of dividends paid to taxation authorities on behalf of shareholders. Such amount paid or payable to taxation authorities continues to be charged to equity as part of dividend, in accordance with Ind AS 12.

The amendment to Appendix C of Ind AS 12 specifies that the amendment is to be applied to the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. It outlines the following: (1) the entity has to use judgement, to determine whether each tax treatment should be considered separately or whether some can be considered together. The decision should be based on the approach which provides better predictions of the resolution of the uncertainty (2) the entity is to assume that the taxation authority will have full knowledge of all relevant information while examining any amount (3) entity has to consider the probability of the relevant taxation authority accepting the tax treatment and the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates would depend upon the probability. The Group does not expect any significant impact of the amendment on its financial statements.

Ind AS 109 – Prepayment Features with Negative Compensation:
The amendments relate to the existing requirements in Ind AS 109 regarding termination rights in order to allow measurement at amortised cost (or, depending on the business model, at fair value through other comprehensive income) even in the case of negative compensation payments. The Group does not expect this amendment to have any impact on its financial statements.

Ind AS 19 – Plan Amendment, Curtailment or Settlement:
The amendments clarify that if a plan amendment, curtailment or settlement occurs, it is mandatory that the current service cost and the net interest for the period after the re-measurement are determined using the assumptions used for the remeasurement. In addition, amendments have been included to clarify the effect of a plan amendment, curtailment or settlement on the requirements regarding the asset ceiling. The Group does not expect this amendment to have any significant impact on its financial statements.

Ind AS 23 – Borrowing Costs:
The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings. The Group does not expect any impact from this amendment.

Ind AS 28 – Long-term Interests in Associates and Joint Ventures:
The amendments clarify that an entity applies Ind AS 109 Financial Instruments, to long-term interests in an associate or joint venture that form part of the net investment in the associate or joint venture but to which the equity method is not applied. The Group does not currently have any long-term interests in associates and joint ventures.

Ind AS 103 – Business Combinations and Ind AS 111 – Joint Arrangements:
The amendments to Ind AS 103 relating to re-measurement clarify that when an entity obtains control of a business that is a joint operation, it re-measures previously held interests in that business. The amendments to Ind AS 111 clarify that when an entity obtains joint control of a business that is a joint operation, the entity does not re-measure previously held interests in that business. The Group will apply the pronouncement if and when it obtains control / joint control of a business that is a joint operation.

Notes on Consolidated Financial Statement for the year ended 31 March 2019

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

4. Property, Plant and Equipment *

Reconciliation of carrying amount

Particulars	Leasehold land	Leasehold improvement	Building	Plant and equipment	Electric installation	Furniture and fixtures	Office equipment	Computers	Vehicles	Total
Cost or deemed cost										
Balance as at 01 April 2017	**380.60**	**1,073.26**	**1,757.24**	**2,589.16**	**566.61**	**622.11**	**291.69**	**691.26**	**38.89**	**8,010.82**
Additions	-	118.52	2.89	576.14	6.25	166.83	52.16	476.17	21.62	1,420.58
Disposals	-	-	-	(7.40)	(0.17)	(3.18)	(0.28)	(1.35)	(0.66)	(13.04)
Exchange differences on translation of foreign operations	-	45.49	-	109.21	-	28.58	1.00	149.25	2.28	335.81
Balance as at 31 March 2018	**380.60**	**1,237.27**	**1,760.13**	**3,267.11**	**572.69**	**814.34**	**344.57**	**1,315.33**	**62.13**	**9,754.17**
Additions	24.71	136.43	217.60	288.58	197.96	101.63	87.39	338.31	49.08	1,441.69
Disposals	-	-	-	(2.64)	(0.88)	-	-	-	-	(3.52)
Exchange differences on translation of foreign operations	-	128.98	-	(4.77)	99.92	73.83	18.98	120.01	1.24	438.19
Balance as at 31 March 2019	**405.31**	**1,502.68**	**1,977.73**	**3,548.28**	**869.69**	**989.80**	**450.94**	**1,773.65**	**112.45**	**11,630.53**
Accumulated depreciation										
Balance at 01 April 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
Exchange differences on translation of foreign operations	-	19.32	-	98.77	-	19.20	0.87	98.75	1.90	238.81
Balance as at 31 March 2018	**15.01**	**355.04**	**212.61**	**893.65**	**189.10**	**389.63**	**159.60**	**803.51**	**22.09**	**3,040.24**
Depreciation charge for the year	2.02	250.61	55.94	275.69	228.85	143.21	73.14	268.83	11.00	1,309.29
Exchange differences on translation of foreign operations	-	82.41	-	(4.80)	64.09	57.29	7.06	101.89	1.14	309.08
Balance as at 31 March 2019	**17.03**	**688.06**	**268.55**	**1,164.54**	**482.04**	**590.13**	**239.80**	**1,174.23**	**34.23**	**4,658.61**
Carrying amount (net)										
Balance as at 01 April 2017	**377.05**	**957.50**	**1,599.36**	**2,268.08**	**422.50**	**523.95**	**235.21**	**523.63**	**28.22**	**6,935.50**
Balance as at 31 March 2018	**365.59**	**882.23**	**1,547.52**	**2,373.46**	**383.59**	**424.71**	**184.97**	**511.82**	**40.04**	**6,713.93**
Balance as at 31 March 2019	**388.28**	**814.62**	**1,709.18**	**2,383.74**	**387.65**	**399.67**	**211.14**	**599.42**	**78.22**	**6,971.92**

* Refer note 35 for assets hypothecated as security against bank borrowings.

Notes on Consolidated Financial Statement for the year ended 31 March 2019

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

5. Goodwill and other intangible assets

Particulars	Goodwill on consolidation	Softwares	Broadcast rights	Other intangible assets
Cost or deemed cost				
Balance as at 01 April 2017	**2,868.32**	**4,878.22**	**1,535.54**	**6,413.76**
Additions	-	312.89	-	312.89
Exchange differences on translation of foreign operations	-	7.01	189.79	196.80
Balance as at 31 March 2018	**2,868.32**	**5,198.12**	**1,725.33**	**6,923.45**
Additions	-	418.70	-	418.70
Exchange differences on translation of foreign operations	-	302.78	(10.01)	292.77
Balance as at 31 March 2019	**2,868.32**	**5,919.60**	**1,715.32**	**7,634.92**
Accumulated amortisation				
Balance as at 01 April 2017	**-**	**2,774.24**	**824.36**	**3,598.60**
Amortisation charge for the year	-	725.09	93.94	819.03
Exchange differences on translation of foreign operations	-	8.81	104.32	113.13
Balance as at 31 March 2018	**-**	**3,508.14**	**1,022.62**	**4,530.76**
Amortisation charge for the year	-	1,050.72	100.74	1,151.46
Exchange differences on translation of foreign operations	-	213.93	(7.38)	206.55
Balance as at 31 March 2019	**-**	**4,772.79**	**1,115.98**	**5,888.77**
Carrying amount (net)				
Balance as at 01 April 2017	**2,868.32**	**2,103.98**	**711.18**	**2,815.16**
Balance as at 31 March 2018	**2,868.32**	**1,689.98**	**702.71**	**2,392.69**
Balance as at 31 March 2019	**2,868.32**	**1,146.81**	**599.34**	**1,746.15**

During the year, there has been no impairment loss recognised on goodwill generated on acquisition of Genoa Jewelers Limited, BVI and STS Group of Entities.

For the purpose of impairment testing, goodwill is allocated to the Group's operating divisions which represent the lowest level within the Group at which goodwill is monitored for internal management purposes.

Goodwill of ₹2,867.05 lacs has been allocated to the acquisition of STS Group of Entities and ₹1.27 lacs has been allocated to the acquisiton of Genoa Jewelers Limited, BVI. The recoverable amount of this CGU is based on fair value less costs to sell, estimated using discounted cash flows. The fair value measurement has been categorised as Level 3 fair value based on the inputs to the valuation technique used.

The values assigned to the key assumptions represent management's assessment of future trends in the relevant industries and have been assigned based on historical data both from external and internal sources.

Particulars	31 March 2019	31 March 2018
Discount rate	15.07%	15.07%
Terminal value rate	5%	5%
Budgeted EBITDA growth rate	8.00% to 10.00%	8.00% to 10.00%

- The discount rate is a post-tax measure estimated based on the historical industry average weighted-average cost of capital.

- The cash flow projections include specific estimates for five years and a terminal growth rate thereafter. The terminal growth rate has been determined based on management's estimate of the long-term compound annual EBITDA growth rate, consistent with the assumptions that a market participant would make.

- Budgeted EBITDA has been estimated taking into account past experience.

Notes on Consolidated Financial Statement for the year ended 31 March 2019

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

6. Financial Assets - Investments

		31 March 2019	31 March 2018
A	**Non-current investments**		
	Unquoted investment		
	Investment in equity instruments at FVTPL		
	1,000 (31 March 2018: 1,000) equity shares of Yen 50 each Asahi Shinkin Bank Stock	0.31	0.30
B	**Others**		
	360,000 (31 March 2018: - 360,000) equity shares of ₹10 each of VGL Softech Limited	52.07	52.07
	Less: Impairment loss recognised on unquoted investment	(52.07)	(52.07)
		-	-
	Total unquoted non current investments	**0.31**	**0.30**
C	**Current investments**		
	Unquoted investment at FVTPL		
	SBI Magnum Ultra Short Duration Fund - Direct Daily Dividend - 107,461 units (31 March 2018: Nil Units)	1,800.73	-
	Principal cash management fund - regular plan growth - [Nil Units (31 March 2018: 59,372 Units)]	-	1,000.67
	Principal low duration fund - regular plan growth - [Nil Units (31 March 2018: 5,429 units)]	-	150.18
	Total current investments at FVTPL	**1,800.73**	**1,150.85**
Note:-			
Aggregate amount of unquoted investments		1,801.03	1,151.15
Aggregate amount of impairment in value of investments		52.07	52.07

7. Other Financial Assets

Particulars	31 March 2019	31 March 2018
Non- Current		
Bank Deposits- Pledged *	295.64	75.64
Security deposits - Unsecured, considered good	638.32	746.08
	933.96	**821.72**
Current		
Interest accrued on bank deposits	113.42	10.79
	113.42	**10.79**

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

8. Other Non-Current Assets

Particulars	31 March 2019	31 March 2018
Deposits with tax authorities	915.70	470.75
Capital advances	225.08	1.95
	1,140.78	**472.70**

9. Inventories*

Particulars	31 March 2019	31 March 2018
Materials-in-process	8,814.04	10,408.78
Semi finished goods	27.54	115.41
Finished goods	30,595.88	24,528.90
Stores and consumables	175.88	105.43
	39,613.34	**35,158.52**

* Refer note 35 for current assets hypothecated as security against bank borrowings.

Notes on Consolidated Financial Statement for the year ended 31 March 2019

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

10. Financial Assets - Trade Receivables*

Particulars	31 March 2019	31 March 2018
Unsecured, considered good	11,777.61	12,901.05
Considered doubtful	764.74	869.02
	12,542.35	**13,770.07**
Less: Allowance for doubtful debts	(764.74)	(869.02)
	11,777.61	**12,901.05**

* Refer note 35 for current assets hypothecated as security against bank borrowings.

11. Financial Assets - Cash and Cash Equivalents *

Particulars	31 March 2019	31 March 2018
A Cash and Cash Equivalents		
(i) Balances with banks:		
Balances with banks - current accounts	6,395.87	4,054.73
Term deposits with original maturity of less than 3 months	15,118.69	2,500.00
	21,514.56	**6,554.73**
(ii) Cash on hand	214.45	101.18
(iii) Funds-in-transit	866.52	-
	22,595.53	**6,655.91**
B Bank balances other than above		
(i) Unpaid dividend account	1.81	0.51
(ii) Bank deposits having maturity within 12 months	-	91.19
	1.81	**91.70**

* Refer note 35 for current assets hypothecated as security against bank borrowings.

12. Financial Assets - Loans

Particulars	31 March 2019	31 March 2018
Current		
Other receivables	108.25	88.89
	108.25	**88.89**

13. Other Current Assets*

Particulars	31 March 2019	31 March 2018
Unsecured, Considered good		
Advances other than capital advances		
Advance to suppliers	574.38	1,331.44
Others		
Balances with tax authorities	805.75	893.81
Prepaid expenses	1,995.86	1,565.32
Export incentive receivable	13.73	23.68
	3,389.72	**3,814.25**

* Refer note 35 for current assets hypothecated as security against bank borrowings.

14 A. Equity Share Capital

a)

Particulars	31 March 2019	31 March 2018
Authorised shares		
41,000,000 (31 March 2018: 41,000,000) equity shares of ₹10 each	4,100.00	4,100.00
4,500,000 (31 March 2018: 4,500,000) unclassified equity shares of ₹100 each	4,500.00	4,500.00
	8,600.00	**8,600.00**
Issued, subscribed and fully paid-up shares		
32,662,384 (31 March 2018: 32,584,390) equity shares of ₹10 each fully paid-up	3,266.24	3,258.44
	3,266.24	**3,258.44**

Notes on Consolidated Financial Statement for the year ended 31 March 2019

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

14 A. Equity Share Capital (contd.)

b) Reconciliation of number of shares outstanding at the beginning and at the end of financial year:

Equity shares of ₹10 each issued, subscribed and fully paid	31 March 2019		31 March 2018	
	No. of Shares	Amount	No. of Shares	Amount
Balance at the beginning of the year	**3,25,84,390**	**3,258.44**	**3,25,45,617**	**3,254.56**
Shares issued to employee benefit trust	1,14,846	11.48	45,236	4.52
Balance at the end of the year	**3,26,99,236**	**3,269.92**	**3,25,90,853**	**3,259.08**
Less: Treasury Shares (refer note 32)	36,852	3.68	6,463	0.64
	3,26,62,384	**3,266.24**	**3,25,84,390**	**3,258.44**

c) 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 . The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

d) Employee Stock Option Scheme:

Terms attached to stock options granted to employees are described in note 32 regarding share-based payments.

e) Details of shareholding more than 5% shares in the Company:

Name of the shareholder	31 March 2019		31 March 2018	
	% of Holding	No. of Shares	% of Holding	No. of Shares
Brett Enterprises Private Limited.*	56.11%	1,83,27,764	25.58%	83,34,124
Sonymike`s Holdings Ltd.***	-	-	30.44%	99,18,640
Nalanda India Fund Limited	10.29%	33,59,713	11.60%	37,80,583
Malabar India Fund Limited	7.00%	22,86,613	-	-
Nirmal Kumar Bardiya**	3.45%	11,25,581	5.50%	17,91,628

*the ultimate holding company (also refer note 39)

**As at 31 March 2019 shareholding is less than 5%.

***Sonymike's Holdings Ltd. has ceased to be the shareholder with effect from 28 May 2018 owing to merger with Brett Enterprises Private Limited.

(e) Shares reserved for issue under options

	31 March 2019		31 March 2018	
	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 ₹541.77 per share (previous ₹474.73 per share) (refer note 32)	13,83,529	138.35	12,01,500	120.15

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

14 B. Other Equity

Particulars	31 March 2019	31 March 2018
a) Share application money pending allotment:		
Opening balance	4.22	1.49
Exercise of share based options	(4.22)	2.73
Closing balance	**-**	**4.22**
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	32,911.72	32,748.38
Security premium received on share issue	330.54	134.09
Transfer from share based payment reserve on allotment	84.78	37.99
Treasury Shares (refer note 32)	(105.81)	(8.74)
Closing balance	**33,221.23**	**32,911.72**

Notes on Consolidated Financial Statement for the year ended 31 March 2019

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

14 B. Other Equity (contd.)

Particulars	31 March 2019	31 March 2018
Share based payment reserve:		
Opening balance	1,526.53	1,188.36
Expenses for the year	432.34	376.16
Transfer to securities premium reserve on allotment	(84.78)	(37.99)
Closing balance	**1,874.09**	**1,526.53**
General reserve:		
Opening balance	1,296.47	1,296.47
Transferred from retained earnings	-	-
Closing balance	**1,296.47**	**1,296.47**
Retained earnings:		
Opening balance	11,804.28	791.03
Net profit for the year	15,417.03	11,246.64
Other comprehensive income for the year	38.16	(233.39)
Interim dividend for the year ended 31 March 2019	(1,631.09)	-
Dividend distribution tax	(335.27)	-
Closing balance	**25,293.11**	**11,804.28**
c) Items of Other Comprehensive Income (net of tax)		
FVTOCI reserve		
Opening balance	-	(199.40)
Movement during the year	-	199.40
Closing balance	-	-
Foreign Currency Translation Reserve		
Opening balance	**(1,141.16)**	**(995.41)**
Movement during the year	**502.86**	**(145.75)**
Closing balance	**(638.30)**	**(1,141.16)**
Total (a+b+c)	**66,401.36**	**51,756.82**

14 C. 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 the Companies Act, 2013, capital redemption reserve is created when the 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.

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 32 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.

Dividends

The following dividends were declared and paid by the Company during the year:

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
₹5 per equity share (31 March 2018: ₹Nil)	1,631.09	-
Dividend distribution tax (DDT) on interim dividend to equity shareholders	335.27	-
	1,966.36	**-**

After the reporting dates following dividend (excluding dividend distribution tax) is proposed by the directors subject to the approval at annual general meeting. The dividends have not been recognised as liabilties. Dividends would attract dividend distribution tax when declared or paid.

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
₹5 per equity share (31 March 2018: ₹Nil)*	1,634.96	-

* calculated on the basis number of shares outstanding as on 31 March 2019 i.e. 32,699,236 shares.

Notes on Consolidated Financial Statement for the year ended 31 March 2019

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

15. Provisions

Particulars	Non-Current		Current	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018
Provision for employee benefits (refer note 31)				
Provision for gratuity	139.75	177.58	135.73	110.27
Provision for compensated absences	109.95	105.86	24.20	18.20
Other provision				
Provision for expected sales returns	-	-	2,000.54	1,362.56
Provision for lease equalisation	134.37	91.19	40.87	121.60
	384.07	**374.63**	**2,201.34**	**1,612.63**

Particulars	Provision for lease equalisation	
	31 March 2019	31 March 2018
Opening balance at the beginning of the year	212.80	265.99
Provision made during the year	-	-
Provision utilised during the year	(37.55)	(53.19)
Closing balance at the end of the year	**175.25**	**212.80**

16. Borrowings

Particulars	31 March 2019	31 March 2018
Loan repayable on demand (from bank)		
Pre-shipment credit (secured) ^	6,505.12	4,864.56
Post-shipment credit (secured) ^	134.44	1,793.26
Net current borrowings	**6,639.56**	**6,657.82**

Notes

Information about group exposure to interest rate foreign currency and liquidity risk is given in note 41.

^ **Nature of security:-**

(i) Secured by charge on all the current assets viz inventory, bill receivable, book debts and all other current 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 12,576,633 equity shares of US $ 1 of Genoa Jewelers Ltd .

(vi) Personal Guarantee of Mr. Sunil Agrawal, Managing Director of the Company. (Refer note 39)

17. Trade Payables

Particulars	31 March 2019	31 March 2018
Trade payables-Others	12,302.92	10,266.13
	12,302.92	**10,266.13**

18. Other Financial Liabilities

Particulars	31 March 2019	31 March 2018
Employee benefit payables	283.70	209.13
Unclaimed dividend	1.81	0.51
Other payables	1.24	-
	286.75	**209.64**

19. Other Current Liabilities

Particulars	31 March 2019	31 March 2018
Statutory dues payable	2,288.47	715.54
Advance from customers	290.03	697.17
Other liabilities	-	186.50
	2,578.50	**1,599.21**

Notes on Consolidated Financial Statement for the year ended 31 March 2019

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

20. Revenue from Operations

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Sale of products	1,80,564.07	1,55,775.52
Other operating revenues	239.17	131.08
Foreign exchange gain (net)	594.44	1,159.22
	1,81,397.68	**1,57,065.82**

21. Other Income

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Interest	337.82	168.07
Dividend received	0.01	0.01
Liabilities no longer required written back	95.22	11.09
Gain on sale of current investments (including change in fair value)	227.51	131.54
Gain on sale of broadcasting rights and fixed assets	186.75	0.14
Miscellaneous income	569.88	735.72
	1,417.19	**1,046.57**

22. Cost of Material Consumed

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Material in process at the beginning of the year	10,408.78	9,109.68
Add: Purchases during the year	28,656.78	32,244.21
	39,065.56	41,353.89
Less: Material in process at the end of the year	(8,814.04)	(10,408.78)
Cost of material consumed during the year	**30,251.52**	**30,945.11**

23. Purchases of Stock-in-Trade

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Purchases of Stock-in-trade	35,109.36	28,353.05
	35,109.36	**28,353.05**

24. Changes in Inventories of Finished Goods, Stock in Trade and Work in Progress

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Inventory at the beginning of the year		
Semi finished goods	115.41	110.05
Finished goods*	24,528.90	20,968.89
Inventory at the end of the year		
Semi finished goods	27.54	115.41
Finished goods*	30,595.88	24,528.90
Loss on translation of stock at average rate	1,045.40	681.20
	(4,933.71)	**(2,884.17)**

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

25. Employee Benefits Expense

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Salaries and wages	28,038.06	22,842.45
Contribution to provident and other funds	2,315.83	1,817.95
Share based payments to employees	432.29	376.16
Staff welfare expenses	2,905.30	2,064.06
	33,691.48	**27,100.62**

Notes on Consolidated Financial Statement for the year ended 31 March 2019

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

26. Finance Costs

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Interest on debts and borrowings	144.94	234.77
Other borrowing costs	320.81	194.83
	465.75	**429.60**

27. Depreciation and Amortisation Expense

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Depreciation of property, plant and equipment	1,309.29	1,726.11
Amortisation of intangible assets	1,151.45	819.03
	2,460.74	**2,545.14**

28. Other Expenses

Particulars	31 March 2019	31 March 2018
a) Manufacturing and Direct Expenses		
Job work charges	4,994.16	4,393.78
Stores and consumables	555.91	472.72
Power and fuel	459.56	454.00
Repairs and maintenance - machinery	97.57	63.83
Other manufacturing and direct expenses	1,561.12	1,642.39
	7,668.32	**7,026.72**
b) Administrative and Selling Expenses		
Rent	1,612.14	1,059.91
Rates and taxes	399.49	513.04
Insurance	438.53	471.54
Travelling and conveyance	1,492.64	1,391.50
Legal and professional fees (refer 28A)	944.29	1,358.03
Repairs and maintenance - building and others	328.03	298.50
Advertising and sales promotion	2,432.53	1,525.80
Packing and forwarding	2,502.64	1,900.54
Postage and telephone	469.26	441.64
Printing and stationery	141.73	124.41
Security expenses	511.44	465.24
Director's remuneration	97.23	69.17
Director's sitting fees	25.65	25.80
CSR and donations (refer note 28B)	446.35	309.61
Bad debts/ advances written off	1,999.63	174.71
Allowances for doubtful debts and advances	104.28	671.74
Content and broadcasting	22,705.35	22,799.79
Call handling and collection charges	8,007.19	6,443.76
Packing and distribution charges	12,370.57	9,305.44
Information technology expenses	1,275.35	1,445.38
Miscellaneous expenses	981.35	885.82
	59,285.67	**51,681.37**
	66,953.99	**58,708.09**

28A. Payment to Auditors

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Statutory audit	50.21	33.75
Limited review	36.00	36.00
Other services	7.00	16.72
Reimbursement of expenses	21.50	18.50
	114.71	**104.97**

28B. CSR and Donation

As required by the Companies Act, 2013, the gross amount required to be spent by the Company on CSR activities is ₹61.97 lacs (31 March 2018, ₹64.26 lacs) and the amount spent by the Company during the year is ₹125.32 lacs (31 March 2018, ₹143.81 lacs). Further, ₹321.03 lacs (31 March 2018, ₹165.80 lacs) has been spent by group subsidiaries on charities and donations.

NOTES ON CONSOLIDATED FINANCIAL STATEMENT for the year ended 31 March 2019

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

29. Tax Expense

(a) Tax expense charged to statement of profit and loss

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Current tax	1,156.27	2,544.66
Tax pertaining to earlier years	102.01	(11.17)
	1,258.28	**2,533.49**
Deferred tax		
Attributable to:		
Original and reversal of temporary differences	2,140.43	(865.18)
	2,140.43	**(865.18)**
	3,398.71	**1,668.31**

(b) Income tax charged to other comprehensive income

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Remeasurement of the net defined benefit liability	**(10.48)**	**(1.78)**

(c) Reconciliation of effective tax rate

Name of the shareholder	Year ended 31 March 2019		Year ended 31 March 2018	
	%	Amount	%	Amount
Profit before tax		18,815.74		12,914.95
Tax expense as per statutory income tax rate	34.94%	6,574.97	34.61%	4,469.61
Differences in tax rates in foreign jurisdictions	-14.11%	(2,654.36)	-14.46%	1,867.04
Net tax impact on deduction/ disallowances/ taxable income as per Income Tax Act 1961	0.02%	3.15	0.01%	1.81
Net of timing difference reversed within tax exemption period and prior period deferred taxation	0.07%	13.35	0.39%	50.05
Less: Exempted tax as per provisions for section 10AA of income tax exemption	-3.40%	(640.41)	-5.76%	(744.46)
Reduction in tax rate	-	-	9.20%	1,187.68
Income tax adjustment related to earlier year	0.54%	102.01	-0.09%	(11.17)
Recognition of deferred tax asset on previous year tax losses	-	-	-10.98%	(1,418.17)
Income tax reported in statement of profit and loss and effective tax rate	**18.06%**	**3,398.71**	**12.92%**	**1,668.31**

The Company has benefited from certain tax incentives that the Government of India has provided for the units situated in Special Economic Zones (SEZs) under the Special Economic Zone Act, 2005, which began providing services on or after April 1, 2005. The eligible units are eligible for a deduction of 100% of profits or gains derived from the export of services for the first five years from commencement of provision of services and 50% of such profits and gains for a further five years. Certain tax benefits are also available for a further five years subject to the unit meeting defined conditions. The aforesaid tax benefits will not be available to Units commencing operations on or after April 1, 2020.

The Company is subject to Minimum Alternate Tax (MAT) on its book profits, which gives rise to future economic benefits in the form of adjustment of future income tax liability. MAT paid for a year can be set-off against the normal tax liability within fifteen subsequent years, expiring between the years 2023 to 2033.

(d) MAT Credit Entitlement

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Opening balance	303.77	-
Add: MAT credit entitlement for current year	25.84	303.77
Closing Balance	**329.61**	**303.77**

(e) Recognised Deferred Tax Assets and Liabilities

Deferred tax assets and liabilities are attributable to the following:

Particulars	31 March 2019	31 March 2018
Property, plant and equipment	(226.86)	(16.71)
Provision for employee benefits	158.74	124.03
Other items	751.10	314.02
MAT credit entitlement	329.61	303.76
Tax losses carried forward	36.75	2,416.12
	1,049.34	**3,141.22**

Notes on Consolidated Financial Statement for the year ended 31 March 2019

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

29. Tax Expense (contd.)

(f) Movement in Temporary Differences

	Property, plant and equipment	Provision-employee benefits	Other items	MAT credit entitlement and tax losses carried forward	Total
Balance as at 01 April 2017	(309.76)	170.07	436.32	2,001.63	2,298.26
Recognised in profit and loss during the year	293.05	(46.04)	(120.52)	414.49	540.98
Recognised in OCI during the year	-	-	(1.78)	-	(1.78)
MAT credit entitlement during the year	-	-	-	303.76	303.76
Balance as at 31 March 2018	**(16.71)**	**124.03**	**314.02**	**2,719.88**	**3,141.22**
Recognised in profit and loss during the year	(210.15)	34.71	449.38	(2,379.36)	(2,105.42)
Recognised in OCI during the year	-	-	(12.30)	-	(12.30)
MAT credit entitlement during the year	-	-	-	25.84	25.84
Balance as at 31 March 2019	**(226.86)**	**158.74**	**751.10**	**366.36**	**1,049.34**

(g) Tax losses carried forward

UK entity has unused carried forward tax losses of ₹Nil (31 March 2018: ₹4,164.47 lacs) avaliable to reduce future current income taxes.

USA entities has unused carried forward tax losses of ₹Nil (31 March 2018: ₹8,436.02 lacs) avaliable to reduce future current income taxes.

30. Earning Per Share

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
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 for the year, attributable to equity holders	15,417.03	11,246.64
(ii) Weighted average number of equity shares for basic EPS		
Opening balance*	3,25,84,390	3,25,34,814
Effect of share options excercised	31,680	19,077
Weighted average number of equity shares*	3,26,16,070	3,25,53,891
(iii) **Basic earning per share**	**47.27**	**34.55**
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 for the year, attributable to equity holders	15,417.03	11,246.64
(ii) Weighted average number of Equity shares for diluted EPS		
Opening balance*	3,25,84,390	3,25,34,814
Effect of share options excercised	31,680	19,077
Dilution of equity	10,15,893	9,19,224
Weighted average number of equity shares (diluted) for the year*	3,36,31,963	3,34,73,115
(iii) **Diluted earning per share**	**45.84**	**33.60**

*Excludes treasury shares (refer Note 32)

31. Employee benefit obligation

(A) Defined Contribution Plan

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Employer's contribution to Employee's Provident Fund	179.00	146.13
Employer's contribution to Employee's State Insurance	70.18	64.43
Employer's contribution to National Pension Scheme	16.32	14.46
	265.50	**225.02**

The Group has contributed ₹798.19 lacs (31 March 2018: ₹522.42 lacs) towards defined contribution plans of subsidiaries companies.

NOTES ON CONSOLIDATED FINANCIAL STATEMENT for the year ended 31 March 2019

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

31. Employee benefit obligation (contd.)

(B) Defined benefit plan

(i) 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 recognised in the statement of profit and loss:

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Current service cost	129.45	115.50
Interest cost on benefit obligation	22.90	21.71
Net benefit expenses	**152.35**	**137.21**

(b) Position of the Assets and Obligation

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Fair Value of plan assets	472.77	357.87
Present value of the obligations	(702.96)	(645.72)
Assets / (Liability) recognised in balance sheet	**(230.19)**	**(287.85)**

(c) 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 2019		
	Defined benefit obligation	Fair value of plan assets	Benefit Liability / (Assets)
Opening balance	645.72	357.87	287.85
Gratuity cost charged to profit or loss			
Service cost	129.45	-	129.45
Net interest expense	49.03	26.12	22.90
Benefits paid	(77.12)	(55.84)	(21.28)
Remeasurement gains/(losses) in other comprehensive income			
Return on plan assets (excluding amounts included in net interest expense)	-	4.52	(4.52)
Actuarial changes arising from changes in demographic assumptions	(22.31)	-	(22.31)
Actuarial changes arising from changes in financial assumptions	(7.29)	-	(7.29)
Experience adjustments	(14.52)	-	(14.52)
Contributions by employer	-	140.10	(140.10)
	702.96	**472.77**	**230.19**

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 on Consolidated Financial Statement for the year ended 31 March 2019

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

31. Employee benefit obligation (contd.)

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

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Funds managed by insurer	**100%**	**100%**

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

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Discount rate	7.50%	7.30%
Future salary increases	10.00%	10.00%
Retirement age (years)	58.00	58.00
Mortality rates inclusive of provision for disability (2006 - 08)	100% of IALM	100% of IALM
Employee turnover Withdrawal Rate (%)		
All ages	16.43%	12.42%

The estimates of future salary increases, considered in the actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

(f) Sensitivity Analysis

A quantitative sensitivity analysis for significant assumptions are shown below:

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Impact on defined benefit obligation		
Discount rate		
Increase by 1%	37.98	41.78
Decrease by 1%	34.30	47.38
Future salary		
Increase by 1%	35.22	44.50
Decrease by 1%	32.78	40.63

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 and 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 recognised in the balance sheet.

(g) Defined benefit liability and employer contributions :

Expected contributions to defined benefit obligation for the year ending 31 March 2020 are ₹109.68 lacs. The expected maturity analysis of defined benefit plan is as follows:

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Year		
- Within the next 12 months (next annual reporting period)	109.68	79.16
- Above 1 to 5 years	293.24	209.76
- More than 5 years	300.04	356.80
Total expected payments	**702.96**	**645.72**

The average duration of the defined benefit plan obligation at the end of the reporting period is 8 years (31 March 2018: 11 years).

ii) Leave obligations

The amount of the provision of ₹134.15 lacs (31 March 2018 – ₹124.06 lacs) is presented as current and non current. The Company has provided for the liability on the basis of actuarial valuation.

Notes on Consolidated Financial Statement for the year ended 31 March 2019

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

32. Share-based Payments

a) VGL ESOP (As Amended) - 2006

Under the Vaibhav Global Limited, Employee Stock Options Plan (As amended) - 2006 (herein referred as 'ESOP Plan'), the Nomination and Remuneration Committee decides upon the employees who qualify under the ESOP Plan and the number 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 ESOP Plan. 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) Vaibhav Global Limited Restricted Stock Unit Plan – 2019

During the current financial year, the shareholders has approved the Vaibhav Global Limited Restricted Stock Unit Plan – 2019 (herein referred as 'RSU Plan') through postal ballot resolution dated 30 March 2019. According to RSU Plan, the Nomination and Remuneration Committee decides upon the employees who qualify under the Plan and the number of Restricted Stock Unit (RSU) to be issued to such employees. The exercise price of the RSU shall be the face value of the equity shares as on date of exercise unless otherwise determined by the Board / Committee. The exercise price shall not be less than the face value of equity share of the Company. Out of RSU granted, 20% RSU 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 RSU Plan. The fair value of the RSU will be estimated at the grant date using a Black-Scholes pricing model, taking into account the terms and conditions upon which the RSU 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 RSU will be 3 months from the date of respective vesting. RSU under the scheme are yet to be issued.

c) Reconciliation of outstanding share options:-

The following table illustrates the number and weighted average exercise prices (WAEP) of, and movements in, options under the ESOP Plan during the year:

	31 March 2019		31 March 2018	
	Number	WAEP	Number	WAEP
Outstanding at beginning of the year	12,01,500	474.73	9,97,181	442.17
Granted during the year	4,04,600	711.54	3,40,649	546.14
Forfeited during the year	(1,44,577)	590.77	(86,754)	496.79
Exercised during the year *	(77,994)	298.14	(49,576)	271.96
Outstanding at the end of the year	**13,83,529**	**541.77**	**12,01,500**	**474.73**
Exercisable at 31 March	5,59,110	541.59	4,68,867	563.82

* The weighted average share price at the date of exercise of these options was ₹692.22 (previous year: ₹638.58)

The weighted average remaining contractual life for the share options outstanding as at 31 March 2019 was 7.56 years (31 March 2018: 7.99 years)

The weighted average fair value of options granted during the year was ₹280.76 (31 March 2018: ₹294.62).

The range of exercise prices for options outstanding at the end of the year was ₹45.30 to ₹752.60 (31 March 2018: ₹45.30 to ₹737.20)

The following tables list the inputs to the models used for the three series for the years ended 31 March 2019 and 31 March 2018, respectively:

	31 March 2019			31 March 2018		
	U	V	W	R	S	T
Stock price of option as on Grant Date (₹)	711.85	682.25	685.35	544.15	633.55	737.20
Exercise price of option (₹)	711.85	682.25	685.35	544.15	633.55	737.20
Risk free rate	7.74% to 7.94%	7.78% to 7.98%	7.71% to 7.91%	6.46% to 6.50%	6.82% to 6.91%	6.82% to 6.91%
Volatility	42.22% to 43.79%	42.78% to 43.79%	42.18% to 43.68%	44.39% to 49.28%	44.42% to 49.10%	44.39% to 48.41%

d) The expense recognised for employee services received during the year is shown in the following table:

Particulars	31 March 2019	31 March 2018
Expense arising from equity-settled share-based payment transactions	**432.29**	**376.16**

There were no cancellations or modifications to the awards in 31 March 2019 and 31 March 2018.

Notes on Consolidated Financial Statement for the year ended 31 March 2019

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

32. Share-based Payments (contd.)

e) **A summary of movement of treasury shares is as follows:**

	Number of Shares	Amount
Opening balance as on 01 April 2017	10,803	1.08
Add: Shares allocated by the Company	45,236	4.52
Less: Shares excercised by employee	(49,576)	(4.96)
Closing balance as on 31 March 2018	**6,463**	**0.64**
Add: Shares allocated by the Company	1,08,383	10.84
Less: Shares excercised by employee	(77,994)	(7.80)
Closing balance as on 31 March 2019	**36,852**	**3.68**

33. 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 ₹1,593.82 lacs (31 March 2018: ₹1,059.91 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	Year ended 31 March 2019	Year ended 31 March 2018
Not later than one year	1,336.51	903.07
Later than one year and not later than five year	2,987.90	2,136.36
Later than five year	-	-
	4,324.41	**3,039.43**

34. Contingent liabilities and Commitments

a) **Contingent liabilities:**

Particulars	31 March 2019	31 March 2018
(a) Show cause/ demand notices received from government authorities		
(i) Demand / show cause notice received under Income Tax Act	197.39	266.81
(b) Guarantees provided by the Company		
(i) Guarantee given by the bank on behalf of the company	536.69	535.00

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.

b) **Commitments:**

Particulars	31 March 2019	31 March 2018
Estimated amount of contracts remaining to be executed on capital account and not provided for	43.95	-

35. Assets hypothecated as security

Particulars	31 March 2019	31 March 2018
Current assets	37,745.52	30,207.32
Non-current assets		
Property, plant and equipment	3,985.20	3,984.85
Investment in subsidiaries		
- 200 common shares with no par value of STS Jewels Inc.	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
- 12,576,633 equity shares of US $ 1 each of Genoa Jewelers Ltd.	6,135.39	6,135.39
Other financial assets - bank deposits	295.64	75.64
Total non-current assets hypothecated as security	**19,971.55**	**19,751.20**
Total assets hypothecated as security	**57,717.07**	**49,958.52**

NOTES ON CONSOLIDATED FINANCIAL STATEMENT for the year ended 31 March 2019

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

36. 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.

Segment revenue from customers by geographic area based on location of the customer is as follows:

Geography	Year ended 31 March 2019	Year ended 31 March 2018
United States of America (USA)	1,28,685.02	1,10,833.46
United Kingdom (UK)	47,045.77	35,456.85
India	2,407.18	3,895.97
Others	2,665.27	5,720.32
Total	**1,80,803.24**	**1,55,906.60**

37. Capital management

The Group's policy is to maintain a strong capital base so as to maintain investor, creditor and the market confidence and to sustain future development of the business. Management monitors the return on capital, as well as the level of dividends to equity shareholders.

The board of directors of the holding Company seeks to maintain a balance between the higher returns that might be possible with the higher level of borrowings and the advantages and security afforded by a sound capital position. The Group monitors capital using a ratio of 'adjusted net debt' to 'adjusted equity'. For this purpose, adjusted net debt is defined as total liabilities, comprising interest-bearing short term borrowing less cash and cash equivalents. Adjusted equity comprises of all components of equity. The Group's adjusted net debt to equity ratio as at 31 March 2019 is as follows:

Particulars	31 March 2019	31 March 2018
Total liabilities	24,582.98	21,267.58
Cash and cash equivalents (refer note 11A)	(22,595.53)	(6,655.91)
Bank balances other than above (refer note 11B and note 7)	(297.45)	(167.34)
Net debt	**1,690.00**	**14,444.33**
Equity share capital (refer note 14A)	3,266.24	3,258.44
Other equity (refer note 14B)	66,401.36	51,756.82
Total equity	**69,667.60**	**55,015.25**
Net debt to equity ratio	**2.43%**	**26.26%**

38. The disclosures regarding details of specified bank notes held and transacted during 8 November 2016 to 30 December 2016 has not been made in these financial statements since the requirement does not pertain to financial year ended 31 March 2019.

39. Related party transactions

A. List of related parties :

Ultimate Holding Company

Brett Enterprises Private Limited (formerly known as Brett Plastics Private Limited) w.e.f. 29 May 2018.

Key Management Personnel (KMP) :

1. Mr. Sunil Agrawal - Managing Director (chairman till 31 January 2019)
2. Mr. Rahim Ullah - Whole Time Director
3. Mr. Puru Aggarwal - Group Chief Financial Officer
4. Mr. Sushil Sharma - Company Secretary

Non-Executive and Non-Independent Directors

1. Mr. Nirmal Kumar Bardiya
2. Mrs. Sheela Agarwal
3. Mr. Pulak Chandan Prasad

Non-Executive & Independent Directors

1. Mr. Harsh Bahadur (appointed as chairman w.e.f. 01 February 2019)
2. Mr. Purushottam Agarwal
3. Mr. James Patrick Clarke
4. Mr. Sunil Goyal
5. Mr. Santiago Roces

Notes on Consolidated Financial Statement for the year ended 31 March 2019

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

39. Related party transactions (contd.)

Relatives of Key Management Personnel

1. Mrs. Deepti Agarwal
2. Smt. Sheela Agarwal
3. Mr. Hursh Agarwal
4. Master Neil Agarwal
5. Mr. Sanjeev Agarwal
6. Mrs. Renu Raniwala
7. Mr. Rizwanullah
8. Mrs. Minakshi Aggarwal
9. Miss Maple Aggarwal

Others (Significant Influence)

1. VGL Softech Limited
2. Brett Enterprises Private Limited (till 28 May 2018)
3. Sony Mikes Holdings Limited *

* Merged into Brett Enterprises Private Limited w.e.f. 29 May 2018.

B. Details of material related party transactions and balances:

Particulars	Ultimate Holding Company	Subsidiaries / Step down subsidiaries					Total
	Brett Enterprises Private Limited	Mr. Sunil Agrawal	Mr. Rahim Ullah	Mr. Puru Aggarwal	Mr. Sushil Sharma	Other Directors	
Transaction during the year ending :							
Remuneration *							
- 31 March 2019	-	260.08	42.00	122.45	16.45	82.84	523.82
- 31 March 2018	-	215.12	42.00	106.46	9.04	58.84	431.46
Remuneration paid to relatives of key managerial persons							
- 31 March 2019	-	-	92.51	-	-	-	92.51
- 31 March 2018	-	3.22	85.75	-	-	-	88.97
Share based payment to key managerial persons#							
- 31 March 2019	-	-	-	33.20	2.63	-	35.83
- 31 March 2018	-	-	-	23.66	0.79	-	24.45
Dividend paid							
- 31 March 2019	912.64	1.41	20.64	0.52	-	90.70	1,025.91
- 31 March 2018	-	-	-	-	-	-	-
Dividend paid to relatives of key managerial persons							
- 31 March 2019	-	27.30	0.06	0.46	0.02	-	27.83
- 31 March 2018	-	-	-	-	-	-	-
Directors commission/sitting fees							
- 31 March 2019	-	-	-	-	-	25.65	25.65
- 31 March 2018	-	-	-	-	-	25.80	25.80

* The above remuneration excludes provision for gratuity and leave benefits as separate actuarial valuation is not available.
# Amount of share based payment is calculated as per Ind AS 102. (Refer note 3(i) (ii))

C. Balances at the end of the year

Particular	VGL Softech Limited	Key Managerial Persons and their relatives
Balances as the end of the year		
Investment in VGL Softech Limited		
- 31 March 2019	52.07	-
- 31 March 2018	52.07	-
Less: Impairment loss recognised		
- 31 March 2019	(52.07)	-
- 31 March 2018	(52.07)	-
Key Managerial Persons and their relatives		
- 31 March 2019	-	22.66
- 31 March 2018	-	18.20

NOTES ON CONSOLIDATED FINANCIAL STATEMENT for the year ended 31 March 2019

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

40. 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 at 31 March 2019	Note No.	FVTPL	FVTOCI	Amortised Cost	Total Carrying Value
Financial assets					
Cash and cash equivalents	11A	-	-	22,595.53	22,595.53
Bank balance other than above	11B	-	-	1.81	1.81
Loans- current	12	-	-	108.25	108.25
Trade receivables	10	-	-	11,777.61	11,777.61
Investments	6A and 6B	1,801.03	-	-	1,801.03
Other non current financial asset	7	-	-	933.96	933.96
Other current financial asset	7	-	-	113.42	113.42
		1,801.03	**-**	**35,530.58**	**37,331.58**
Financial liabilities					
Borrowings	16	-	-	6,639.56	6,639.56
Trade payables	17	-	-	12,302.92	12,302.92
Other financials liabilities	18	-	-	286.75	286.75
		-	**-**	**19,229.23**	**19,229.23**

As at 31 March 2018	Note No.	FVTPL	FVTOCI	Amortised Cost	Total Carrying Value
Financial assets					
Cash and cash equivalents	11A	-	-	6,655.91	6,655.91
Bank balance other than above	11B	-	-	91.70	91.70
Loans- current	12	-	-	88.89	88.89
Trade receivables	10	-	-	12,901.05	12,901.05
Investments	6A and 6B	1,151.15	-	-	1,151.15
Other non current financial asset	7	-	-	821.72	821.72
Other current financial asset	7	-	-	10.79	10.79
		1,151.15	**-**	**20,570.06**	**21,721.21**
Financial liabilities					
Borrowings	16	-	-	6,657.82	6,657.82
Trade payables	17	-	-	10,266.13	10,266.13
Other financials liabilities	18	-	-	209.64	209.64
		-	**-**	**17,133.59**	**17,133.59**

(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.

(iii) Financial assets and liabilities measured at fair value- recurring fair value measurements

Financial Instruments	As at 31 March 2019		
	Lavel 1	Lavel 2	Lavel 3
Financial assets			
Investments (Unquoted)	-	1,800.73	0.31
Total	**-**	**1,800.73**	**0.31**

Notes on Consolidated Financial Statement for the year ended 31 March 2019

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

40. Fair Value measurements (contd.)

Financial Instruments	As at 31 March 2018		
	Lavel 1	Lavel 2	Lavel 3
Financial assets			
Investments (Unquoted)	-	1,150.85	0.30
Total	**-**	**1,150.85**	**0.30**

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.

41. 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, 10, 11, 12, 16, 17 and 18.

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;
- Improve compliance with good corporate governance guidelines and practices as well as laws and regulations; and
- 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. 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.

NOTES ON CONSOLIDATED FINANCIAL STATEMENT for the year ended 31 March 2019

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

41. Financial risk management objective and policies (contd.)

The Company operates on cost plus model that enables it to pass the commodity price fluctuation, if any, to the end consumers, since our average price point (ASP) is the lowest among comparables.

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.

(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.

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.

Financial liabilities	As at 31 March 2019			
	<1 year	1-3 Years	>3 Year	Total
Current Borrowings	6,639.56	-	-	6,639.56
Trade and other payables	12,302.92	-	-	12,302.92
Other financials liabilities	286.75	-	-	286.75
Total	**19,229.23**	**-**	**-**	**19,229.23**

Financial liabilities	As at 31 March 2018			
	<1 year	1-3 Years	>3 Year	Total
Current Borrowings	6,657.82	-	-	6,657.82
Trade and other payables	10,266.13	-	-	10,266.13
Other financials liabilities	209.64	-	-	209.64
Total	**17,133.59**	**-**	**-**	**17,133.59**

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 2019	31 March 2018
INR to USD	1,837.97	1,196.44
HKD to USD	1,040.25	962.47
GBP to USD	-	17.13
Others	0.27	0.33

Particulars	Financial Liabilities	
	31 March 2019	31 March 2018
INR to USD	5,335.07	6,930.36
HKD to USD	671.43	690.61
Others	132.71	36.64

Notes on Consolidated Financial Statement for the year ended 31 March 2019

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

41. Financial risk management objective and policies (contd.)

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 2019 and 2018 by ₹552.86 lacs and ₹344.89 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:

Particulars	31 March 2019	31 March 2018
Floating rate financial liabilities	6,639.56	6,657.82

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 rates	Year ended 31 March 2019	Year ended 31 March 2018
0.50%	33.20	33.29
1.00%	66.40	66.58
1.50%	99.59	99.87

(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 10 for exposure to trade receivables 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 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 2019 is ₹14,095.98 lacs; 31 March 2018 is ₹14,227.52 lacs.

Derivative financial instruments

The Company is exposed to foreign currency fluctuations on foreign currency assets / liabilities and forecast cash flows denominated in foreign currency. The use of derivatives to hedge United States of Dollar forecasted cash flows is governed by the Company's strategy, which provides principles on the use of such forward contracts consistent with the Company's Risk Management Policy. The counterparty in these derivative instruments is a bank and the Company considers the risks of non-performance by the counterparty as insignificant. The Company has entered into a series of foreign exchange forward contracts that are designated as cash flow hedges. The Company does not use forward covers and currency options for speculative purposes.

During the current year, the Company has incurred losses on account of cash flow hedging derivatives amounting to ₹1,467.13 lacs. The above loss has been reclassified into net sales on occurrence of hedged transactions. All the foreign exchange forward contracts designated as cash flow hedges along with related forecasted transactions are matured within the current financial year.

Notes on Consolidated Financial Statement for the year ended 31 March 2019

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

41. Financial risk management objective and policies (contd.)

The fair value of the derivative instruments presented on a net basis as at each date indicated below is as follows:

Particulars	31 March 2019		31 March 2018	
	Assets	Liabilities	Assets	Liabilities
Derivatives designated as hedging instruments				
Foreign exchange contracts in an assets / liability position	-	-	-	-
Derivatives not designated as hedging instruments				
Foreign exchange contracts in an assets / liability position	-	-	-	58.28
Net assets/ liability	**-**	**-**	**-**	**58.28**

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.

42. 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	52.07%	56,399.45	22.97%	3,296.71	100.00%	38.16
Subsidiaries						
1. STS Jewels Inc., USA	2.16%	2,336.89	2.49%	357.71	-	-
2. STS Gems Thai Limited, Thailand	0.72%	781.97	1.40%	200.40	-	-
3. STS Gems Limited, Hong Kong	4.45%	4,818.20	3.53%	506.89	-	-
4. STS Gems Japan Limited, Japan	0.00%	(5.40)	0.00%	(0.48)	-	-
5. Genoa Jewellers Limited, BVI	19.18%	20,772.30	1.08%	155.49	-	-
Step down subsidiaries						
6. Pt. STS Bali	0.49%	528.79	1.65%	237.06	-	-
7. The Jewellery Channel Limited, UK	5.92%	6,408.29	23.46%	3,367.57	-	-
8. Shop LC Global Inc., USA	15.00%	16,244.34	44.19%	6,343.48	-	-
9. STS (Guangzhou) Trading Limited Company	0.03%	30.75	-0.77%	(110.89)	-	-
Sub total	100.00%	1,08,315.58	100.00%	14,353.94	100.00%	38.16
Less: Adjustments		(38,647.98)		1,063.09		502.86
Net of adjustments		**69,667.60**		**15,417.03**		**541.02**

As per our attached report of even date

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

Rajiv Goyal
Partner
Membership No. : 094549
Place: London
Date: 21 May 2019

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

Sunil Agrawal
Managing Director
DIN: 00061142
Place: Jaipur
Date: 21 May 2019

Rahim Ullah
Whole Time Director
DIN: 00043791
Place: Jaipur
Date: 21 May 2019

Puru Aggarwal
Group CFO
Place: Jaipur
Date: 21 May 2019

Sushil Sharma
Company Secretary
ICSI Membership No: F6535
Place: Jaipur
Date: 21 May 2019

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]

30th Annual General Meeting – 30th July, 2019

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 30th Annual General Meeting of the Company, to be held on Tuesday, 30th July, 2019 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. Nirmal Kumar Barida as a Director, liable to retire by rotation		
3.	Declaration of dividend		
	Special Business		
4.	Adoption of new set of Articles of Association of the Company		
5.	Alteration of the Object Clause & Liability Clause of the Memorandum of Association of the Company		

Signed this............................day of...2019.

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
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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 30th Annual General Meeting of the Company on Tuesday, the 30th July, 2019 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

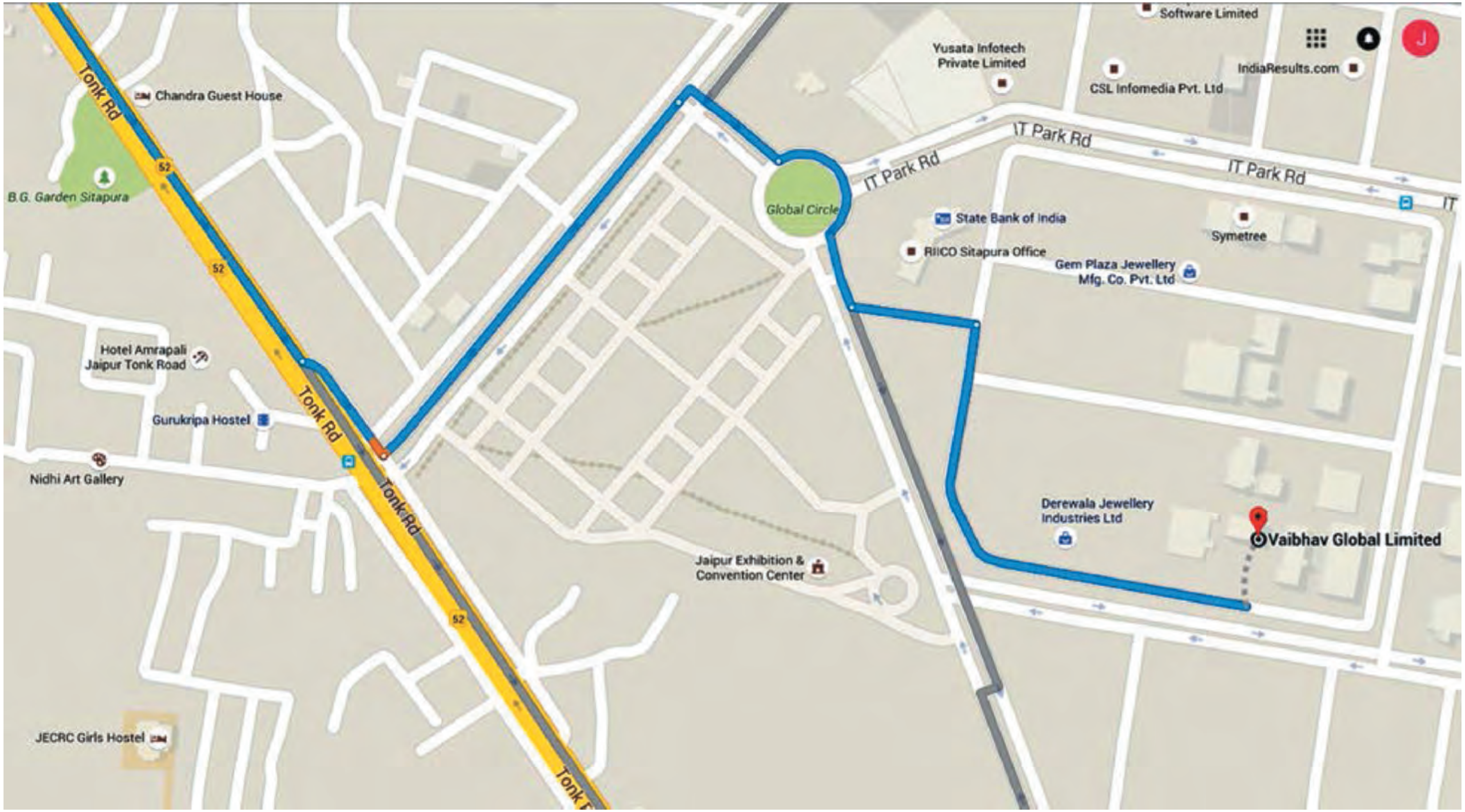
....

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



PRIDE-ENHANCING ACHIEVEMENTS

At Vaibhav Global, the result of our relentless efforts in the pursuit of all-round business excellence is evident in the awards and accolades we have been bestowed with.

We are extremely proud to have been awarded a certificate of appreciation by the Museum of Gem and Jewellery Federation, Japiur, in our focus on preserving the legacy of the gems and jewellery trade.

The Gem and Jewellery Export Promotion Council (GJEPC) honoured us with a prestigious certificate of merit for being ranked first in the silver jewellery category. Such awards only serve as an encouragement to bolstering and redefining our craftsmanship capabilities.

At Vaibhav, the GPTW certification validates our top-notch human resource practices that certifies our company as a great place to work, thereby enabling us to retain and attract high-quality talent.

VAIBHAV GLOBAL LIMITED
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