Vaibhav Global Limited
32nd ANNUAL REPORT 2020-21

DELIVERING JOY

LEARNING. INNOVATION. OUTSTANDING EXECUTION.

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Forward Looking Statement

This document contains statements about expected future events and financial and operating results of Vaibhav Global Limited, which are forward-looking. By their nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is significant risk that the assumptions, predictions and other forward-looking statements will not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as a number of factors could cause assumptions, actual future results and events to differ materially from those expressed in the forward-looking statements. Accordingly, this document is subject to the disclaimer and qualified in its entirety by the assumptions, qualifications and risk factors referred to in the management's discussion and analysis of the Vaibhav Global Limited Annual Report FY21.

Learning, Innovation and Outstanding Execution

What remains unchanged in a year that everything changed?

Fundamentals. In life as in business, a strong sense of basics, a clear idea, an agile approach, and the ability to execute ensure lasting and sustainable success. These factors act as enablers for the Company to withstand occasional hurdles.

At Vaibhav Global Limited or VGL, we believe this to be our mantra. We never take success for granted and instead keep working towards a higher purpose. We are constantly reinventing our execution model to add newer ways of reaching our customers and broadening our reach. Lastly, we focus on keeping our execution agile and swift, to make sure that we have the required suppleness to navigate challenges, modify offerings, and be available to offer customers what they want.

In a nutshell, what we have believed in all these years, got validated in FY21. Arguably one of the toughest years in global business, especially for discretionary spends, it saw us report our best numbers ever, increasing our retail revenues by 31% and free cash flows by over 50%.

How did we make this happen?

Simply by believing in the power of our business. In a world where social distancing was becoming a norm, technology was the enabler that brought people closer. In this light, we leveraged the power of technology to reach more people, be it via our proprietary television, web, and mobile platforms, or our presence on marketplaces and social media.

We followed this up by combining our 15 years of experience in e-tailing with the expertise of our team. This enabled us to expand to newer geographies, leverage innovation to make our product mix more exciting, and has made our platform more accessible, adaptable and affordable.

We doubled down on our belief in technology by enhancing our investments. We created a more supple supply chain, and strengthened our digital ecosystem to include newer avenues such as influencer marketing to make our products reach our target audience. Going forward, this will be crucial in expanding our customer base and will create a more immersive experience in distance shopping, a trend likely to strengthen in the immediate future.

Through it all, we remain committed to creating lasting value for our stakeholders, and commit to working with the passion of a start-up, with an aim to make quality products available to people around the world.

CORPORATE IDENTITY

Vaibhav Global Limited at a Glance

Established in 1980, Vaibhav Global Limited (VGL) is a vertically integrated electronic retailer of fashion jewellery, home, beauty, lifestyle, and essential products, offering a deep-discount proposition to customers in the US and the UK, and with prudent plans to expand to other geographies.

Our operating model is built on a stable and optimised cost structure and consistently improving revenues. This provides us with a strong operating leverage and enables competitive moat, robust margins, and high free cash flows.

Through our two proprietary TV sales platforms – Shop LC in the US and Shop TJC in the UK, we reach nearly 104 million households. These channels together account for nearly 2/3rds of our revenue. Our web platforms, led by our website, contribute the rest. Our presence in online marketplaces and social commerce platforms further expand our reach.

Vision

Be the Value Leader in Electronic Retailing of Jewellery and Lifestyle Products

Mission

To deliver one million meals per day to children in need by 'FY31' through our one for one meal program : Your Purchase Feeds

Core Values

Team Work | Passion | Honesty | Positive Attitude | Commitment

FY21 Highlights

Financial

₹2,540 cr
Revenue
28% y-o-y growth

₹272 cr
Profit After Tax
43% y-o-y growth

₹388 cr
EBITDA
40% y-o-y growth

₹268 cr
Free cash flow
52% y-o-y growth

Operational

38%
y-o-y growth in unique customers crossing the half million milestone

27
Average pieces purchased per customer (30 pieces in FY20)

#65
Rank in Fortune India's Next 500

Set up shop in Germany through Shop LC GmbH, Germany, in March 2021#.

Environment

1,100
Trees planted in FY21

3.23 mw
Solar power capacity
0.45 mw commissioned in May 2021

LEED Platinum certification by USGBC
At our SEZ Unit, Jaipur

Social

51 mn
Meals provided since the inception of the one for one programme, rebranded as Your Purchase Feeds

Governance

50%
Independent Directors on Board

~98%
Board meeting attendance across Directors

Best Governed Company
Award at ICSI National Awards for Excellence in Corporate Governance

#Expected to be operational by Q2 FY22

GROWING FOOTPRINT

Global Reach and Operations

Consumer requirements are seldom static creating the need for us to astutely cater to evolving consumer needs in advanced retail markets such as the US and the UK. Our inventory is constantly upgrading, and our teams are proactively identifying the best products and raw materials leveraging our global sourcing network spread across 30+ countries. The true hallmark of an agile organisation is its ability to be ahead of customer requirements, and at VGL, we work hard to sense and cater to emerging customer demands in advance.

Global Sourcing Providing a Competitive Edge

Countries we source from:

1. India
2. China
3. Thailand
4. Indonesia
5. Tanzania
6. Russia
7. Morocco
8. Myanmar
9. Madagascar
10. Bolivia
11. Kenya
12. South Korea
13. Vietnam
14. Brazil
15. Sri Lanka
16. USA
17. UK
18. Mozambique
19. Germany
20. Italy
21. Turkey
22. Poland
23. Singapore
24. UAE
25. Japan
26. Bangladesh
27. Philippines
28. Czech Republic
29. Nepal
30. Taiwan
31. Australia
32. Bhutan

Retail Markets in Which We Operate

Primary markets

USA (Shop LC)

UK (Shop TJC)

Expansion Plans

- Foray into Germany (Shop LC – GmbH) with the formation of the Company in March 2021. Operations are expected to commence in Q2 FY22.

Markets Where We Majorly Operate Through Marketplaces

Canada

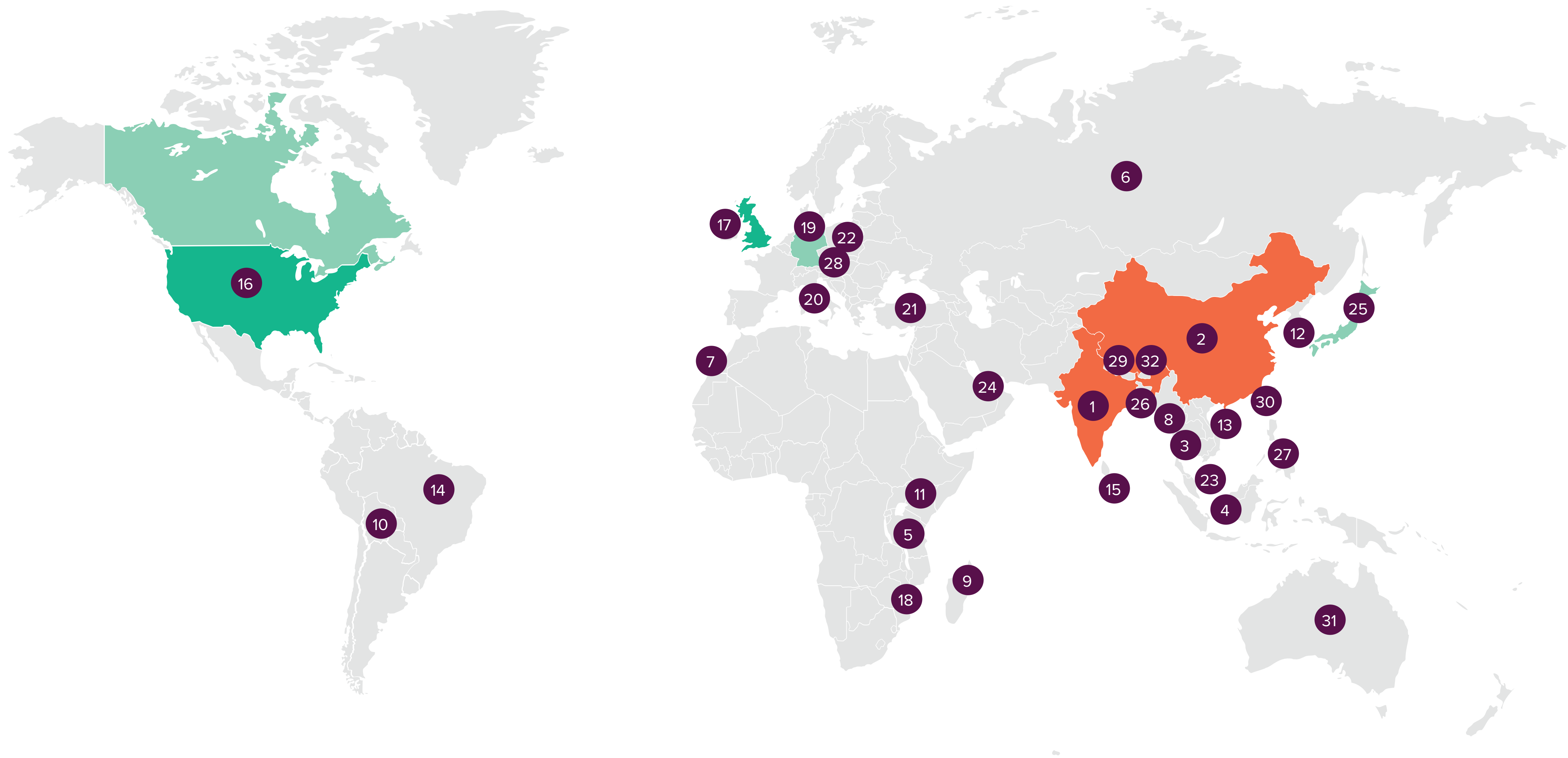
Japan

Germany

State-of-the-art Sustainable Manufacturing Units

India

China



PLATFORMS

Robust Omni-channel Presence

It is evident that consumer attention is constantly shifting. Thus, as a successful e-tailer we are investing in an omni-channel presence to further strengthen our proprietary television, web, and mobile platforms. We are leveraging third-party platforms and social media to create a superior recall value and offer our customers the convenience to shop what they want, where they want and when they want it, irrespective of the chosen medium.

TV

Proprietary TV

US
- Shop LC

UK
- TJC
- 'TJC Beauty'

Live TV

US
- Shop LC livestream on shoplc.com
- YouTube
- Facebook
- Amazon Live

UK
- TJC livestream on tjc.co.uk
- YouTube
- Facebook

Proprietary web platform

US
- shoplc.com

UK
- tjc.co.uk

Mobile app on App store and Google Play

US
- Shop LC

UK
- TJC

OTT platforms

US
- Amazon Fire TV
- Android TV
- Apple TV
- Samsung Smart TV
- LG smart TV
- Roku TV
- Xumo
- Vizio
- Facebook Live
- YouTube Live

UK
- Roku TV
- Facebook Live
- YouTube Live
- Apple TV

Marketplaces

US
- Amazon (FBA)
- Google Marketplace
- eBay
- Walmart
- Overstock
- Zulily
- Wish

UK
- Amazon (FBA)
- eBay
- Fruugo
- Etsy
- Wayfair

Social retail of targated product

US
- Instagram
- Facebook
- Pinterest
- YouTube
- Snapchat

UK
- Instagram
- Facebook

Digital experience platform in the US

- Pimcore

Web

Targeted behavioural marketing

US
- IBM Unica
- Medallia

UK
- IBM Unica

UGC and influencer marketing platform

US
- Pixlee
- TVPage
- Mavrck

UK
- Pixlee

VALUE PROPOSITION

There's Something in it for Everyone

At VGL, we are relentlessly working towards the mission of achieving organisational sustainability by honoring stakeholders' interests and aspirations.

From curated and affordable fashion and lifestyle choices for our customers, to a global and challenging career opportunity for our employees, we are looking to be a platform that elevates and uplifts. Our impactful social responsibility programmes for communities, the access we provide to our suppliers and sourcing partners, the returns we generate for our investors, or the contribution we make to the national exchequer are all leading to progress and prosperity, aligned to our vision.

Customers

- Offering a diverse portfolio of low cost, high quality products that delight our customers and bring them joy. Affordability of products ensures availability to all segments of society.
- Creating engaging content that ensures customer loyalty
- Omni-channel presence across proprietary TV, web platforms, marketplaces, social media, and OTT platforms
- Provision of Budget Pay (monthly instalments)
- No-hassle returns
- Community forum to drive customer engagement
- Loyalty programmes
- NPS score improved meaningfully in the US and remained stable in the UK on a y-o-y basis
  - Shop LC - 70 in FY21 as compared to 59 in FY20
  - Shop TJC - 65 in FY21 as compared to 68 in FY20

Employees

- A culture of diversity and inclusiveness extended to families
- Provision of a stable livelihood and employee savings plan, health insurance and education support
- Certified as a Great Place To Work in key operating entities within the group
- Exceptional horizontal and vertical mobility within the Company
- Pride of ownership through ESOPs
- Upgradation of skills through minimum 30 hours training

Note - NPS is a score used as a proxy for gauging the customer's overall satisfaction with a company's product or service and the customer's loyalty to the brand.

Vendors

- Access to prime markets such as the US and UK
- Opportunity to be a part of a global supply network
- On-time payments

Community and Environment

- Your Purchase Feeds programme feeds the underprivileged with every sale made on the retail channels, resulting in 51 million meals provided till date
- Enhancing livelihoods of communities through skill training in traditional crafts
- Investments in renewable energy, sewage treatment, recycling biodegradable/ plastic/e-waste, and ozonator water treatment

Shareholders and investors

- Healthy balance sheet
- High profitability
- Opportunity for investing in a unique and resilient business that is growing despite challenges
- Well-defined dividend policy, that balances retention and payout. Higher pay outs may be offered under special circumstances.

Government

- Responded with compliance to all Government rules and regulations regarding COVID-19 to mitigate the impact of the pandemic
- Supporting the economy through payment of taxes, generation of employment, and community welfare

CHAIRMAN'S STATEMENT

Continuous Learning and Relentless Execution

Dear Shareholders,

The last year has been one of the most trying times in living memory. Humanity has, however, found ways to ride out the storm, albeit at a high cost in suffering. As the vaccine rollout gathers pace globally, we hope that the pandemic will be controlled quickly. Businesses also had to adjust their practices, adopt new technologies and find new opportunities in situations that became the 'new normal.' Consumers, forced to stay home, sought and adopted new shopping experiences and methods.

VGL, with its vertically integrated business model, and its steadfast focus on the evolving needs of its customers, was able to navigate the disruptions caused by the pandemic better than most. The last year was a true test of our strength and spirit, and I think we can say with some confidence that we have emerged more resilient, wiser and more future ready.

Customer Focus

With the adjustments and enhancements that we made to our business model, we were able to deliver a very robust 31% increase in retail revenues to ₹2,515 crores. While the increased consumer propensity to shop electronically did provide some tailwinds, it was the ability of our teams to modify our product mix, improve our storytelling, and make our customer interface more compelling that led to such sterling growth. In FY21, we introduced new product lines that included a range of 'essentials', personalised jewelry, and an entirely new channel for beauty products. We also introduced a new mobile application with a simplified user interface and that enabled a 'two-click' shopping experience. The engaging content, both on television and live streamed on digital channels enhanced customer connect, and our new loyalty programme went a long way to ensure customer stickiness. Our Budget Pay offerings, continued to allow customers to buy their favourite products on instalments. What is most heartening is that our teams were able to achieve this growth while maintaining strong operating margins.

It was the spirit of our people and their willingness to rise to any challenge that was thrown their way, that was central to the great performance of the company in this most unpredictable year.

Employee Focus

It was the spirit of our people and their willingness to rise to any challenge that was thrown their way, that was central to the great performance of the company in this most unpredictable year. While keeping the safety and wellbeing of employees as paramount, our teams delivered quarter after quarter of growth. This allowed increments in minimum wage rates, and enhanced payments of overtime, bonuses and profit sharing. Such efforts, and the increased trust of our employees in VGL's vision and capabilities, enabled us to earn the 'Great Place to Work' certification in India, Greater China, the UK, and the US.

Social Responsibility

Our community engagement continued to make a positive impact on the lives of those around us. We rebranded our 'One for One' programme as 'Your Purchase Feeds', and I am happy to report that VGL has provided 51 million meals since its inception. During the peak of the pandemic, VGL distributed 2.64 lacs masks in the US, UK, India and China, and also provided 34 lacs meals to people in need through Akshaya Patra in Jaipur. During the year, we also onboarded new NGO partners to enhance the reach of our social initiatives.

2.64 lacs

Masks distributed across USA, the UK, India and China

34 lacs

Meals distributed to people in need through Akshaya Patra in Jaipur

Environmental Stewardship Matters

At VGL, we are cognisant of the need to conserve and preserve the natural environment. We strive to reduce our environmental footprint throughout our value chain. We became the only SEZ unit in Rajasthan with LEED Platinum V4 certification. The 'Austin Green Business' award in the US and numerous other awards corroborate our commitment to sustainability. Our efforts towards a sustainable business extend to energy, water, waste and biodiversity through the strategy to Reduce, Recycle, Reuse and Reclaim.

Good Governance in Letter and Spirit

Good governance is the foundation on which we have built our growth-oriented business model. Our framework of corporate governance is robust and is periodically refined with the Board's supervision and guidance. VGL was adjudged the Best Governed Company by The Institute of Company Secretaries of India (ICSI) at their National Awards for Excellence in Corporate Governance. The validation of our governance standards has been our consistent performance over the years. You will be happy to know that our Fortune India Next 500 ranking has gone several notches higher from 132 in FY20 to 65 in FY21. We humbly accept these recognitions as a testimony of growing stakeholder confidence in our capabilities.

In Gratitude

As I conclude, I would like to thank my fellow Board members, whose insightful guidance has helped steer VGL from strength to strength, in a dynamic backdrop. I also express my gratitude towards all shareholders, stakeholders, and customers whose continued confidence drives us forward. As we continue to deliver on our strategy and build a consumer-centric business, I look forward to your continued patronage.

Best Regards,

Harsh Bahadur
Chairman

MANAGING DIRECTOR'S Q&A

Our Strategy Stands the Test of Time

Being a vertically integrated electronic fashion retailer, VGL has a retail presence in two of the largest consumer markets (US and UK) and strong sourcing network in over 30 countries. During FY21, the Company continued on its growth path, even amidst the challenging environment. Our Managing Director, Mr. Sunil Agrawal, shares his perspective on the business strategies and takes us through the results of the year.

Q. FY21 was a year like no other, but also saw VGL achieve new heights. Can you please provide us your perspective on the year and your key takeaways?

A. To put it in a nutshell, FY21 was a grand stress test for the world, but I am confident that the key learnings from the crisis will pave the way for smarter, sustainable, and more resilient business models. The new normal has made global consumers more aware about value-based buying, which has opened a big window of opportunity for us. Our omni-channel presence and continued emphasis on value-focused shopping have helped us strengthen our position in our core markets.

During the year, we expanded our product lines, added new capabilities, and expanded our presence in the German market (expected to be operational by Q2 FY22) to reach out to more customers.

We contracted with new television channel partners, tapped into influencer network and user-generated content to enhance our reach. Our teams also demonstrated agility to serve customer needs. We also integrated an ERP solution throughout the entire business and invested significantly in strengthening our technology and supply-chain. These factors resulted in stellar top-line performance. I believe that our inherent strengths of continuous learning, agility and innovation were core enablers driving our business forward.

Q. How have the individual markets fared during the year? What were the new initiatives in each market during the year?

A. During the peak of the pandemic, both our prime markets encouraged the sale of essentials, as well as operation of online businesses, while ensuring social distancing and other safety measures. While there were supply chain disruptions, our multi-country, vertically integrated sourcing model enabled us to offer the right products at the right time.

This translated into growth in the US top-line by 22% to US$ 234.9 million, while the UK revenues surged by 32% to £ 80.2 million.

This year, we also introduced new product offerings, generated engaging content for customers, and enhanced broadcasts via upgraded HD channels. We ensured customer delight with timely deliveries and planned our holiday season well in advance, extending order cut-off times for Thanksgiving and Christmas deliveries.

In the US, we expanded our outreach and strengthened our presence on OTT platforms, especially on Roku and YouTube. Additionally, we integrated and upgraded the latest technologies for our mobile app to enhance customer experience to the next level. In the UK, we introduced a new channel 'TJC Beauty', with dedicated product focus, expert opinions and showcasing the latest beauty trends. The TJC loyalty programme, 'TJC Plus', offers free and express deliveries, extended warranties, and exclusive deals, for a fixed membership fee.

We continue to engage our people and motivate them to perform to the best of their abilities. At VGL, we are inspired by the idea of Humanocracy (propounded by Gary Hamel and Michele Zanini), and are implementing some of these principles across the organisation. This will be just as exciting as it will be challenging.

Q. Does VGL's 4R strategy, devised several years back, still hold good? How are you integrating this strategy to strengthen your market position?

A. Reach, Registrations, Retention, and Repeat purchases – the 4R strategy is deeply embedded in our operating model. This ensures that our teams are aligned to the Company's objectives and have a clear understanding of the strategy, which, in turn, ensures better synergies among team members across all locations and divisions.

Reach: Expanded our reach with linear TV and OTA programming, in addition to web browsers, mobile apps, social media, marketplaces, and OTT. This led to strong revenue growth. We were able to expand our outreach to 104 million TV households.

Registrations: Diversified our product portfolio with continuous expansion of categories such as essential items and personalised jewellery. Additionally, our deep value proposition and engrossing content further drove new customer registrations count to 3.4 lacs on a trailing twelve-month basis compared to 1.78 lacs in prior year. The total number of unique customers we catered during the year increased to 5.01 lacs from 3.62 lacs in the previous year.

₹272 crores

Net profit generated during FY21 with y-o-y growth of 43%

Retention: We value our relationships with our customers and ensure greater convenience for them through several service offerings such as easy returns, Budget Pay, and Personal Shopper. During FY21, we were able to retain 51.5% of prior year customers compared to 50% the year before.

Repeat purchases: Attracted customers and reported strong repeat purchases through cross-selling. We sold an average of 27 pieces per customer compared to 30 pieces per customer the prior year.

Q. What are your focus areas for the coming year? Do you have any message for the stakeholders?

A. We have been consistently raising the bar with industry-leading performance, generating sustainable value for all our stakeholders. During FY21, we generated a net profit of ₹272 crores, a growth of 43% over FY20. We distributed quarterly dividend for our shareholders. We have delivered a 5-year retail revenue CAGR of 16.9%, EBITDA registered a 5-year CAGR of 38.9%, and margins grew by 820 bps from 7.1% in FY17 to 15.3% in FY21. Our profits grew at a 5-year CAGR of 46.7% on the back of strong revenue growth and a margin-accretive business. We operate a capex-light business and enjoy significant operating leverage, providing us consistency in margins.

In FY22, our focus will be to operationalise our newly set up German business, in addition to strengthening our market share in existing markets. Our German business will launch in Q2 FY22 with a capex of ~US$2 million.

We are strengthening our backward integration capabilities in non-jewellery products, with setting up of a new textile manufacturing facility. We are excited and confident of reaping benefits from this venture, some of which are margin improvement, quick time to market and greater control on product development and quality.

Technological upgradation with higher automation, use of data analytics, artificial intelligence, and robotics are areas we are investing in to ensure customer satisfaction, smoother business processes and seamless supply chain operations.

With our inherent strengths and broad strategies in place, we are confident that FY22 will prove to be another milestone year. We are guided by our belief in a holistic approach towards long-term business sustainability with equal emphasis on social responsibility, environmental consciousness, employee well-being, regulatory compliance, and transparent functioning.

Best regards,

Sunil Agrawal
Managing Director

YEAR IN REVIEW BY THE CFO

Making The Most of Opportunities

FY21 was a year that reaffirmed our commitment to growth and overall financial performance, and testified that at VGL, we operate a fundamentally strong and financially stable business.

During the year, we further emphasised our focus on cost rationalisation and resource optimisation. For example, we stepped up manufacturing operations and sourcing from low-cost countries such as India, Thailand, China, and Indonesia. Such interventions helped us maintain buoyant margins and deliver continued returns to our investors and shareholders. It also allowed us to remain resilient and enhanced our ability to meet customer expectations.

With our asset-light operating model, low average selling price and value positioning that works across economic cycles, we were able to grow our consolidated revenue and enhance our operating profit. Low debt paired with operating leverage allowed us to attain a return on net worth of 32% in FY21 as opposed to 26% in FY20, while return on capital employed has grown to 61% in FY21 from 46% in FY20.

Meanwhile, EBITDA margins improved 140 basis points from 13.9% in FY20 to 15.3% in FY21. Retail revenue has grown to ₹2,515 crores, expanding by 31.1% in FY21. Both television and website have shown significant growth in both the retail geographies of US and UK, adding to the company's revenue. Our TV revenue rose by 24.9% y-o-y, and web-based revenue has grown at an exponential pace at 43.6% y-o-y. I would also like to highlight that our Budget Pay sales feature, which provided immense value to our customers during the pandemic, contributed close to 36% in retail revenue during the year.

Staying Ahead of the Curve

Technology continues to be a core enabler of our operating model, giving us significant cost and competitive advantages. We are deploying Industry 4.0 technologies such as AI and data analytics to understand customer behaviour and their changing needs. To integrate supply chain operations, finance, and backend database, we have rolled out an ERP system across the organisation. In addition to this, we commissioned solar power projects, implemented studio, warehouse enhancements, and upgraded our mobile app and websites.

In FY21, we delivered strong dividends, returning 30% of consolidated free cash flow to the shareholders (including proposed final dividend).

On the manufacturing side, we are scaling up our capabilities. In this regard, we incorporated Vaibhav Vistar Limited and Vaibhav Lifestyle Limited which will be engaged in the manufacture and export of jewellery and lifestyle products, and textile and apparel products, respectively. This will support our deep value proposition to customers and provide us significant room to learn and innovate.

Portfolio Optimisation

Over the last few years, we have focused on both category expansion and digital adoption as key pillars of our growth. Product diversification has reduced our dependence on fashion jewellery, mitigating concentration risk. This, in turn, has also resulted in a more diversified and loyal customer base. The non-jewellery segment comprising fashion accessories, lifestyle products, beauty products, essential products, and apparel has grown to constitute 31% of our total retail revenues in FY21, with overall gross margins remaining within our target range of ~60%.

Regarding our B2B segment, while it provides perspective on industry trends and serves as a way of liquidating inventory, we have strategically reduced our B2B business to focus on the high margins B2C business. It now constitutes ~1% of total revenues. Going ahead, this business will continue to be non-core in nature, contributing a relatively insignificant portion to our overall revenues.

Cost Initiatives

Our fixed costs have been largely stable and inherent characteristic of operating leverage remained intact. During the year, even on the back of higher COVID related costs, we continuously optimised our cost structure. While several initiatives were rolled out to rationalise all costs, we did not hold back from investing in areas that we believe will pay off in the long-run. One area where we invested consciously is shipping cost which increased on three counts:

1) Conscious decision to incur cost towards faster shipping in line with industry trends and customer expectations
2) External environment resulting in higher freight costs
3) Increasing proportion of non-jewellery products

31%
Growth (y-o-y) in total retail revenue

40%
Growth (y-o-y) in EBITDA

Television and website have shown significant growth in both the retail geographies of US and UK, adding to the company's revenue. Our TV revenue rose by 24.9% y-o-y. Meanwhile, web-based revenue has grown at an exponential pace at 43.6% y-o-y.

A key initiative that we undertook during the year was the setting up of a call centre in India to support retail operations in the US and the UK. Given the meaningful cost arbitrage and encouraging response that we received, we plan to scale-up our call centre operations in the country going forward.

Ensuring Stakeholder Confidence

Operating leverage also leads to higher profits which results in higher operating cash flows. Operating cash flow for FY21 which amounted to ₹324 crores, and free cash flow of ₹268 crores, are both substantially higher than the previous year. In FY21, we delivered strong dividends, in line with our dividend policy, balancing retained earnings and shareholder rewards. This reaffirms our commitment toward every investor in the Company. By recording a robust performance, we have proven our resilience and continue to create superior stakeholder value. A five-year trend of our key performance metrics is provided in the following pages.

As we leap forward, we will continue to build our efficiencies, invest prudently, and accelerate our growth and profitability. I am confident of your continued support in achieving these objectives.

Best regards,

Vineet Ganeriwala
Group CFO

Our Performance

REVENUE

FY20 ₹1,986 cr

FY21 ₹2,540 cr

TV REVENUES
FY20: ₹1,285 cr

FY21: ₹1,606 cr

WEB REVENUES
FY20: ₹633 cr

FY21: ₹909 cr

B2B REVENUES
FY20: ₹69 cr

FY21: ₹25 cr

B2C VOLUMES

TV VOLUMES
FY20: ('000): 6,070

FY21: ('000): 7,837

WEB VOLUMES
FY20: ('000): 4,113

FY21: ('000): 5,409

B2C AVERAGE SELLING PRICE (ASP)

TV (ASP US$)
FY20: 29.9

FY21: 27.7

WEB (ASP US$)
FY20: 21.7

FY21: 22.7

Revenue – Shop LC (US) (US$ mn)

FY17	140.7
FY18	156.1
FY19	170.6
FY20	192.2
FY21	234.9

Revenue – Shop LC (UK) (GBP mn)

FY17	34.7
FY18	41.5
FY19	51.4
FY20	60.9
FY21	80.2

Gross profit (₹ cr)

FY17	865
FY18	936
FY19	1,133
FY20	1,224
FY21	1,583

Gross profit margin (%)

FY17	60.1
FY18	59.6
FY19	62.5
FY20	61.6
FY21	62.3

EBITDA (₹ cr)

FY17	102
FY18	159
FY19	217
FY20	276
FY21	388

EBITDA margin (%)

FY17	7.1
FY18	10.1
FY19	12.0
FY20	13.9
FY21	15.3

PAT (₹ cr)

FY17	65
FY18	113
FY19	154
FY20	190
FY21	272

PAT margin (%)

FY17	4.5
FY18	7.2
FY19	8.5
FY20	9.6
FY21	10.7

Basic Earnings Per Share (₹)

FY17	19.85
FY18	34.55
FY19	47.27
FY20	58.65
FY21	83.86

Return on Equity (%)

FY17	16
FY18	23
FY19	25
FY20	26
FY21	32

Return on Capital Employed (%)

FY17	18
FY18	27
FY19	37
FY20	46
FY21	61

Operating Cash Flows (₹ cr)

FY17	70
FY18	38
FY19	203
FY20	211
FY21	324

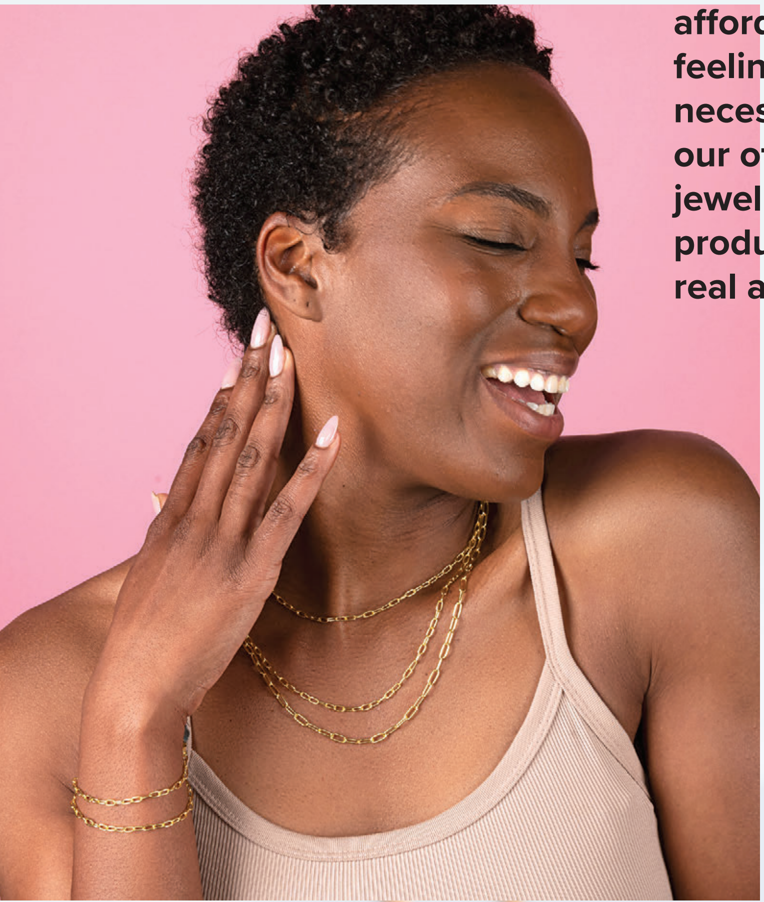
Free Cash Flows (₹ cr)

FY17	52
FY18	20
FY19	181
FY20	176
FY21	268

MARKET REVIEW

Catapulting from a Strong Base

VGL's key competitive advantage is affordability. We believe that looking good, feeling good and living well need not necessarily come at a hefty price. That's why our offerings such as high-quality fashion jewellery, home, lifestyle, fashion, and beauty products are all available at prices that are real and reasonable.



We are now extending this model of affordability beyond our core markets of the US and the UK, leveraging our experience, expertise and learnings, and applying our execution discipline to grow the business.

US Market

The United States is our largest market, delivering the highest revenue share. We operate through Shop LC in the US market. During FY21, consumer behaviour underwent a paradigm shift, as a result of the pandemic. Amid social distancing and stay-at-home orders, customers embraced digital in an even bigger way, to meet their shopping needs.

As a player with a strong virtual and online presence, we were a natural beneficiary of this shift. We capitalised on the emerging opportunity by being nimble, fleet footed and agile, moving swiftly to source newer products, and adapting to altered consumer behaviour.

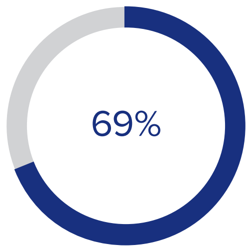
Financial Performance

US$234.9 mn

Revenue

22.2% y-o-y

US contribution to consolidated B2C revenue



Key Highlights for FY21

Increasing Digital Adoption

Customer engagement across our proprietary channels through live TV, community discussion, and a focus on review and gaining feedback, proved to be extremely beneficial for us. Digital initiatives taken during the year, including wallet integration, the use of AI and data analytics that provided us greater insights into customer behaviour, and the use of platforms like Medallia, helped us enhance customer experience. Partnerships with MAVRCK, TVPage and Pixlee strengthened our influencer and ambassador programme. An upgraded mobile application was launched, which was integrated with Shop LC website for a seamless online shopping experience.

Shop LC introduced Split Screen broadcasting where two hosts could present simultaneously on Live TV. We also initiated uninterrupted live broadcasts during the lockdowns, while ensuring personnel safety.

Deepening our penetration on OTT platforms has led to significant y-o-y growth which included new launches of the Roku app and live stream on Twitch.

The integration of Aston to support automated event and product promotion and proposed Cloudinary integration will enhance sales activity. From an operational standpoint, ERP and other process improvements were implemented to enhance efficiency.

Ensuring Customer Delight

The year recorded an improvement in our delivery lead time. Live auctions and competitive pricing added to the appeal. In FY21, 'Personal Shoppers' was introduced to assist customers with specialised services such as customised designs, special orders, gift suggestions, re-orders on special items, and large quantity orders. Our customers could avail personalised jewellery, with customisations such as engravings, for a nominal fee. We also offered free shipping to those opting for the AutoPay feature.

We consistently worked towards improving presentation on platforms across product categories. We upgraded studios to enhance our overall production quality. In line with the increasing popularity of lifestyle products, we augmented our studio with an exclusive pre-shot area for the category, in FY21.

A test of VGL's strengths and efficiencies came during the snow storm that hit Texas in February 2021. Despite the disruptions, continued operations and deliveries were ensured, along with constant status updates for customer regarding the movement of their orders and prompt refunds were provided whenever the situation demanded such action. The grit and efficiency earned us much appreciation from customers and is likely to deepen their loyalty.

Additionally, as a customer-centric business, efforts are constantly made to increase customer satisfaction and fulfilment.

Foray into Essentials

In FY21, we expanded our portfolio in the US by foraying into essentials, led by popular demand. Products in this category, among others, included health supplements, kitchen appliances, home-cleaning products, masks, and sanitisers. With our fingers on the customer's pulse, we felt it was necessary to respond to their immediate needs.

This initiative came naturally to us, led by our community-conscious business model. In addition to making its operations more sustainable, Shop LC has been undertaking several initiatives every year to cater to communities and give back to society.

Technology as a Key Enabler

Technology played a crucial part during the year not only in ensuring business continuity but also improving our efficiencies. Here are a few things we did during the year that stand out:

Revamped Roku App

Became the **1st traditional shopping channel on Twitch,** the hugely popular American video live streaming service

Upgraded Mobile App to provide one of the best customer experiences where users can easily make purchases with merely two clicks

Implemented Five9 software in FY20 that led to reduced average customer handling time

Sign-in Integration of AmazonPay and Amazon sign-in on digital platforms; we also enabled Google and Apple sign-ins to provide customers integrated and seamless experience

Salesforce is in the implementation process and will enable us to make frequent changes in system implementation. This also helps us integrate our CRM with the system, enabling better efficiencies with regard to data management

UK Market

The United Kingdom continues to remain an important market. We operate through Shop TJC in the UK market. Our presence here is built on strong participation across mediums, solid customer connect, and consumer brand loyalty owing to our deep value proposition.

During the year, web sales showed tremendous improvement, combined with significant sales from our proprietary TV channels and Live TV.

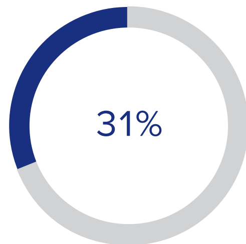
Financial Performance

£80.2 mn

Revenue

31.6% y-o-y

UK contribution to consolidated B2C revenue



Key Highlights for FY21

Agile Operations

Home shopping received a shot in the arm as lockdowns were imposed in the UK. The segment grew exponentially during the year. Being categorised as essential services allowed us to operate amid the lockdown. We were able to quickly turnaround our product offering to suit changing customer preferences due to our robust supply network and local procurement.

Employee-first Approach

Motivated to make a positive impact during a challenging time, the productivity levels of our people improved during the year. In 2021, Shop TJC was recognised by Great Places to Work as one of the UK's Best Workplaces for the third year in a row.

Digital Initiatives

We integrated Pixlee, a user generated content and influencer marketing platform into the TJC (UK) website. To increase customer convenience, we launched QuickBuy, for pre-registered customers on the website. Further, we made our Rising Auction feature available on the mobile app.

Expanding our Value Proposition in the UK

To further enhance our proposition and improve customer stickiness, a new channel 'TJC Beauty' was introduced. A new loyalty programme, 'TJC Plus', was also launched, offering free and express deliveries for a fixed membership fee.

'TJC Plus'

This is an exclusive loyalty programme, with a fixed subscription fee, payable on a monthly or annual basis. The membership entails:

- **Unlimited free shipping and express shipping of all products**
- **1 year free warranty on all products**
- **Exclusive deals and offers**

'TJC Beauty'

This is an immersive new TV channel launched by Shop TJC in the UK and works on the simple philosophy that 'beauty is for everyone'. The exciting new channel brings on board beauty experts to provide their insight into the latest beauty trends and products. This gives potential customers an opportunity to learn about the market and make an informed decision. We have received robust response in terms of viewership and are planning to extend the air-time so that more people can benefit from expert advice, reviews, and an excellent line of beauty products.

German Market

Having grown rapidly in the US and UK, we see an opportunity to expand our footprint into Germany as well. A strong business model, a robust balance sheet, experienced management, and a clear vision put us in a good place to explore high ROI opportunities. Therefore, we are deploying capital and talent in Germany to offer our deep value proposition products to the audience there.

Our German operations under Shop LC GmbH will comprise electronic retail of merchandise through proprietary TV and e-commerce websites, social and marketplace platforms. The German market offers tremendous growth opportunities and has shown a substantial amount of traction in online retail, and we are confident of our growth prospects here.

Unique Value Proposition

Vertically-integrated Business Model

German customers will gain from value proposition and low ASPs. This is in line with the retail strategy that was adopted in the US and the UK.

Best-in-Class Products and Processes

Successful and tested processes that have worked in the US and the UK markets will be implemented after being adapted to the German environment. We are planning to have our own IT resources in Germany, with a 24*7 back-office and technical support from India.

Digital-first Initiative

The digital business for the market has started in test phase in Q1 FY22. Various customer acquisition methodologies working in the US and the UK through web search and social are being tested here.

Advocacy and Campaigns

In Germany, we currently plan to broadcast on a single channel. Several measures have been undertaken to highlight our social initiatives such as Your Purchase Feeds.

Expert Talent

The team in Germany comprises people with extensive industry experience and requisite skills, and is a mix of both in-house and local talent. Having local talent on board will allow us to leverage local knowledge and cultural insight to further enhance our presence in a new geography.

Key Market Trends and Opportunities

- **The demographics of the German market are similar to other markets where we operate. This helps us leverage our learnings and extensive experience in dealing with the target audience**
- **The German market offers vast opportunities not only in television, but also in e-commerce**
- **A plan to leverage the existing supply chain to cater to the German market is in the works**

€83.3 bn

German e-commerce market after growing by 14.6% in 2020

COVID-19 RESPONSE

Empathy and Action

The unique circumstances created by the pandemic meant that organisations pivoted to putting people before profits. For us at VGL, this was a time to leverage our strengths, and respond with speed and resolve, to uplift society and simultaneously cater to our customers. Thus, we continued to sustain our operations while prioritising the well-being of our people.

Being classified as an essential services in both our key markets meant that we had a duty and a responsibility towards our customers, society, and employees, to continue to deliver, notwithstanding the challenging environment.

Employees

- With our borderless workforce and enabling systems, we ensured that our employees remained connected, productive and satisfied, even while working remotely
- Protected livelihoods and remuneration by providing wages and salaries and ensuring no layoffs took place. Further, we proactively delivered increments and profit share to our employees. Additional incentives were also provided to all frontline workers (on per shift and hourly basis).
- A weekly 'All Hands Meet' conducted with the senior management where employees could directly interact with the management and raise any existing concerns
- Organised yoga classes, meditation, stress management and writing workshops for all employees
- Office space re-designed to adhere to safety norms with clear partitions installed in all departments in addition to health and safety protocols in place. Perspex screens at all work desks within the office area were provided, and additional rest break areas were created. For those working overnight, bedding and shower facilities were provided.
- Cycle-to-work scheme to minimise use of public transport
- Flu jabs provided to all employees in UK (permanent as well as contractual staff) in association with Lloyds Pharmacy
- Provided free mask kits to all employees, family members, and children
- Filtration systems added to smaller spaces
- Continuous COVID Task Force Communication
- Launched Water-Cooler Chats
- Adequate social distancing measures undertaken, with online meetings as the basic norm

Investors

- There was a sustained focus on maintaining a healthy balance sheet. This was ensured through our low debt, capex-light model and operating leverage.
- Additionally, cash and cash equivalents stood at ₹468 crores as on 31st March 2021, further fuelling investor confidence
- We delivered continuous payback with regular dividends. Paid interim dividend of ₹17.5 per equity share (pre-split); and proposed final dividend of ₹1.5 per equity share (post-split).
- There was a renewed focus on cost rationalisation and resource optimisation in light of the COVID-19 crisis

Customers

- Continued retail operations in the US and the UK with engaging broadcasts/content through live TV, rising auction, customer forum, social media, and influencer marketing
- Undertook necessary precautions while delivering products in terms of packaging and maintaining social distance
- Modified product mix to include essential items such as masks, santisers, food supplements, and gloves
- Uninterrupted call centre operations ensuring greater communication. Clearance from General Data Protection Regulation (GDPR) obtained to allow customer service teams to work from home.
- Zero downtime for critical systems ensured timely resolution of customer queries and complaints, as well as on time delivery of orders
- Built remote TV production and broadcast solution as a contingency plan
- Ancillary services, such as delivery, remained functional throughout the peak of the pandemic, in both the US and the UK

Supply Chain

- Temporary shutdown in operations balanced by efficiently managing inventory and leveraging global supply chain
- Through different phases of the lockdown, we have been able to build an uninterrupted supply of product offerings and products based on rapidly changing customer preference
- Prudent and timely sourcing as well as local procurement enabled marketing of essential products which were in short supply
- Set up processes for virtual buying/sourcing from vendors, thus ensuring that safety protocols were maintained
- Supply continuity was ensured through effective work-from-home, live-in setup at the manufacturing facility, and outsourcing to nearby factories

Community

- Donated ~2.64 lac masks across the US, the UK, India, and China
- Provided ~34 lac meals to people in need (through Akshaya Patra in Jaipur, India)
- Did not participate in the government's Furlough/ Job Retention Scheme. We passed this opportunity to other business units who have been less fortunate and were struggling to manage their business operations and keep their staff employed.

VALUE CREATION MODEL

Creating Value with Innovation

INPUTS

Relationships

People
3,915 people work passionately with a growth-oriented approach and agile mindset to help us achieve our mission

Customers
Delivering joy to over 5 lac customers

Vendors
Engaging vendors helping us source innovative products for our discerning customers

Committed partners
Our relationships with governments, communities and all other stakeholders help us to increase the impact beyond what we could have achieved on our own

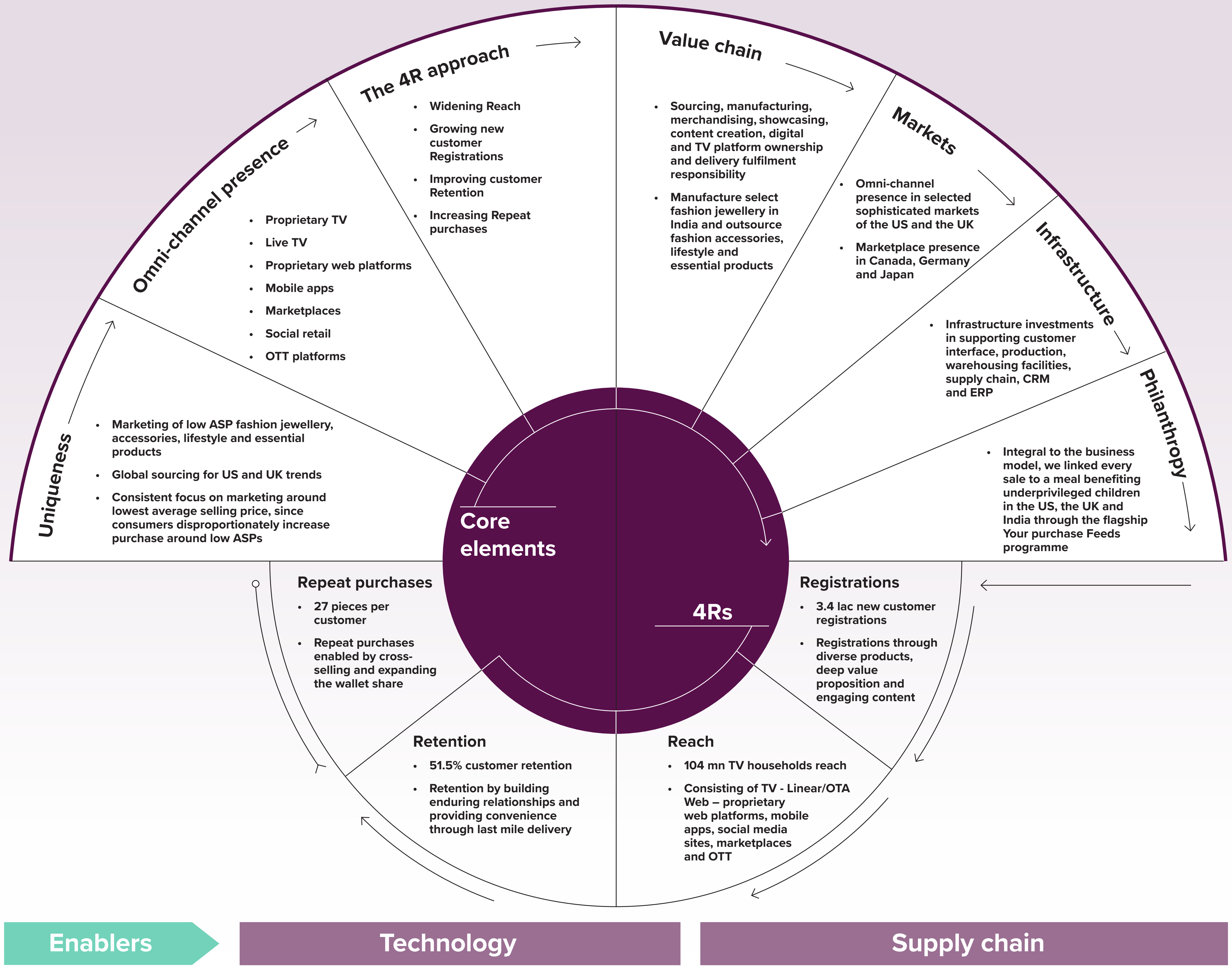
Resources

Financial resources
We have an asset light model, low debt and good operating leverage

Intangible assets
Our innovative product development, unique business model and the robust culture enable us to stay ahead of the curve. This includes Innov8, which is our open-source based platform founded on the tenets of creativity and collaboration

Tangible resources
We operate a multi-locational, multi-product model and deploy various information technology and other physical resources across all locations

CORE ELEMENTS AND 4Rs OF CUSTOMER ENGAGEMENT



BUSINESS OUTCOMES IN FY21

99%
B2C revenues as % of total revenues

B2C revenue - Platforms break-up

TV revenues as % of B2C revenues	64%
Web revenues as % of B2C revenues	36%

B2C revenue - Product category break-up

Jewellery revenues as % of B2C revenues	69%
Non-jewellery revenues as % of B2C revenues	31%

Jewellery revenues: Fashion jewellery
Non-jewellery revenues: Fashion accessories, lifestyle and essential products

B2C revenue - Budget Pay* break-up

Budget Pay revenues as a % of B2C revenues	36%
Non-Budget Pay revenues as a % of B2C revenues	64%

*Budget Pay revenues refer to products offered on an EMI basis

**TV revenues: Live shows on all major cable, satellite and DTH platforms Web revenues: Catalogue sales, rising auction, mobile platforms (including mobile apps + mobile web browser) and live TV streaming on proprietary web platforms; third party marketplaces and social media platforms*

What Sets Us Apart

Uniqueness

Strong product innovation – A constant lookout for new products is kept to meet the current and future requirements of both mass and niche markets. We also spend a lot of time and effort in research, development and product innovation to enrich the product mix.

Culture of continuous learning and training – Employees are motivated to learn new skills and upgrade themselves through sustained training initiatives. At the same time, we encourage them to develop an entrepreneurial spirit in endeavours that show promise.

Low ASP fashion jewellery, home, beauty, lifestyle, and more recently, essential products - A vertically-integrated business, owned manufacturing facilities and global sourcing setup enable us to manufacture/source high quality products at the best possible prices, thus helping us to offer some of the lowest selling prices to customers.

Emphasising our unique value proposition - It is our belief that consumers disproportionately increase purchase around low ASPs, which we are uniquely positioned to deliver. Through targeted behavioural marketing we ensure that customers are aware of this unique value proposition and can make the most of it.

Omni-channel presence – Customers can engage with us across proprietary television, web and mobile platforms. In addition to this, we have presence across marketplaces and target customers through social media and influencer networks.

Innovative Approach

Flexibility – In times of macro-economic disruption such as the pandemic, we were able to sell need-based essential products such as personal care and food products, while continuing to cater to demand across fashion jewellery, home, beauty, and lifestyle, thus showcasing our flexible business approach.

Gaining market insight – Data analytics and AI, along with B2B sales help gauge trends in the market. Additionally, market intelligence is also gained by the sourcing team. Tools such as Salesforce integration, CRM and ERP act as enablers in analysing the market inputs and help finalise our product mix as per consumer preferences.

Enablers of Sustainable Value Creation

Technology

One of the most important levers of customer service in a business like ours is technology. From prediction to fulfilment to after-sales, technology plays a pivotal role in ensuring that we are ahead of the curve. VGL's robust digital capabilities and advanced technology stack, ensures that we derive operational efficiencies while providing an immersive consumer experience.

IT Strategy

Short-term

Continue to boost stable and secure digital platforms and complete the platform migration for website and mobile app

Medium-term

Enhanced product personalisation, personalised UI/UX, AI-driven upsell, matching items, ensembles, visual search, digital assistant, progressive web apps for handheld, sophisticated AB testing with 10x variations

Long-term

AI-driven mobile application, universal shopping cart, integrated real time marketing

Highlights in FY21

Implementation of Enterprise Resource Planning (ERP)

The ERP system manages purchase and sales orders, and assists in inventory management and accounting and finance.

Launch of Production Information Management (PIM)

The PIM curates items to be presented on the digital channel together with relevant details and product specifications.

Product Customisation and Personalisation

Focusing on product customisation and personalisation helps us deliver continued customer delight, and ensures customer retention. This includes offering customised and personalised products such as engraved jewellery. Currently, we are conducting market research and idea innovation to help capture niche markets.

Warehouse and Shipping Process Improvements

We ensured effective and efficient pick and pack in warehouses, facilitated choice of carrier, and reduced delivery times. Real time tracking of packages enabled us to fulfil the service level agreement (SLA) in terms of shipping the products.

Use of Artificial Intelligence

AI is being used in the warehouse to optimise order clubbing to maximise shipping cost savings. It is also employed in demand forecasting, customer sentiment analysis, customer attrition and conversion predictive modelling.

TV Graphics Systems

TV graphics systems have been upgraded with Aston, a Salesforce product, that allows the host/producer to interact with the customers about the promotions and products.

Digital Transformation

Our website was enhanced with self-servicing capabilities and we developed a mobile first approach.

Data Security

Best-in-class technology is employed to maintain adequate data security in order to ward off malicious attacks and other cyber disruptions. We ensured, as every year, strict adherence to standards, periodic testing, multi-layer protection, and data encryption, among others.

Outlook

Going forward, we are looking at adopting more advanced and contemporary technologies to transform the business. At the customer end, we will explore augmented and virtual reality to improve customer product selection and purchase experience with features such as virtual trials. Additionally, a personalised website experience based on AI and increased convenience through mobile shopping will benefit customers greatly. At the backend, AI will be deployed for inventory planning, forecast, customer conversion, channel migration, next-best action, robotics process automation, order clubbing, video clipping and editing to increase video on demand (VOD) footprint.

Supply Chain Management

A vertically integrated model and a strong sourcing network in over 30 countries has given us a unique advantage – a short time to market and an insulation against short-term disruptions. This was evidenced in the manner in which we serviced consumers in FY21 as we further strengthened our supply chain using a dual strategy.

This dual strategy included backward integration, under which we incorporated Vaibhav Lifestyle Limited for manufacturing of textile/garments and related products. Secondly, we sought deepening and widening our vendor engagement across the globe to ensure a steady stream of relevant and well-priced products.

Value-chain Integration

Our vertically integrated value chain consists of key processes, each of which form an essential part of our value creation model. By growing responsibly across our markets, backed by transparent processes and systems, we remain relevant to the industry and to the society.

Our vertically integrated value chain

Innovation and product development → Sourcing → Manufacturing/ Outsourcing → Content creation → Showcase across platforms (proprietary and third party)

Global Supply Chain

Manufacturing - 2 countries

India | China

- Low-cost operations in India and China, with one of the industry's lowest wastage levels
- ISO 9001:2008 certified facilities in Jaipur, India
- Fully-integrated IGBC certified building at SEZ, Jaipur. Diamond jewellery manufacturing and sourcing unit in Mumbai
- One of the manufacturing units at the Special Economic Zone in Jaipur, Rajasthan, is LEED Platinum certified

Sourcing - 30+ countries

Asia | Europe | US

- Sourcing from 30+ countries across Asia, Europe and the US
- Focus on best price to the customer through bottom price discovery
- Robust vendor evaluation process
- Assessment of value perception – design/fashion/ trend/price in target markets

Market Knowledge

Keen insight into pricing, labour costs, and market trends, paired with robust partner relationships nurtured over the years, allow us to maintain our low prices and effectively manage the end-to-end supply of products and materials. By keeping our ear to the ground and conducting extensive research, we are able to learn and deliver consistently.

Incubating Growth

At VGL, we believe that shared success and prosperity is the only way to growth. We owe our success to the entrepreneurial spirit, and we have made it part of our mission to inculcate the same in others. We foster and incubate growth of high potential businesses by leveraging our strong supply chain, production facilities and warehouses to support local entrepreneurs. This way, we are not only able to grow our local presence and generate employment, but also support innovation, enterprise and acquire co-created learnings.

Quality Control

We adhere to the most stringent global quality and safety standards. Expert professionals are employed to guide us through compliances, the testing of products, and other related compliances. We have in-house laboratories for testing that help us ensure quality. For lifestyle products, certifications are procured from local authorities to ensure safety, efficacy and security of customers.

Sustainability Focus

We are revamping our business operations along more viable and environment-friendly standards. This extends to our partners as we look at procurement through the lens of sustainability. We are committed to responsible sourcing and have internal systems and processes that guide us in this endeavour.

Agile and Awake to Opportunities

A multi-country presence helps us mitigate risks to our supply chain. In the recent past, for example, when the pandemic disrupted China, we were able to depend on our manufacturing and sourcing capabilities in India to mitigate the sudden impact. Similarly, during the lockdown in India, we were able to tap our resources in Bangkok. We have added 10 countries to our ecosystem and are expanding our footprint across the globe. We are also diversifying our portfolio with an emphasis on manufacturing. We have already diversified into apparel and plan to manufacture accessories.

Outlook

A higher degree of automation is being introduced within supply chain operations and data-driven decision-making. We plan to deploy robotic packaging solutions at warehouses at the beginning of FY22. The objective is to streamline operations, achieve higher productivity levels, and optimise costs to drive profitability and growth.

ENVIRONMENT

Ensuring a Sustainable Shared Future

At VGL, a conducive environment not only means the opportunity landscape but also the physical world around us. Even though our direct footprint is relatively low, we are committed to mitigating our impact on climate change across the value-chain. We want to contribute to a better future for all and inspired by this we have set ourselves stringent targets for the short, medium and the long-term to minimise the carbon footprint of our operations. We are also working actively to enrich and preserve the biodiversity of the areas where our operations are located.

3.23 mw
Solar power capacity
0.45 mw commissioned in May 2021

LEED Platinum certification by USGBC
At our SEZ Unit, Jaipur

Energy

We view climate change as a risk multiplier that leads to the degeneration of the ecosystem and destruction of natural resources. Non-conventional energy sources will play a crucial role in mitigating the damage, and thus, we have ramped up our green energy portfolio. All our sites are energy-efficient and our renewable energy portfolio is assigned top priority in our strategy to achieve our sustainability objectives. There is also growing consciousness among customers regarding the environmental footprint of their purchase. Thus, by mainstreaming sustainability in our operations, we are well-aligned to address this stakeholder concern.

Water

Since our manufacturing units are located in water-scarce regions, we make relentless efforts to reduce our dependence on freshwater and tap alternative sources.

~52 lac litres
Rainwater harvested

5 kl
Water saved per day with the installation of low LPM faucets

~95,000 sq.ft.
Of rainwater harvesting area covered in FY21

43 kl
Water per day recycled, which equals ~15,000 kl per year

Waste

4R policy– Reduce, Recycle, Reuse and Reclaim – to guide our waste management practices.

Biodiversity

Protecting and enhancing biodiversity is integral to our commitment towards sustainable development.

Work on one acre land to plant ~13,000 saplings for developing a Miyawaki forest is underway.

1,100
Trees planted in FY21

4,000+
Total number of trees planted so far

Please refer to page 50 of Management Discussion and Analysis for more details

SOCIAL: PEOPLE

Delighting Our People

Our employees are the bedrock of our sustained business success, and one of our priorities as a responsible organisation is to groom and nurture world-class professionals. We strive to enhance employee experience in diverse ways, while investing in their growth and well-being. Our commitment to building a preferred employer brand is validated by the Great Place to Work certifications that all the key operating entities of the group have received.

Great Place to Work

Certification across the US, the UK, India and Greater China

Total Employees		Average Age of Employees		Employees with 3+ years of experience with VGL	
3,915	3,416	35yrs	35yrs	55%	59%
As of 31st March 2021	As on 31st March 2020	As of 31st March 2021	As on 31st March 2020	As of 31st March 2021	As on 31st March 2020

Retention Rate		Women Employees		Average Training Hours per Full Time employee	
80%	82%	33%	33%	50	43
As of 31st March 2021	As on 31st March 2020	As of 31st March 2021	As on 31st March 2020	As of 31st March 2021	As on 31st March 2020

Dynamic Work Culture

Our employees are given the opportunity to continually learn, grow and develop to be an asset for the organisation. At the same time, they are given the flexibility to try their hand at new skills, and upgrade their knowledge through our training and development programmes, talks with experts, webinars, and workshops. This fosters growth in their roles and adds value to their position, even as they fulfil their own professional ambitions. During the year, we conducted a Work-from-Home Survey to gauge employees' feedback on administration and maintenance, and on the quality of the one-to-one meetings conducted by managers across parameters such as inclusiveness and relevance and got a positive response. We further ensure a culture of diversity and inclusiveness at the workplace.

Development and Skill Enhancement

In addition to the establishment of a training centre for employees to enhance their skills, we introduced Skillsoft during the year that provides our employees access to more than 27,000 courses across a number of subjects. Along with recommending courses, managers can also assign a course plan that is tailored to meet the specific requirements of an employee and is most relevant to his/her function in the organisation.

Innov8: Keep Those Ideas Coming

Our approach to innovation consists of understanding the needs of customers and calibrating our processes according to those needs. This, in turn, translates into a devoted line of innovative products geared towards value-centricity.

Our innovative journey began with Innov8, an open source platform based on the idea of creative collaboration. These ideas were filtered by following a criteria that looked at innovation potential, patents, customer preferences, market potential, and feasibility. Ideas were shared by employees across the organisation, including in the US, the UK, India, China, and other countries.

Idea Lab

Under this platform, we have received over a thousand ideas and suggestions from customers at both Shop LC and Shop TJC. A few examples of ideas that metamorphosed into innovative products include memory foam pillows fitted with a massaging device, arthritis rings, boat rings, and shungite pet collar.

Draw A Design

Over a four-month period, over a thousand innovative jewellery design ideas were received from students of top design institutes.

SPARK

An incubation initiative that encourages employees to pursue entrepreneurship and supports them in the endeavour. The programme also provides start-ups with requisite support to develop and grow.

Innov8 Focus

As a result of the Innov8 ideation sessions, the quality of ideas has significantly improved over time. Additionally, we have identified three strategic product areas for the coming year, including smart wearables specific to our customers, innovative product line for customers with assisted living, and solution-based products.

Financial Benefit to Employees

We have made good sales on the back of product innovation, which resulted in attracting new customers. A percentage of revenues from such sales are shared with employees on a quarterly basis. 118 employees have been rewarded till date for their contribution to product innovation.

Please refer to page 51 of Management Discussion and Analysis for more details

SOCIAL: COMMUNITIES

We Grow When Everyone Grows

The communities in which we operate are a part of our ecosystem. We measure our business success by the impact we create on the ground for people beyond our immediate operations. At VGL, we are focused on building a more equitable society through our initiatives in healthcare, poverty alleviation, and educational advancement.

₹6.77 cr
VGL's charitable contribution in FY21

~2.64 lacs
Masks donated at the height of the pandemic

14.4 mn
Meals distributed in FY21 under Your Purchase Feeds

~51 mn
Meals provided since inception of the 'One for One' programme, renamed Your Purchase Feeds

~3.4 mn
Meals provided to migrant families in Jaipur during the lockdown in India

Your Purchase Feeds

Our business success determines our contribution to society, and quite literally. This is because for every sale we make at our retail channels, we feed a child, and this allows our customers to be a part of something greater, making every purchase more meaningful.

This is implemented under our flagship Your Purchase Feeds (earlier known as 'One for One') initiative. The beneficiaries of the initiative are school-going underprivileged children who are in need of nourishment and care. By providing them meals, the scheme takes a holistic look at their development.

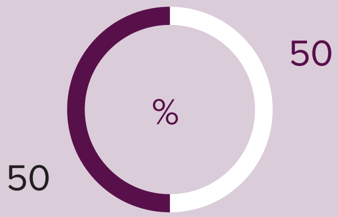
Please refer to page 49 of Management Discussion and Analysis for more details

GOVERNANCE

Ably Steering the Ship

At VGL, good governance is more than just being compliant with prevailing law as a check-box. Accountability, robust processes and transparency are integral to our value system. The impact of best practices adopted by the management are reflected in the success and growth of our company as well as the numerous external recognitions we have received for these practices. We operate this business as a custodian of our stakeholders, with a strong sense of trusteeship.

Board Composition



- Independent Directors
- Non- Independent Directors

~98%

Average attendance at Board meetings

Non-Executive - Independent Director, Chairman

Mr. Harsh Bahadur

Appointment:
26th September 2015

Mr. Harsh Bahadur holds a Masters degree in History from St. Stephen's College, Delhi, and an MBA from Boston University, USA. He has three decades of rich experience in varied sectors ranging from retail, branded FMCG, music, sportswear, business services and jewellery. He is currently on the Board of Indian Terrain Fashions Ltd. and is a senior advisor at PricewaterhouseCoopers (pwc). Mr. Bahadur also advises private equity funds and has evaluated companies in the automobile servicing, branded food and e-commerce sectors.

Expertise:
Business strategy and leadership

Executive Director, Managing Director

Mr. Sunil Agrawal

Appointment:
8th May 1989

Mr. Sunil Agrawal is a Commerce Graduate with an MBA from Columbia University, New York (US). A first-generation entrepreneur, he established Vaibhav Enterprises in 1980 with the objective to formalise and bring international best practices and professionalism to the gems and jewellery trade in India. He is widely travelled and has immense knowledge on gemstones and jewellery, bringing to the Company the industry expertise and foresight that has been instrumental in its success.

Expertise:
Strategy, leadership, innovation and liaison

Non-Executive Non-Independent Director

Mr. Nirmal Kumar Bardiya

Appointment:
10th July 2001

Mr. Nirmal Kumar Bardiya is a Commerce Graduate and is one of the most renowned jewellers of Jaipur. He has four decades of experience and expertise in the manufacturing of coloured gemstones. He has been associated with VGL for close to two decades.

Expertise:
Gemstone (coloured) manufacturing and business management

Non-Executive Non-Independent Director

Mrs. Sheela Agarwal

Appointment:
10th November 2008

Mrs. Sheela Agarwal is a philanthropist and an active social worker. She has distinguished herself in the field with her business acumen and deep understanding of the sector.

Expertise:
Business management and community liaison

Non-Executive Non-Independent Director

Mr. Pulak Chandan Prasad

Appointment:
29th October 2013

Mr. Pulak Chandan Prasad holds an engineering degree from IIT Delhi and has completed his postgraduation from IIM Ahmedabad. He is the founder of Nalanda Capital that holds large and long-term stakes in small to mid-cap listed companies in India on behalf of the US and European institutional investors (primarily endowments and foundations).

Expertise:
Strategy, finance and leadership

Non-Executive - Independent Director

Mr. Santiago Roces

Appointment:
28th July 2015

Mr. Santiago Roces is a Law Graduate from Oviedo University School of Law, Spain and an MBA from Madrid Business School, University of Houston. He is a turnaround strategist and has extensive experience with start-ups ranging from Walmart, SUPERVALU/Save-A-Lot, Yum! Brands to Carrefour. For companies he has been associated with, he has achieved revenue and profit targets that required innovative strategic planning and Sales/merchandising tactical programmes in highly complex organisational structures.

Expertise:
Strategic planning, business acumen, sales/ merchandising and tactical programmes

Non-Executive - Independent Director

Mr. James Patrick Clarke

Appointment:
7th February 2017

Mr. James Patrick Clarke holds a Bachelor of Science degree from United States Military Academy, West Point, New York and an MBA from Harvard University Graduate School of Business Administration, Boston. He has previously worked at Guardsmark Inc., Omni Computer Products, Ya Ya Interactive Media, and other companies of repute. He has also led QVC, a global video and e-commerce retailer of fashion, jewellery and home products, as CEO, QVC, China.

Expertise:
E-commerce and retail, business development, product lifecycle planning and market analysis

Non-Executive - Independent Director

Mr. Sunil Goyal

Appointment:
8th March 2017

Mr. Sunil Goyal holds a postgraduate degree in Commerce and Arts, a graduate degree in Law, and a Post Graduate Diploma in Taxation and in Labour Laws. He is a member of ICAI, ICSI, ICWAI and served as the President of ICAI between 2004-05. He has vast experience in the fields of Finance, Internal Control, Risk Assessment and Risk Management, Corporate Governance, Accounting Standards, Assurance, Banking and Insurance as well as judicial processes by the virtue of being a member of various disciplinary committees. He has been deeply involved with the formulation and implementation of 'Accounting and Auditing Standards' in India.

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

Non-Executive - Independent Director

Ms. Monica Justice

Appointment:
6th September 2019

Ms. Monica Justice holds a Bachelor's degree in Fashion Merchandising from Philadelphia University, Philadelphia. She has expertise in corporate planning, portfolio and programme management, including mergers, acquisitions and implementing transformation programmes for multi-billion retail and digital commerce leaders. She has consistently delivered high quality output and market results.

Expertise:
Corporate planning, project management and risk management

Non-Executive Non-Independent Director

Mr. Sanjeev Agrawal

Appointment:
29th October 2020

Mr. Sanjeev Agrawal is a commerce graduate from University of Rajasthan and is a renowned personality in the field of Natural Dimensional Stones in India and across the globe. A first-generation entrepreneur, he established Stone Age Group in 1991, with the aim of promoting Indian stones in the global market. Mr. Agrawal was instrumental in establishing Strata Stones Limited in 2005, which is now one of the leading suppliers of Natural Stones to landscape industry in the UK. Another of his ventures, ORVI Design Studio, was launched in 2013, with a strong R&D culture, creating unique surfaces and articles that are used in high-end projects around the world.

Expertise:
Business management and leadership and product insight

Management Team

Mr. Vineet Ganeriwala

Group CFO

Mr. Jay Chandran

Group CTO

Mr. Amit Agarwal

President, Shop LC (US)

Mr. Srikant Jha

Managing Director, Shop TJC (UK)

Mr. Raj Singh

Vice President, Supply Chain, VGL Group

Mr. Pushpendra Singh

Vice President, HR, VGL Group

Mr. Deepak Mishra

Managing Director, Shop LC (Germany)

AWARDS AND ACCOLADES

Well-earned Recognition

Great Place To Work (GPTW)

Certified as a GPTW in the US (Shop LC), the UK (Shop TJC), India (VGL) and China (STS Gems Ltd.)

Recognised as the Best Workplace in the UK and Greater China

Recognised as the Best Workplace for Women in the UK (Medium Organisations)

Environment

VGL's manufacturing unit at the Special Economic Zone in Jaipur, Rajasthan, has received LEED Platinum certification under the LEED V4 Building Operations and Maintenance: Existing Buildings (LEED O+M) rating system.

Corporate Governance

Adjudged as the Best Governed Company (Listed Segment: Emerging Category) in the 20th edition of the ICSI National Awards for Excellence in Corporate Governance.

Business excellence

Shop LC received 2020 Business Champion Award, instituted by the Austin Chamber of Commerce for Supporting Schools

Shop LC received Governor's Achievement Level recognition from Quality Texas Foundation for on-going quality improvement and high performance

VGL ranks 65th in Fortune India's Next 500 list

Management Discussion & Analysis

As a deep value retailer, VGL has consistently delighted its customers by offering them products of choice at irresistible prices. Our customer-centric approach has ensured that we keep a resolute focus on their needs as much as their aspirations. During the initial pandemic period, we efficiently adapted as a supplier of essential items, to meet the changing needs of customers. This level of agility not only strengthened our market position but also enabled us to be cycle-agnostic.

During the pandemic year, the safety and health of our employees topped our priority list, and at the same time, we took measures to ensure business continuity. Optimising our global supplier network, expanding our business reach, and widening our moat through innovation and product range expansion were some of the core initiatives. Further, we undertook backward integration of our capacities through the setting up of a textile unit and upgraded our technology infrastructure to accommodate greater automation and digitisation that further increased our agility.

1. Industry overview

1.1 E-commerce Retail

The year 2020 was an extraordinary one for the e-commerce retail industry, with the COVID-19 pandemic accelerating the shift of retail consumption from brick and mortar to online channels. Worldwide, retail e-commerce sales registered a sharp spike of 27.6% to US$4.28 trillion during the year. Overall, retail websites are believed to have generated almost 22 billion visits in June 2020, up from 16.07 billion visits globally in January 2020.

This shift motivated e-commerce retailers to expand the use of disruptive and innovative formats to enhance user experience. By optimising channels such as online marketplaces, social media, and OTT platforms, many retailers embarked on their e-commerce journey, while existing players in the space expanded their online presence with value additions that increased their competitive advantage.

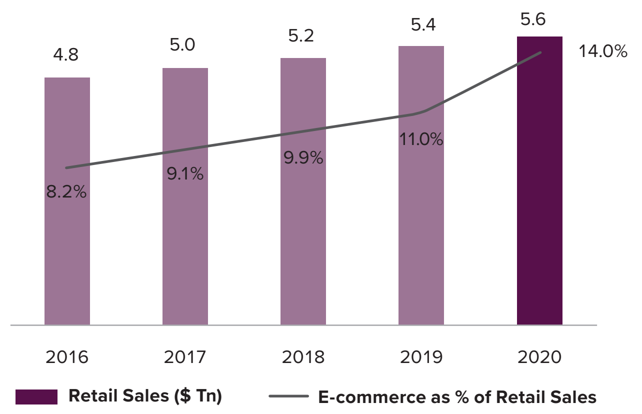
Growth Drivers

- Shift in consumer behaviour on the back of superior online experience, 24x7 access, and the ease of digital payments. This growth was further accelerated by the contingencies induced by the pandemic
- Strengthening of connectivity through fibre infrastructure and now 5G network, ensuring e-commerce as a dependable and preferred option
- Advanced technologies like AI, Internet of Things (IoT) and data analytics are providing retailers greater insight into customer behaviour and preferences and providing recommendations for targeted sales
- Shift towards a dynamic, integrated supply network through the digitalisation of the supply chain that makes it possible for companies to better address customer needs while meeting the challenges on the supply side and improving efficiencies

In response to these changes, we have leveraged our supply chain and omni-channel presence across well-integrated platforms. Investments are also being made in customer interface, CRM, e-commerce platforms, and cutting-edge technologies such as AI, predictive modelling and skilled manpower to improve decision-making and enhance business value.

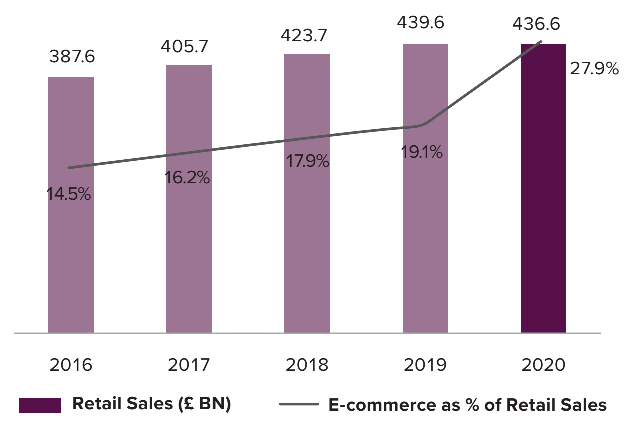
Retail Industry Sales & E-Com Sales in VGL's Key Geographies

US Retail & E-commerce Sales



Source - United States Census Bureau www.census.gov

UK Retail & E-commerce Sales



Source: Office for National Statistics www.ons.gov.uk

1.2 Teleshopping

The global teleshopping market is anticipated to witness sustained traction over the coming years and is estimated to reach US$48,550 million by the end of 2026 owing to increasing use of mobile wallet, attractive product demonstrations, and promotion on different social media platforms.

While traditional pay television continues to be integral to the US household, internet penetration and rise of streaming services have resulted in cord-cutting over the years. Interestingly, Over-the-Air (OTA) digital broadcast is popular and increasing household reach for viewers year over year.

In keeping with the trend, we, at VGL, have expanded our presence in OTA households. Besides, we cater to an age group who remain pay-TV subscribers. As per a recent survey conducted by the Leichtman Research Group, 81% of adults aged 55+ and 76% of those between 35-54 subscribe to pay-TV.

Over-the-Air (OTA) Households (in mn)

Source: Kagan estimates (a media research group within S&P Global Market Intelligence)

1.3 Connected TV (CTV) and Over-the-top (OTT)

Data is expected to play a major role in extending reach and monitoring performance of ads in the CTV and OTT spaces. New partnerships and new entrants are going to keep these platforms abuzz with activity. In 2020, the total US OTT/CTV ad spend added up to approximately US$8 billion. This is estimated to reach US$11.36 billion in 2021. OTT/CTV ad spend is expected to double and reach $18.29 billion by 2024, with 50% of spend being cornered by YouTube, Hulu, and Roku collectively.

1.4 Social Commerce

Social commerce or marketing through social networking websites is gaining increasing popularity, especially due to the convenience factor, increased penetration of smartphones and popularity of social media. The global social commerce market size is expected to grow at a 6-year CAGR of 29.4% to US$1,948.5 billion by 2026. Easy customer reach, sharing of product posts, use of data analytics for targeted ad spends are the major growth drivers.

1.5 Proprietary Web Platforms

The brick-and-mortar players are increasingly adopting digital platforms to compete with e-commerce players. The majority of the big retailers such as Walmart, Target and Best Buy have continued to make significant improvements to their e-commerce platforms, and many others have followed suit with COVID-19 disrupting traditional business models. Investments in advanced technologies such as Artificial Intelligence (AI), Augmented Reality (AR)/Virtual Reality (VR) have been seen to enhance customer experience and thus contribute to business growth.

1.6 Marketplaces

Marketplace or online aggregator sales accounted for 62% of the total e-commerce sales in 2020 globally. The top 100 marketplaces together accounted for US$2.67 trillion in sales (over 95%) during 2020. The gross merchandise value during 2020 grew by 29%. Convenience to customers, range of products, and multiplicity of sellers and price points are the key enablers for the growth in marketplaces.

2. Market Trends

2.1 Greater Collaboration

There is increasing collaboration among suppliers, retailers, customers, and digital ecosystem players. For example, Walmart partnered with TikTok for a new shoppable product experience on TikTok's social video app; the Walmart-Google tie up for voice-controlled shopping is a technological collaboration, whereby Google has offered Walmart merchandise on its voice-controlled Google Assistant platform.

2.2 Disruptions Arising from Digitalisation

Big data and analytics have made it possible to study customer behaviour and purchasing. These are also enabling retail businesses to gather customer feedback and work on them using Artificial Intelligence. Better insights into customer behaviour is helping organisations recalibrate their business models to capitalise on the information gained through the use of advanced analytics. At the same time, online payment systems are increasing convenience of purchase.

2.3 Greater Focus on Customer Retention

In addition to traditional membership and card-based loyalty programmes, digital disruptions are enabling businesses to provide new and exciting initiatives to retain customers for the long-term. For example, blockchain-based loyalty programmes, automatic discounted prices offered to loyal customers, bundling of services and products for loyal customers, subscription and auto replenishment are enabling personalisation and leading to customer delight.

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3. Business Overview

Vaibhav Global Limited is an established player in the global retail space with a strong presence in the US and the UK markets along with an extensive supply chain spread over 30 countries. We are a vertically integrated fashion retailer, with multi-channel presence across well-integrated platforms, comprising proprietary TV home-shopping channels, e-commerce websites, mobile apps, smart TV, OTT platforms, social media platforms and third-party marketplaces.

Fashion jewellery contributes nearly 69% to our retail revenue, while a mix of different lifestyle products including home, beauty, fashion and accessories, and lifestyle products make up the rest. We constantly enrich our product mix, as a result of which, the contribution of products, other than fashion jewellery, to the total revenue is growing at a notable rate. Our enhanced portfolio not only increases our value proposition to the customer but also enables a greater customer engagement. Our retail brands –Shop LC (US) and Shop TJC (UK) – command a strong brand recall, especially in the value segment.

We also have a B2B presence, which contributes to a small part of our overall revenues (~1% of revenue from operations in FY21). However, our B2B operations gives us the opportunity to study market trends, while facilitating liquidation of inventories. Our business focus continues to be on the B2C segment.

Our extensive sourcing network and backward integration capabilities allow us to offer low Average Selling Prices (ASPs) to customers and maintain high gross margins. While we manufacture our own fashion jewellery (we have begun manufacturing textiles as well), non-jewellery products are sourced from third parties. This allows us to be scalable and flexible, provide customers with a diversified portfolio, and maintain a capital-light model. With our growing omni-channel B2C retail presence, deeper customer engagement, and low ASPs, we are gaining greater recognition as a deep value fashion retailer in both our markets.

Our Budget Pay service, launched in FY16, allows us to offer products on EMI to customers, making purchases easier and convenient. Budget Pay sales constituted 36% of retail sales in FY21. We also have an easy return policy and a community forum in place that drive deeper customer engagement.

Our 4R (Reach, Registrations, Retention and Repeat Purchase) strategy defines our operating model and provides the business an objective assessment framework apart from helping in customer retention and engagement. Our high-quality value-based offerings encourage customers to interact with us through our omni-channel, multi-geographic reach, enabling us to consistently cater to their emerging tastes and aspirations.

5 lacs+

Unique customers in FY21 – 38% higher than FY20

104 mn	3.4* lacs	51.5* %	27* pieces per customer
TV households Reach	New customer Registrations	Retention of customers	Repeat purchases
Consisting of TV - Linear/OTA Web – proprietary web platforms, mobile apps, social media sites, market-places and OTT	Registrations through diverse products, deep value proposition and engaging content	Retention by building enduring relationships and providing convenience through last mile delivery	Repeat purchases enabled by cross-selling and expanding the wallet share

*TTM (trailing twelve months)

3.1 Business Continuity and COVID-19

Classified under essential services, we were able to maintain uninterrupted retail operations at both Shop LC in the US, and Shop TJC in the UK during the pandemic. Our retail operations witnessed substantial growth in revenues during FY21, which were up by 22.2% in the US and 31.6% in the UK (in local currency), as against the corresponding sales figures for FY20. In addition to this, we were able to make up for the disruptions that occurred due to lockdowns in China and India, because of our robust and efficient supply chain that extends across 30+ countries and includes the local procurement channels in the countries in which we operate.

Despite the pandemic, we were able to preserve jobs and pay adequate remuneration to our employees and business partners. In fact, the unique circumstances created by the pandemic helped us engage better with our people, and this was reflected in the feedback from employees and their families, as well as rating agencies. We implemented adequate health and safety protocols at all our offices and warehouses. A large segment of our employees worked from home to whom we provided all necessary assistance.

We leveraged our efficient inventory management system and extensive global supply chain to tide over the challenges caused by the pandemic. This helped us negate the fallout of the temporary shutdown in sourcing countries' operations. We were able to market essential products like face masks, personal care items, food products, and other products given our agility in sourcing aptly and efficiently.

Our call centres continued to operate without any interruptions and there was zero downtime on our television channels, websites, or applications. To further safeguard ourselves against the impact of the COVID-19 crisis, we built remote TV production and broadcast solutions, and we continued to upgrade our operations by accelerating our digitalisation drive.

Despite the pandemic, the Company retained a healthy balance sheet. As of 31 March 2021, our cash and cash equivalents amounted to ₹468 crores. The pandemic brought about a renewed focus on cost rationalisation as well as optimisation of our resources. We continued our dividend policy, even during a pandemic year, reinforcing the trust of our investors.

3.2 Expansion

During FY21, we continued to align our operations with evolving customer preferences and the overall market trends.

Retail operations

- **Germany**

Set up Shop LC GmbH to expand business in Germany. This business will involve electronic retail of merchandise through proprietary television and e-commerce websites, social and marketplace platforms. Prior to setting up the Company, we had presence in Germany market on Amazon's platform with the brand name of 'D'Joy'.

- **Canada**

We expanded in the Canadian market by placing products under Shop LC, on Amazon, eBay, and Walmart, Canada.

- **Japan**

We expanded in Japan by placing products under Shop LC, on Amazon, Rakuten and BASE

- **UK**

We launched TJC Plus (membership programme) in the UK to enhance our customer loyalty. We also launched an exclusive Live TV channel in the UK – TJC Beauty – during the year for greater visibility of our offerings.

Supply chain

We undertook backward integration through the incorporation of Vaibhav Lifestyle Limited to manufacture and export textiles. We also developed sourcing network in 10 countries in FY21.

Call centre

During the year, we set up a captive call centre in India which will save costs and improve customer experience as well as expand our talent pool.

3.3 Snapshot of the Year

Total Revenue

We witnessed strong revenue growth during FY21. Both our retail geographies supported robust B2C sales. Revenue from operations grew by 27.9% to ₹2,540 crores in FY21, as compared to ₹1,986.4 crores in FY20. Our US operations contributed 69.1% of the total retail revenue, while that in the UK contributed the remaining 30.9%. The increase in revenue is the direct outcome of our ability to diversify our portfolio in line with emerging needs and necessities of the customer and the dominant market trends.

EBITDA

EBITDA grew by 40.4% to ₹387.9 crores in FY21, as compared to ₹276.2 crores in FY20. Subsequently, EBITDA margins grew to 15.3% as compared to 13.9% in FY20. We have been able to maintain a steady margin growth on account of an agile business model that has given us significant operating leverage.

Profit After Tax (PAT)

PAT stood at ₹271.8 crores for FY21, recording a growth of 43% over FY20. PAT margins improved by 110 basis points y-o-y to 10.7%. A low debt structure passed through our operating leverage to the bottom-line.

Operating Cash Flows and Free Cash Flows

A capex-light business model, coupled with strong financial performance, resulted in improved operating cash flow of ₹324 crores and free cash flow of ₹268 crores for the period under review.

3.4 Operational Performance

Our success is the result of our continued focus on evolving market trends and customer preferences. Despite COVID-19, we observed strong traction in omni channel retail for our products. Our global micro-market sourcing ability facilitates timely deliveries, even as it provides us the opportunity of low-cost sourcing and price discovery. This, in turn, gives us the benefit of high margins.

3.4.1 Live 24x7 TV Shopping Network

TV home shopping sales, which include live shows on all major cable, satellite and DTH platforms, constituted 63.9% of the total retail sales. During the year under review, we sold 7.8 million pieces on TV, marking a growth of 29.1% over the previous year. We reported an average selling price per piece of US$27.7 in FY21, as compared to US$29.9 in the previous year.

3.4.2 Web Sales

Web sales contributed 36.1% to the total retail sales and increased 43.6% to ₹909 crores in FY21 from ₹633 crores in

FY20. Web sales comprise catalogue sales, rising auction, sale from mobile platforms (including mobile apps + mobile web browser) and live TV streaming on proprietary web platforms, third party marketplaces and social media platforms. Volumes under this segment increased to 5.4 million pieces in FY21 from 4.1 million pieces in FY20. The average selling price per piece was US$22.7 in FY21, as compared to US$21.7 in the previous year.

3.4.3 B2B Sales

In contrast to TV and web, B2B sales witnessed a decline of 62.9% in terms of revenue, with a business of ₹25.5 crores in FY21 as compared to ₹68.8 crores in FY20. This was partly impacted by the pandemic and partly by our strategic priority of focusing on the growth of the B2C segment which has a higher scope of growth and comparatively higher margins.

3.5 Key financial ratios

Standalone

- During FY21, operating profit margin stood at 2.9% as compared to 7.2% in FY20. The COVID-19 pandemic resulted in lower revenues, however, marginal/nil compensating impact on operating expense base (owing to some semi-fixed costs such as employee costs and purchase of material) resulted in a decrease in operating margin
- Interest coverage ratio stood at 52.7 times for FY21, as compared to 91.4 times in the previous year mainly on account of lower EBIT (earnings before interest and tax), during the year under review
- Net Profit margin at 11.3% for FY21 decreased from 29.6% in FY20 on account of lower total income and marginally higher expenses
- Return on net worth, computed as net profit by average net worth, stood at 8.8% for FY21 as compared to 23.1% for FY20, owing to lower dividend received in FY21.

Note - During FY21, the Company received dividend from its wholly owned subsidiary i.e. VGL Retail Ventures Limited, Mauritius (formerly Genoa Jewelers Limited) amounting to ₹34.3 crores. During FY20, the Company received dividend from its wholly owned subsidiary i.e. VGL Retail Ventures Limited, Mauritius (formerly Genoa Jewelers Limited) amounting to ₹104.2 crores. The said dividend income from subsidiary is included in 'Other Income'.

Consolidated

- Interest coverage ratio stood at 250.5 times for FY21, as compared to 161.4 times in the previous year. Higher EBIT (earnings before interest and tax) resulting from strong business performance and lower interest charges are key contributors to improved coverage ratio.

4. SWOT Analysis

Strengths

- Omni-channel presence in the US and UK retail markets, providing an integrated and immersive shopping experience across multiple platforms such as TV, web, and marketplaces, both social and digital
- Robust supply chain management, aiding bottom price sourcing through wholly-owned subsidiaries/operations in key destinations including India, China, Thailand, Hong Kong, and Indonesia
- State-of-the-art sustainable manufacturing units
- Strong IT function deploying cutting-edge technologies that help the organisation stay ahead of the curve; Automation and IoT providing market edge
- Strategic mix of successful curated collections (such as Sukriti, Bali Legacy, Bali Goddess and Milaan), home-grown brands (such as Iliana, Rhapsody, J Francis, Karis, Elanza, Strada, Genoa and Eon 1962) and exclusive designer brands (such as Giuseppe Perez, Rachel Galley, Lucy Q)
- Business model capable of scaling across geographies
- Professionally managed and guided by experienced leadership
- Experienced and skilled workforce. Culture of continuous learning and development.
- Higher engagement levels with customers through deep discounts, quality products, excellent customer service, engaging content, and sustainable business practices

Weaknesses

- Multi-country business operations, leading to exposure to foreign exchange risks and instability in raw material prices
- Scope for improvement in deploying cutting-edge technologies further to compete better with European jewellery manufacturing centres in countries such as Italy, Spain, and France
- Cord cutting in linear TV leading to viewer migration to connected TV. This is mitigated by large runway available to us per Linear TV Household revenue vis-à-vis our competitors; increasing digital OTA antenna TV; our rapidly increasing Web revenues, Market place and Social DR traction.

Opportunities

- Growing customer preference for e-retail due to disruptions caused by the pandemic
- Convenience gaining more ground, with greater acceptance of retail players with omni-channel presence
- Increased scalability in adjacent categories including home, beauty and textiles
- Greater collaboration among suppliers, retailers, customers and digital ecosystem players
- Business-friendly government policies enabling growth of manufacturing and exports sector
- Emphasis on developing highly-engaging storytelling programmes

Threats

- Supply chain disruption due to uncertainties associated with the pandemic
- Volatile socio-economic conditions
- Larger competitors developing advanced logistics capabilities
- Cybersecurity threats increasing at a rapid pace

5. Outlook

FY21 saw market upheaval, both in terms of technology adoption and disruptions in the external environment. While on one hand brick and mortar stores were shut down, on the other, digital retail thrived. It was also seen that while customers spent less on luxury items, the sale of value items went up. At VGL, we have calibrated our strategy to keep up with the changing needs and preferences of the customer while staying within our guardrails of lower ASP and high gross margins. We have kept a strong B2C focus; and are strategically expanding our geographic reach, retail presence, and product offerings. We are also strengthening our backward integration capabilities while deepening and widening our supply chain network. Our emphasis on innovative product offering and time-to-market strategy has helped us scale up rapidly, helping us retain our competitive edge and ability to run a recession-proof business.

The world is witnessing a health crisis that has profoundly impacted how we live our lives, but it has also inspired new opportunities while challenging the status quo. Despite the economic slowdown, we maintained business continuity on the back of our agile supply chain and flexibility of approach. We will continue to invest in technological capabilities, customer service functions, maintenance and upgradation of our retail platforms, marketing and operations to stay on the growth track.

In 2020, the US e-commerce fashion industry accounted for 29.5% total fashion retail sales in the US. But there exists a gap in the availability of fashion products that suit the requirements of people over the age of 40. We have identified this niche customer segment and we plan to offer reasonably-priced apparel catering to the tastes and preferences of people of this age group. There is substantial demand for textiles and apparels in the e-commerce retail space in both the US and the UK. We have established a textile manufacturing unit in India to meet this growing demand. We intend to leverage this in-house capability and launch our own textile products at low costs.

Germany is another market that offers robust growth opportunities, with the e-commerce market growing by 14.6% during 2020 to €83.3 billion. We have already registered a Company in Germany, Shop LC Gmbh, with the intent to launch omni-channel retail operations in FY22.

Our web-based sales are growing at an encouraging rate and this is an area we will continue to invest and explore in. We intend to expand our OTT reach that gives an additional channel for our existing customers to engage with us, and for potential customers to reach us through.

6. Technology Adoption

As an organisation that has technology at the core of its operations, we have made various strategic investments in this core component. The initiatives we have embarked on include wallet integration, new ERP, and deployment of product personalisation and AI to enhance our business operations. These initiatives have helped us retain our competitive edge in a dynamic market. We continue to invest in contemporary technologies to better respond to market challenges, evolving consumer trends and for strengthening our internal processes and protocols.

Please read more about our technology adoption on page 30.

7. CSR Activities

At VGL, serving the community is part of our identity as a socially responsible corporate citizen. We have been creating a positive social impact through our focus on education, healthcare, and poverty alleviation. The Group contributed ₹6.77 crores during FY21 towards various charities. At the height of the pandemic, we donated ~2.64 lac masks to hospitals, care homes, students, police stations and those in need.

7.1 Your Purchase Feeds (One-for-One meal Programme)

Your Purchase Feeds is our flagship CSR initiative. This programme is targeted at benefiting underprivileged school going children – for every product sold at VGL's retail channels, namely Shop LC in the US and TJC in the UK, a child receives meal through this one-for-one programme. Since the inception of the programme, VGL Group has provided ~51 million meals to underprivileged children. This number stood at ~14.4 million meals for FY21. The mission is not only to provide a square meal to children, but also to help build their future and change lives. During the pandemic led lockdowns, we delivered ~3.4 million meals to migrant families and people in need through the Akshaya Patra in Jaipur.

We partnered with several local charities in India and abroad to take the mission forward:

- Akshaya Patra in India
- No Kid Hungry and Backpack Friends in the US
- Magic Breakfast and Felix Project in UK

7.2 CSR activities at Shop LC (US)

- **Wellness and Community Engagement**

  These were focused initiatives to support communities through our partner organisations or our volunteering employees. Major projects undertaken were:

  - Two volunteer-led events at Backpack Friends
  - Donated blankets and 650 'handbags' to the Texas Advocacy Program, 'Handbags for Hope', that intended to provide legal support to women who faced domestic abuse
  - Provided clothing to Round Rock School District's homeless population
- **Employee Engagement**
  - Under this initiative, we engaged our employees, vendors as well as customers to raise donations through various gala events. Some of the major highlights are:
    - Organised two charity runs in FY21
    - Held Akshaya Patra Virtual Gala in July of 2020, where we raised US$153,000 from vendors

- Launched Communication Champions to cascade communication to all
- Organised Customer Gala to educate customers about our flagship CSR Programme

- **Other social initiatives**
  - Employees helped with housing, food and water during the February 2021 snowstorm and maintained zero downtime
  - Provided corporate sponsorship to Round Rock and Austin Chambers of Commerce
  - Provided 130,000+ face masks to 233+ facilities in 35 states
  - Donated clothing to Survive2Thrive Foundation
  - Sponsored 'The Color of Fashion' through Black Fashion Initiative
  - Created and facilitated the Drive & Drop Food Drive to support food needs of Backpack Friends and the Round Rock School District
- **Awards**

  Our social intervention initiatives won widespread recognition from society and various esteemed organisations:
  - Recognition for One-for-One meal programme Your Purchase Feeds, Diamonds Do Good
  - Corporate Champion, Wounded Warrior Project
  - Finalist at the 2020 Brand Experience Awards for Best Pivot Strategy
  - Honoree, Generous Business Awards
  - Received Austin A-List Awards in Innovation and Austin Inspiring Business Awards
  - 2020 Round Rock ISD Business Champion for Education
  - Recognised at Central Texas Inspiring Leader during the pandemic

7.3 CSR activities TJC (UK)

- Provided local schools/care homes/hospitals masks, gloves and hand sanitisers; TJC donated 55,000+ masks to the community
- Participated in programmes such as The Felix Project during the extended lockdown in the UK to support frontline charities, primary schools and to ensure that vulnerable and homeless people receive a healthy meal
- Organised 'Poppy Run' to raise funds for the Royal British Legion on Remembrance Day to support the vulnerable, such as older veterans who suffered from social isolation, or those overwhelmed by the challenges of the pandemic
- Donated 50 tablets to St Paul's school in Hammersmith so that the children's education could continue during the long lockdown in the UK
- Conducted the annual 'McMillan Coffee Morning' virtually to raise funds for the charity
- Donated products to five charities chosen by employees to raise awareness in collaboration with TJC's Culture Awareness Committee
- Donated laptops and other essential electronic equipment to employees' kids to support their learning during the lockdown

8. Environmental Sustainability Initiatives

At VGL, we consider the environment to be a key stakeholder in our business. This helps us integrate care for the environment as part of our overarching economic goals. We believe in growing our business while causing minimum disruption to nature and have implemented several environment conservation interventions such as rainwater harvesting and afforestation. Through the use of renewable energy and an efficient solid waste management we have been trying to reduce our carbon footprint.

8.1 India

Climate change acts as a risk multiplier and exacerbates the existing challenges to the environment and the ecosystem. We have been implementing various initiatives during the year and have also laid out our plans for the coming years.

8.1.1 Energy Management

Non-conventional energy sources will play an important role in mitigating environmental challenges. We have 3.23 mw solar power capacity in India. The commissioning certificate for 0.45 mw is applied and awaited. With this, the energy requirements for the entire Jaipur operations are met through solar. The Company has thus become self-sufficient in meeting its energy requirements through 100% renewable energy.

In FY21, we procured rotary burnout furnaces and laser marking/cutting machines with advanced inbuilt technology to reduce carbon emission.

8.1.2 Water Management

We have a manufacturing facility at Jaipur, which is a water-scarce location. We are working on sustainable solutions to ensure water availability for our operations as well as to nearby communities. We have adopted a multi-pronged approach to managing water resources, which include:

- **Rainwater harvesting**

  Installed rainwater harvesting structures, enabling ~52 lacs litres of water harvesting across ~95,000 sq. ft. during FY21
- **Effluence Treatment Plant (ETP)/Sewage Treatment Plant (STP)**

  Set up of ETP/STP plant at the premises to ensure maximum recycling and reuse of water in the process. We recycle 43 kl per day, equivalent to ~15,000 kl annually
- **Low LPM faucets**

  Enabled use of low LPM faucets at one of the premises to save 5 kl water per day. We plan to install these at all locations in India by FY22

8.1.3 Biodiversity

At VGL, we have accelerated efforts to enhance the green coverage at our plants and surroundings. During FY21, we planted ~1,100 trees, taking our cumulative plantation to over 4,000 trees.

8.1.4 Waste management

We have aligned waste management practices to our overarching '4R Policy' of Reduce, Recycle, Reuse and Reclaim in our operations. Key initiatives include:

- Ensure 100% conversion of bio-degradable waste (vegetables, food, leaves) into manure
- Installation of ozonator water treatment plant to facilitate removal of dirt, inorganic chemical impurities, and odour from water. This lowers the risk of ground water contamination. An ozonator can generate 10 gm of oxygen per hour to disinfect water
- Installation of wet scrubbers to reduce toxicity of fumes generated during jewellery manufacture

8.1.5 Green Building Certification

Our manufacturing unit at the Special Economic Zone in Jaipur, Rajasthan, received LEED Platinum certification under the LEED v4 Building Operations and Maintenance: Existing Buildings (LEED O+M) rating system. The SEZ building is the only manufacturing unit in Rajasthan and one of the only two such units across India to be certified as LEED Platinum under LEED V 4 O+M.

8.1.6 Green initiatives planned

1. Initiate work in FY22 on 1 acre land to plant 12,000-13,000 saplings to develop a Miyawaki forest
2. Build up a fleet of electric buses to facilitate employees' commute – aim is to have five electric buses running during FY22, which will sequestrate 300 tonnes of CO_2 per year. Encourage and support employees to opt for electric two wheelers for commute
3. Develop underground resources during the rainy season of FY22 to facilitate water conservation
4. Expand green initiative by adding solar capacity at our vendors' premises by FY24

8.2 Initiatives undertaken in the US

- Finalised LED lighting in the Raceway Building
- Set up a 3G Team (Goals to Going Green) and a sub-committee for Water, Waste, Transportation, Energy & User Experience
- Trained entire staff on recycling and build up composting awareness
- Implemented recycling and composting programme in all three buildings
- Installed motion-sensitive faucets for water conservation and hygiene
- Installed motion sensor lights in the warehouse for electricity conservation
- Received Austin Green Business Platinum Certification in April 2021, the highest such honour bestowed on businesses in Austin, Texas

8.3 Progress in the UK

- Receive a carbon neutral certificate in association with our third-party waste management service; plantations to offset carbon footprint
- Undertook environment-friendly initiatives such as recycling, litter collection campaign and cycle-to-work programme

9. Human Resource Management

Our people are one of the core enablers of growth. We have an open and dynamic work culture, one that respects inclusivity and inspires individuals to contribute to their best abilities. Our focus on providing an enabling work environment, caring for the well-being of our people, listening to them and acting on their feedback have been recognised by our workforce as well as by external agencies. We have received Great Place to Work certification across key operating entities within the Group.

FY21 was an unprecedented year, given the pandemic during which taking care of the health and well-being of our employees was our top priority. With the support of our employees, we were able to continue our operations seamlessly. Some of our initiatives included:

- Medical help to employees at home
- Providing accommodation and transport facilities to employees coming from other states
- 100% compliance with government guidelines
- Daily sanitisation of the workplace and commute buses
- Health supplements provided on a daily basis to boost immunity levels
- Sanitisation tunnel at factory entrance and sanitisers at workstations
- Multiple sessions held with doctors to create awareness on COVID-19
- Yoga sessions for employees at workplace and home for WFH employees
- No pay cuts

Employee engagement initiatives during the lockdown:

- All-Hands meetings
- Town halls
- Online games and quiz competitions
- Management training engagement programme with the leadership
- New joinees' interactions with leaders
- 'Thank-you' notes to all employees for their contribution and support during the pandemic

Other recurring initiatives included:

- Scholarship for employees' children
- Coaching to take on leadership roles
- Career-path based promotions, role changes promotion and career advancement
- Long-term service awards
- Medical benefits (including insurance coverage) for all employees

- Gifts to employees on important life events and festivals such as Diwali
- Hiring of talented management trainees to deepen talent pool
- Employee Stock Option (ESOP)/Restricted Stock Units (RSU) scheme for employees
- Adopted the Malcolm Baldrige Performance Excellence model as a key continuous improvement management model. Shop LC received Governor's Achievement Level for good management and performance against industry standards

We continued to maintain cordial industrial relations, with a focus on increasing employee engagement through formal and informal communication and training forums. As on 31 March 2021, we had 3,915 employees, including outsourced labour, on our rolls. We will continue focusing on our people's well-being and expand our team as per the requirements of our growth path.

10. Risk Management

Risk management framework at VGL involves systematic identification of risks and devising appropriate strategies to mitigate them. Risk management is integral to our business plans and strategic initiatives.

Risk	Mitigation measures
Pandemic disruption Risks arising from disruptions caused due to major health crises such as the COVID-19 pandemic	• Implemented adequate precautionary measures to ensure safety and health of all our employees in line with government guidelines while protecting livelihoods • To ensure business continuity, effectively optimised our global supplier network, adopted WFH, ensured zero downtown on critical systems and continued our focus on maintaining a healthy balance sheet
Increasing competition Competition from existing and new players owing to the dynamic nature of the business may adversely impact business and profitability	• Widening the moat by – Investing in innovation and expanding product range – Fortifying multi-destination sourcing for best quality products at cheapest prices – Strengthening our deep value proposition to customers
Technological obsolescence Rapid technology transformation redefines businesses and any delay in adaption could affect revenues	• Robust technology management vertical in place, focused on continuous evaluation of existing IT infrastructure for improvements and upgradation, automation and digitisation of processes with agility
Human resource risks Inadequate/under-skilled resources could result in a loss of business opportunities	• Unique value proposition to employees, such as learning and development opportunities, rewards and recognition; open and dynamic work culture helps attract and retain skilled talent force
Data privacy risk related to General Data Protection Regulation (GDPR) Risks related to data being compromised	• Legislations like GDPR have strict implications for noncompliance or breach • Our data protection and privacy policy counters this information threat
Foreign exchange risks Volatility in foreign exchange rates may impact our bottom lines	• The business enjoys natural hedge to a certain extent owing to global operations • Active hedging is implemented, based on perceived risk, and using foreign exchange derivative contracts
Commodity price risks Volatility in prices may affect our procurement prices and, in turn, our profitability	• Flexibility in product and range of price point offerings; procurement in line with pricing and market trends

11. Internal Controls and their Adequacy

Our internal control framework is designed to ensure appropriate safeguarding of assets, maintaining accurate accounting records, and providing reliable financial information and other data to our stakeholders. This system is supplemented by internal audit, reviews by the management, and documented policies, guidelines, and procedures. We believe that a strong internal control framework is an important pillar of Corporate Governance. We have a well-defined organisational structure, authority levels and internal rules and guidelines for conducting business transactions. We intend to undertake further measures, as necessary, in line with our intent to adhere to procedures, guidelines and regulations, as applicable, in a transparent manner. Considering the Company's growth and performance, contribution capabilities, governance ethos, sensitised approach towards CSR and sustainable development, Vaibhav Global was conferred 'Best Governed Company' in the Listed Segment: Emerging Category for 2020 at the 20th edition of the ICSI National Awards for Excellence in Corporate Governance.

Our current system of Internal Financial Controls is aligned with the requirements of the Companies Act, 2013 and in line with globally accepted risk-based framework as issued by the Committee of Sponsoring Organisations (COSO) of the Treadway Commission. This framework includes entity-level policies, processes and Standard Operating Procedures (SOP). We use technology-supported platforms to keep the Internal Financial Control (IFC) framework robust.

We periodically assess operational effectiveness of our internal controls across multiple functions and locations through extensive internal audit exercises. Based on the assessment of internal audit function, process owners undertake corrective action in their respective areas, and thereby strengthen the controls. Significant audit observations and corrective actions thereon are presented to the Audit Committee of the Board. Deloitte Touche Tohmatsu India LLP, an external independent firm, carries out the internal audit of our 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 the risk-based internal audit plan, which is reviewed by our Audit Committee. The committee periodically reviews the findings and provides suggestions for improvement, and it is regularly apprised of the implementation status with respect to actionable items.

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.

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 32nd Annual General Meeting (AGM) of the Members of VAIBHAV GLOBAL LIMITED will be held on Thursday, 29 July 2021 at 9.00 A.M. (IST) through Video Conferencing ('VC') facility or Other Audio Visual Means ('OAVM') 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 31 March 2021 together with the Reports of the Board of Directors and Auditors thereon.
2. **Re-appointment of Mr. Pulak Chandan Prasad as a Director, liable to retire by rotation**
   To appoint a Director in place of Mr. Pulak Chandan Prasad (DIN: 00003557), who retires by rotation at this Annual General Meeting and, being eligible, offers himself for re-appointment.
3. **Declaration of dividend**
   To declare a final dividend of ₹ 1.50 per equity share (@75%) of face value of ₹ 2/- each for the year ended 31 March 2021 and to confirm 1st interim dividend of ₹ 5.00 per equity share (@50%) of face value of ₹ 10/- each, 2nd interim dividend of ₹ 5.00 per equity share (@50%) of face value of ₹ 10/- each and 3rd interim dividend of ₹ 7.50 per equity share (@75%) of face value of ₹ 10/- each, already paid during the year 2020-21.

Special Business:

4. **Appointment of Mr. Sanjeev Agrawal as a Director of the Company**
   *To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:*

   "**RESOLVED THAT** Mr. Sanjeev Agrawal (DIN: 00092746), who was appointed as an Additional Director (Non-Executive, Non-Independent Director) of the Company w.e.f. 29 October 2020 by the Board of Directors and who holds office upto the date of this Annual General Meeting in terms of Section 161 and other applicable provisions of the Companies Act, 2013 ("the Act") read with Companies (Appointment and Qualification of Directors) Rules, 2014 and the Article of Association, and pursuant to the recommendation of the Nomination, Remuneration & Compensation Committee and the Board of Directors, and being eligible, offer himself for appointment, and in respect of whom the Company has received a notice in writing under Section 160(1) of the Act from a Member signifying his intention to propose Mr. Sanjeev Agrawal's candidature for the office of the Director, be and is hereby appointed as a Non-Executive, Non Independent Director of the Company, liable to retire by rotation, with effect from the date of this Meeting."

   "**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorized to settle any question, difficulty or doubt that may arise in giving effect to this resolution and to do all such acts, deeds, matters and things as may be necessary, expedient and desirable in this regard."

Registered Office:
K-6B, Fateh Tiba,
Adarsh Nagar,
Jaipur – 302004
CIN: L36911RJ1989PLC004945

Place: Jaipur
Date: 12 May 2021

By Order of the Board of Directors
For Vaibhav Global Limited

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

NOTES:

1. Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ('the Act') in respect of item number 4 and the information required pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI (LODR) Regulations'), read with secretarial standard 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. The 32nd Annual General Meeting (AGM) is convened through Video Conferencing ("VC") / Other Audio-Visual Means ("OAVM") pursuant to General Circular numbers 14/2020, 17/2020, 20/2020 and 02/2021 dated 8 April 2020, 13 April 2020, 5 May 2020 and 13 January 2021 respectively, issued by the Ministry of Corporate Affairs (MCA) and Circular numbers SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12 May 2020 and SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated 15 January 2021 issued by the Securities and Exchange Board of India (SEBI) (hereinafter collectively referred to as 'Circulars'), which permits the companies to hold AGM through VC/OAVM, which does not require physical presence of members at a common venue. The deemed venue for the 32nd AGM shall be the Corporate Office of the Company i.e. E-69, EPIP, Sitapura, Jaipur-302022 (Rajasthan).
3. The Company has availed the services of KFin Technologies Private Limited, (KFintech) Registrar and Transfer Agent (RTA) of the Company, as the authorized agency for conducting of the AGM through VC/OAVM and providing e-voting facility.
4. Attending e-AGM: Members will be provided with a facility to attend the e-AGM through video conferencing platform provided by KFin Technologies Private Limited. Members may access the same at https://evoting.kfintech.com by clicking "e-AGM - Video Conference & Streaming" and access the shareholders'/ members' login by using the remote e-voting credentials which are provided at Note No. 28. Kindly refer the same for detailed instruction for participating in e-AGM through VC/OAVM.
5. In compliance with the aforesaid Circulars, the Notice of 32nd AGM along with the Annual Report for the financial year 2020-21 is sent only through electronic mode to those Members whose E-mail addresses are registered with the Company / Depositories / RTA as on 2 July 2021. The AGM notice and Annual Report of the Company are made available on the Company's website at www.vaibhavglobal.com and also on the website of the Stock Exchanges where shares of the Company are listed viz., BSE Limited - www.bseindia.com and National Stock Exchange of India Limited - www.nseindia.com.
6. Though a member entitled to attend and vote at the meeting, is entitled to appoint one or more proxies (proxy need not be a member of the company to attend and vote instead of himself/herself), the facility of appointment of Proxies is not available as the AGM is convened through VC/OAVM.
7. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Act.
8. In case of joint holders only such joint holder who is first in the order of names will be entitled to vote during the meeting.
9. The Register of Members and the Share Transfer Books of the Company will remain closed on Friday, 2 July 2021 ('Book Closure date') for the purpose of AGM and payment of dividend. The dividend, as recommended by the Board of Directors of the Company, if declared at the AGM, will be paid within 30 days from the date of AGM to those Members, whose names stand registered as on book closure date in the record of the Company/RTA/Depositories.
10. Members may note that the Income-tax Act, 1961, ("the IT Act") as amended by the Finance Act, 2020, mandates that dividends paid or distributed by a company after 1 April 2020 shall be taxable in the hands of members. The Company shall therefore be required to deduct tax at source ("TDS") at the time of making the payment of final dividend. In order to enable us to determine the appropriate TDS rate as applicable, members are requested to submit relevant documents, as specified in the below paragraphs, in accordance with the provisions of the IT Act.

    For resident shareholders, taxes shall be deducted at source under Section 194 of the IT Act as follows:

Members having valid Permanent Account Number ("PAN")	10% or as notified by the Government of India
Members not having PAN / valid PAN	20% or as notified by the Government of India

    However, no tax shall be deducted on the dividend payable to a resident individual if the total dividend to be received by him/her during financial year 2021-22 does not exceed ₹ 5,000 and also in cases where members provide Form 15G / Form 15H (Form 15H is applicable to individuals aged 60 years or more) subject to conditions specified in the IT Act. Resident shareholders may also submit any other document as prescribed under the IT Act to claim a lower / nil withholding tax. PAN is mandatory for members providing Form 15G / 15H or any other document as mentioned above.

    For non-resident shareholders, taxes are required to be withheld in accordance with the provisions of section 195 and other applicable sections of the IT Act, at the rates in force. The withholding tax shall be at the rate of 20% (plus applicable surcharge and cess) or as notified by the Government of India on the amount of dividend payable. However, as per section 90 of the IT Act, non-resident shareholders have the option to be governed by the provisions of the Double Tax Avoidance Agreement ("DTAA"), read with Multilateral Instrument ("MLI") between India and the country of tax residence of the member, if they are more beneficial to them. For this purpose, i.e. to avail the benefits under the DTAA read with MLI, non-resident shareholders will have to provide the following:

    - Copy of the PAN card allotted by the Indian income tax authorities duly attested by the member or details as prescribed under rule 37BC of Income-tax Rules, 1962
    - Copy of Tax Residency Certificate for financial year 2021-22 obtained from the revenue authorities of the country of tax residence, duly attested by member
    - Self-declaration in Form 10F
    - Self-declaration by the member of having no permanent establishment in India in accordance with the applicable tax treaty
    - Self-declaration of beneficial ownership by the non-resident shareholder
    - Any other documents as prescribed under the IT Act for lower withholding of taxes if applicable, duly attested by the member

    In case of Foreign Institutional Investors / Foreign Portfolio Investors, tax will be deducted under Section 196D of the IT Act @ 20% (plus applicable surcharge and cess) or the rate provided in relevant DTAA, read with MLI, whichever is more beneficial, subject to the submission of the above documents.

    In order to provide exemption from withholding of tax, the following entities holding shares of the Company as on the Book closure date must provide a self-declaration as listed below:

    - **Insurance companies:** A declaration that they are beneficial owners of shares held;
    - **Mutual Funds:** A declaration that they are governed by the provisions of section 10(23D) of the Act along with copy of registration documents (self-attested);
    - **Alternative Investment Fund (AIF) established in India:** A declaration that its income is exempt under section 10(23FBA) of the Act and they are established as Category I or Category II AIF under the SEBI

regulations. Copy of registration documents (self-attested) should be provided.

The Company is not obligated to apply the beneficial DTAA rates at the time of tax deduction / withholding on dividend amounts. Application of beneficial DTAA rate is dependent upon the completeness and satisfactory review by the Company, of the documents submitted by shareholder.

The members/shareholders are required to provide above documents/declarations by sending an E-mail to einward.ris@kfintech.com on/before 17 July 2021.

11. 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.

12. Members are requested to note that, in order to avoid any loss/ interception in postal transit and also to get prompt credit of dividend through National Electronic Clearing Service (NECS) / Electronic Clearing Service (ECS) they should submit their NECS / ECS details to the Company's RTA (holding shares in physical form) and to their DP (holding share in demat form). Please refer point No. 20 for updation of bank details with RTA.

13. As a part of the green initiatives, the Members who have not yet registered their E-mail addresses are requested to register their E-mail addresses with their DPs in case the shares are held by them in electronic form and with RTA in case the shares are held by them in physical form. Upon such Registration, all communication from the Company/ RTA will be sent to the registered E-mail address.

14. Members are requested to intimate, indicating their folio number, the changes, if any, in their registered address, either to the Company's Registrar and Share Transfer Agents at KFin Technologies Private Limited (Unit: Vaibhav Global Limited) Selenium Building, Tower B, Plot 31-32, Financial District, Nanakramguda, Serilingampally Mandal Hyderabad-500032 or to their respective DP in case the shares are held in dematerialized form.

15. As per the provisions of section 72 of the Act, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. If a Member desires to cancel the earlier nomination and record a fresh nomination, he/she may submit the same in Form No. SH-14. The said forms can be downloaded from the Company's website at www.vaibhavglobal.com under 'Investor Relations' section. Members are requested to submit the said form to their DP in case the shares are held in electronic form and to the Registrar at einward.ris@kfintech.com in case the shares are held in physical form, quoting their folio number.

16. As per Regulation 40 of SEBI (LODR) Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from 1 April 2019, except in case of request received for transmission or transposition of securities. Hence, the Members holding shares in physical form are requested to consider converting their holdings in the dematerialized form. The Members who are desirous to convert their physical holdings into dematerialized form, may contract the Depository Participant of their choice.

17. 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 electronically for inspection by the members at the AGM.

    All documents referred in the accompanying Notice and Statement setting out material facts will be available for electronic inspection for Members on all working days (except Holiday) between 11.00 A.M. and 1.00 P.M. (IST) up to date of 32nd AGM. Members seeking to inspect such documents can send an E-mail to investor_relations@vaibhavglobal.com

18. SEBI has mandated submission of Permanent Account Number ("PAN") by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to provide their PAN details to their respective DPs with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the RTA.

19. Updation of Members' details: The format of the Register of Members prescribed by the MCA under the Act requires the Company/RTA to record additional details of Members, including their PAN details, E-mail address, bank details for payment of dividend, etc. Members holding shares in physical form are requested to furnish the above details to the Company or RTA. Members holding shares in electronic form are requested to furnish the details to their respective DP.

20. Procedure to be followed by the Members holding physical shares certificate for updation of bank account mandate for receipt of dividend:

    i. Send a request to KFintech at einward.ris@kfintech.com by providing the following details:

        a) Folio No., Name of the Member/s;

        b) Name and Branch of the Bank in which you wish to receive the dividend;

        c) the Bank Account type;

        d) Bank Account Number allotted by their bank after implementation of Core Banking Solutions;

        e) 9 digit MICR Code Number; and

        f) 11 digit IFSC Code

    ii. Along with the request, attach the scanned copy of Share Certificate (front and back), PAN (self-attested scanned copy of PAN card), scanned copy of cancelled cheque bearing the name of the first Shareholder.

21. To prevent fraudulent transactions, Members are advised to exercise due diligence and notify the Company of any change in address or demise of any Member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned DP and holdings should be verified from time to time.

22. The members / investors may send their complaints/ queries, if any to the Company's RTA at einward.ris@kfintech.com or to the Company at investor_relations@vaibhavglobal.com.

23. Since the AGM being held through VC/OAVM, the Route Map, Attendance Slip and proxy form are not attached to this Notice.

24. The Board of Directors has appointed Mr. B K Sharma of M/s B K Sharma & Associates, Practicing Company Secretaries as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.

25. The scrutinizer shall immediately after the conclusion of e-voting at the general meeting, count the votes cast at the meeting and votes cast through remote e-voting in the presence of at least two witnesses who are not in the employment of the Company and within two working days from the conclusion of the meeting, submit a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or person authorized by the Chairman in writing for counter signature.

26. The results shall be declared either by the Chairman or the person authorized by the Chairman and the resolutions will be deemed to have been passed on the AGM date subject to receipt of the requisite number of votes in favour thereof.

27. Promptly after declaration of results, the same shall be placed along with the Scrutinizer's Report on the Company's website at www.vaibhavglobal.com and on the KFintech's website at https://evoting.kfintech.com and communicated to BSE Limited and National Stock Exchange of India Limited, where the shares of the Company are listed for placing the same in their website.

28. **PROCEDURE FOR REMOTE E-VOTING AND ATTENDING E-AGM**

    (1) In compliance with the provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended from time to time and the provisions of Regulation 44 of the SEBI (LODR) Regulations and in terms of SEBI vide circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 9 December 2020 in relation to e-Voting facility provided by listed entities, the Members are provided with the facility to cast their vote electronically, through the remote e-voting services provided by KFintech on all resolutions set forth in the Notice of 32nd AGM.

    (2) However, in pursuant to SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 9 December 2020 on "e-Voting facility provided by listed companies", e-Voting process has been enabled to all the individual demat account holders, by way of single login credential, through their demat accounts / websites of Depositories / DPs in order to increase the efficiency of the voting process.

    (3) Individual demat account holders would be able to cast their vote without having to register again with the e-Voting service provider (ESP) thereby not only facilitating seamless authentication but also ease and convenience of participating in e-Voting process. Shareholders are advised to update their mobile number and e-mail ID with their DPs to access e-Voting facility.

    (4) The remote e-voting period will commence on Sunday, 25 July 2021 at 10.00 A.M. (IST) and ends on Wednesday, 28 July 2021 at 5.00 P.M. (IST). During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e., Thursday, 22 July 2021, may cast their vote electronically in the manner and process set out hereinabove. The remote e-voting module shall be disabled for voting thereafter. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently.

    (5) The voting rights of Members shall be in proportion to their shares in the paid-up equity share capital of the Company as on the cut-off date.

    (6) Any person holding shares in physical form and non-individual shareholders, who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date, may obtain the login ID and password by sending a request at evoting@Kfintech.com. However, if he / she is already registered with KFintech for remote e-Voting then he /she can use his / her existing User ID and password for casting the vote.

    (7) In case of individual shareholders holding securities in demat mode and who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date may follow steps mentioned below under "Login method for remote e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode."

    (8) A person who is not a member as on the cut-off date, should treat this Notice for information purpose only.

    (9) The details of the process and manner for remote e-Voting and e-AGM are explained herein below:

    Step 1 : Access to Depositories e-Voting system in case of individual shareholders holding shares in demat mode.

    Step 2 : Access to KFintech e-Voting system in case of shareholders holding shares in physical and non-individual shareholders in demat mode.

    Step 3 : Access to join virtual meetings (e-AGM) of the Company on KFin system to participate e-AGM and vote at the AGM.

Details on Step 1 are mentioned below:

I) Login method for remote e-Voting for Individual shareholders holding securities in demat mode.

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL	**1. User already registered for IDeAS facility:** I. Visit URL: https://eservices.nsdl.com II. Click on the “Beneficial Owner” icon under “Login” under ‘IDeAS’ section. III. On the new page, enter User ID and Password. Post successful authentication, click on “Access to e-Voting” IV. Click on company name or e-Voting service provider and you will be re-directed to e-Voting service provider website for casting the vote during the remote e-Voting period. **2. User not registered for IDeAS e-Services** I. To register click on link : https://eservices.nsdl.com II. Select “Register Online for IDeAS” or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp III. Proceed with completing the required fields. IV. Follow steps given in points 1 **3. Alternatively by directly accessing the e-Voting website of NSDL** I. Open URL: https://www.evoting.nsdl.com/ II. Click on the icon “Login” which is available under ‘Shareholder/Member’ section. III. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password / OTP and a Verification Code as shown on the screen. IV. Post successful authentication, you will be requested to select the name of the company and the e-Voting Service Provider name, i.e.KFintech. V. On successful selection, you will be redirected to KFintech e-Voting page for casting your vote during the remote e-Voting period.
Individual Shareholders holding securities in demat mode with CDSL	**1. Existing user who have opted for Easi / Easiest** I. Visit URL: https://web.cdslindia.com/myeasi/home/login or URL: www.cdslindia.com II. Click on New System Myeasi III. Login with your registered user id and password. IV. The user will see the e-Voting Menu. The Menu will have links of ESP i.e. KFintech e-Voting portal. V. Click on e-Voting service provider name to cast your vote. **2. User not registered for Easi/Easiest** I. Option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration II. Proceed with completing the required fields. III. Follow the steps given in point 1 **3. Alternatively, by directly accessing the e-Voting website of CDSL** I. Visit URL: www.cdslindia.com II. Provide your demat Account Number and PAN No. III. System will authenticate user by sending OTP on registered Mobile & Email as recorded in the demat Account. IV. After successful authentication, user will be provided links for the respective ESP, i.e **KFintech** where the e- Voting is in progress.
Individual Shareholder login through their demat accounts / Website of Depository Participant	I. You can also login using the login credentials of your demat account through your DP registered with NSDL /CDSL for e-Voting facility. II. Once logged-in, you will be able to see e-Voting option.Once you click on e-Voting option, you will be redirected to NSDL / CDSL Depository site after successful authentication, wherein you can see e-Voting feature. III. Click on options available against company name or e-Voting service provider – **Kfintech** and you will be redirected to e-Voting website of **KFintech** for casting your vote during the remote e-Voting period without any further authentication.

Important note: Members who are unable to retrieve User ID / Password are advised to use Forgot user ID and Forgot Password option available at respective websites.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login Type	Helpdesk details
Securities held with NSDL	Please contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: **1800 1020 990 and 1800 22 44 30**
Securities held with CDSL	Please contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at **022- 23058738 or 022-23058542-43**

Details on Step 2 are mentioned below:

II) Login method for e-Voting for shareholders other than Individual’s shareholders holding securities in demat mode and shareholders holding securities in physical mode.

(A) Members whose email IDs are registered with the Company/ Depository Participants (s), will receive an email from KFintech which will include details of E-Voting Event Number (EVEN), USER ID and password. They will have to follow the following process:

i. Launch internet browser by typing the URL: https://emeetings.kfintech.com

ii. Enter the login credentials (i.e. User ID and password). In case of physical folio, User ID will be EVEN (E-Voting Event Number-6006), followed by folio number. In case of Demat account, User ID will be your DP ID and Client ID. However, if you are already registered with KFintech for e-voting, you can use your existing User ID and password for casting the vote.

iii. After entering these details appropriately, click on “LOGIN”.

iv. You will now reach password change Menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A- Z), one lower case (a-z), one numeric value (0-9) and a special character (@,#,$, etc.,). The system will prompt you to change your password and update your contact details like mobile number, email ID etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.

v. You need to login again with the new credentials.

vi. On successful login, the system will prompt you to select the “EVEN” i.e., ‘Vaibhav Global Limited - AGM” and click on “Submit”

vii. On the voting page, enter the number of shares (which represents the number of votes) as on the Cut-off Date under “FOR/AGAINST” or alternatively, you may partially enter any number in “FOR” and partially “AGAINST” but the total number in “FOR/AGAINST” taken together shall not exceed your total shareholding as mentioned herein above. You may also choose the option ABSTAIN. If the Member does not indicate either “FOR” or “AGAINST” it will be treated as “ABSTAIN” and the shares held will not be counted under either head.

viii. Members holding multiple folios/demat accounts shall choose the voting process separately for each folio/ demat accounts.

ix. Voting has to be done for each item of the notice separately. In case you do not desire to cast your vote on any specific item, it will be treated as abstained.

x. You may then cast your vote by selecting an appropriate option and click on “Submit”.

xi. A confirmation box will be displayed. Click “OK” to confirm else “CANCEL” to modify. Once you have voted on the resolution (s), you will not be allowed to modify your vote. During the voting period, Members can login any number of times till they have voted on the Resolution(s).

xii. Corporate/Institutional Members (i.e. other than Individuals, HUF, NRI etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution/Authority Letter etc., authorizing its representative to attend the AGM through VC / OAVM on its behalf and to cast its vote through remote e-voting. Together with attested specimen signature(s) of the duly authorised representative(s), to the Scrutinizer at email id bksharma162@gmail.com with a copy marked to evoting@kfintech.com. The scanned image of the above-mentioned documents should be in the naming format Vaibhav Global Limited 32nd AGM.

(B) Members whose email IDs are not registered with the Company/Depository Participants(s), and consequently the Annual Report, Notice of AGM and e-voting instructions cannot be serviced, will have to follow the following process:

i. Members who have not registered their email address and in consequence the Annual Report, Notice of AGM and e-voting instructions cannot be serviced, may temporarily get their email address and mobile number provided with KFintech, by accessing the link: https://ris.kfintech.com/clientservices/mobilereg/mobileemailreg.aspx. Members are requested to follow the process as guided to capture the email address and mobile number for sending the soft copy of the notice and e-voting instructions along with the User ID and Password. In case of any queries, member may write to einward.ris@kfintech.com.

ii Alternatively, member may send an e-mail request at the email id einward.ris@kfintech.com along with scanned copy of the signed copy of the request letter providing the email address, mobile number, self-attested PAN copy and Client Master copy in case of electronic folio and copy of share certificate in case of physical folio for sending the Annual report, Notice of AGM and the e-voting instructions.

iii. After receiving the e-voting instructions, please follow all steps above to cast your vote by electronic means.

Details on Step 3 are mentioned below:

III) Instructions for all the shareholders, including Individual, other than Individual and Physical, for attending the AGM of the Company through VC/OAVM and e-Voting during the meeting.

i. Member will be provided with a facility to attend the AGM through VC / OAVM platform provided by KFintech. Members may access the same at https://emeetings.kfintech.com/ by using the e-voting login credentials provided in the email received from the Company/KFintech. After logging in, click on the Video Conference tab and select the EVEN of the Company. Click on the video symbol and accept the meeting etiquettes to join the meeting. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned above.

ii. Facility for joining AGM though VC/ OAVM shall open atleast 30 minutes before the commencement of the Meeting.

iii. Members are encouraged to join the Meeting through Laptops/ Desktops with Google Chrome (preferred browser), Safari, Internet Explorer, Microsoft Edge, Mozilla Firefox 22.

iv. Members will be required to grant access to the webcam to enable VC / OAVM. Further, Members connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

v. As the AGM is being conducted through VC / OAVM, for the smooth conduct of proceedings of the AGM, Members are encouraged to express their views / send their queries in advance mentioning their name, demat account number / folio number, email id, mobile number at investor_relations@vaibhavglobal.com. Questions / queries received by the Company till Tuesday, 27 July 2021 at 5.00 pm shall only be considered and responded during the AGM.

vi. The Members who have not cast their vote through remote e-voting shall be eligible to cast their vote through e-voting system available during the AGM. E-voting during the AGM is integrated with the VC / OAVM platform. The Members may click on the voting icon displayed on the screen to cast their votes.

vii. A Member can opt for only single mode of voting i.e., through Remote e-voting or voting at the AGM. If a Member casts votes by both modes, then voting done through Remote e-voting shall prevail and vote at the AGM shall be treated as invalid.

viii. Facility of joining the AGM through VC / OAVM shall be available for atleast 2000 members on first come first served basis.

ix. Institutional Members are encouraged to attend and vote at the AGM through VC / OAVM.

Other Instructions

I. **Speaker Registration:** The Members who wish to speak during the meeting may register themselves as speakers for the AGM to express their views. They can visit https://emeetings.kfintech.com and login through the user id and password provided in the mail received from Kfintech. On successful login, select 'Speaker Registration' which will be opened from Sunday, 25 July 2021 at 10.00 am to Tuesday, 27 July 2021 at 5.00 pm. Members shall be provided a 'queue number' before the meeting. The Company reserves the right to restrict the speakers at the AGM to only those Members who have registered themselves, depending on the availability of time for the AGM.

II. **Post your Question:** The Members who wish to post their questions prior to the meeting can do the same by visiting https://emeetings.kfintech.com. Please login through the user id and password provided in the mail received from Kfintech. On successful login, select 'Post Your Question' option which will be opened from Sunday, 25 July 2021 at 10.00 am to Tuesday, 27 July 2021 at 5.00 pm.

III. In case of any query and/or grievance, in respect of voting by electronic means, Members may refer to the Help & Frequently Asked Questions (FAQs) and E-voting user manual available at the download section of https://evoting.kfintech.com (KFintech Website) or contact C. Shobha Anand, Deputy General Manager, Kfintech at evoting@kfintech.com or call KFintech's toll free No. 1-800-309-4001 for any further clarifications.

IV. In case a person has become a Member of the Company after dispatch of AGM Notice but on or before the cut-off date for E-voting, he/she may obtain the User ID and Password in the manner as mentioned below:

i. If the mobile number of the member is registered against Folio No./ DP ID Client ID, the member may send SMS: MYEPWD <space> E-Voting Event Number+Folio No. or DP ID Client ID to 9212993399

1. Example for NSDL:
2. MYEPWD <SPACE> IN12345612345678
3. Example for CDSL:
4. MYEPWD <SPACE> 1402345612345678
5. Example for Physical:
6. MYEPWD <SPACE> XXXX1234567890

ii. If e-mail address or mobile number of the member is registered against Folio No. / DP ID Client ID, then on the home page of https://evoting.kfintech.com/, the member may click "Forgot Password" and enter Folio No. or DP ID Client ID and PAN to generate a password.

iii. Members who may require any technical assistance or support before or during the AGM are requested to contact KFintech at toll free number 1-800-309-4001 or write to them at evoting@kfintech.com.

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

Item No. 4

The Board of Directors, upon the recommendation of Nomination, Remuneration and Compensation (NRC) Committee, had appointed Mr. Sanjeev Agrawal (DIN: 00092746) as an Additional Director (Non-executive, Non-Independent Director) from 29 October 2020.

In terms of Section 161(1) of the Companies Act, 2013 read with Articles of Association of the Company, Mr. Sanjeev Agrawal (DIN: 00092746) holds office as an Additional Director only up to the date of the forthcoming Annual General Meeting. The Company has received a notice from a member under Section 160 of the Companies Act, 2013, proposing the candidature of Mr. Sanjeev Agrawal for the office of Director of the Company. Considering his knowledge, skills and experience, the Board of Directors, upon the recommendation of NRC committee, has recommended/approved the appointment of Mr. Sanjeev Agrawal as a Director of the Company, liable to retire by rotation.

The Company has received consent in writing from him to act as Director of the Company and declarations that he is not disqualified to act as Director under Section 164(2) of the Act and is not debarred from holding the office by virtue of any SEBI Order or any other authority. In the opinion of the Board, Mr. Sanjeev Agrawal fulfils the conditions specified in the Act/ Regulations. The Board recommends the Ordinary Resolution set out at Item No. 4 of the Notice for the approval of the members.

The brief profile, specific areas of his expertise and other information as required under SEBI (LODR) Regulations and Secretarial Standard 2, is provided at the end of the notice.

No Director, Key Managerial Personnel and their relatives, except appointee himself, Mr. Sunil Agrawal (Brother) and Mrs. Sheela Agarwal (Mother), is in any way, concerned or interested in the resolution.

Details of Directors seeking appointment/re-appointment at 32nd Annual General Meeting

Name of Director	Mr. Pulak Chandan Prasad	Mr. Sanjeev Agrawal
Date of Birth	27/05/1968	20/09/1965
Date of first appointment on the Board	29/10/2013	29/10/2020
Date of re-appointment	29/07/2021	NA
Brief Profile / Expertise in Specific field/ Qualification	Mr. Pulak Chandan Prasad is the founder of Nalanda Capital that holds large and long-term stakes in small to mid-cap listed Companies in India on behalf of the US and European Institutional Investors (primarily Endowments and Foundations). Before Nalanda Capital, Pulak has worked with the global private equity firm Warburg Pincus for more than eight years as the Managing Director and co-head of India. Before Warburg Pincus, Pulak was associated with McKinsey in India, South Africa and the US for six years. He joined McKinsey in 1992 after completing his postgraduation from IIM Ahmedabad, prior to which he worked with Unilever in India as a Production Management Trainee. He holds an engineering degree from IIT Delhi.	Mr. Sanjeev Agrawal is commerce graduate from University of Rajasthan and renowned personality in the field of Natural Dimensional Stones in India and across the globe. A first-generation entrepreneur, he established Stone Age Group in 1991 with an aim to promote Indian Stones in global market. In last 30 years, he diversified Stone Age Group from a Stone trading company to a group having various manufacturing facilities and supplying various types of natural stones to numerous prestigious projects around the world. Mr. Agrawal was instrumental in establishing Strata Stones limited in 2005, a company registered in England, with an aim to have a European presence and the company is now one of the leading suppliers of Natural Stones to landscape industry within U.K. Mr. Agrawal has started another venture "ORVI Design Studio" in 2013, having a strong R&D culture and engaged in creating unique surfaces and articles that are used in high end projects around the world and have won many international awards.
Board Meetings held & attended during the FY 2020-21	Held – 5 Attended - 4	Held – 2 Attended – 2
Directorships held in other public companies (excluding foreign companies and Section 8 companies)	• Berger Paints India Limited • Just Dial Limited	Nil
Memberships/ Chairmanships of committees of other public companies (includes only Audit Committee and Stakeholders' Relationship Committee)	• Berger Paints India Limited – Audit Committee (Member)	Nil
Number of shares held in the Company	Nil	41,600
Remuneration paid during FY 2020-21	Nil	₹1,50,000 (Sitting Fees)
Relationships with other directors/KMP	NA	Son of Mrs. Sheela Agarwal and brother of Mr. Sunil Agrawal, directors of the Company.

Registered Office:
K-6B, Fateh Tiba, Adarsh Nagar,
Jaipur – 302004
CIN: L36911RJ1989PLC004945

Place: Jaipur
Date: 12 May 2021

By Order of the Board of Directors
For Vaibhav Global Limited

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

Board's Report

To the Members,

Your Directors have pleasure in presenting the 32nd Annual Report on the affairs of the Company, together with the Audited Financial Statements, for the financial year ended 31 March 2021.

Financial Performance and Highlights

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. The highlights of financial performance (standalone and consolidated) of the Company for the year ended 31 March 2021 are as follows:

(₹ in lacs)

Particulars	Standalone (FY)		Consolidated (FY)	
	2020-21	2019-20	2020-21	2019-20
Revenue from Operations and Other Income	46,173.52	54,286.04	2,55,777.00	2,00,100.25
Less: Operating Cost	40,362.96	39,957.68	2,16,983.97	1,72,465.05
Operating Profit / PBDIT	5,810.56	14,328.36	38,793.03	27,635.20
Less: Finance Cost	178.88	649.98	462.94	864.83
Less: Depreciation & Amortisation Expenses	513.34	409.94	3,913.82	3,136.21
Profit Before Tax (PBT)	5,118.34	13,268.44	34,416.27	23,634.16
Less: Tax Expenses	435.23	531.52	7,240.93	4,608.43
Profit After Tax (PAT)	4,683.11	12,736.92	27,175.34	19,025.73
Other Comprehensive Income (Net of Tax)	(34.04)	19.89	(220.65)	2,374.86
Total Comprehensive Income	4,649.07	12,756.81	26,954.69	21,400.59

A detailed discussion on financial and operational performance of the Company is given under "Management Discussion and Analysis Report" forming part of this Report.

Business Review

Vaibhav Global Limited is an established player in the global retail space with presence in the US and UK markets and an extensive supply chain spread over 30 countries. We are a vertically integrated fashion retailer, with multi-channel presence across well-integrated platforms, comprising proprietary TV home-shopping channels, e-commerce websites, mobile apps, smart TV, OTT platforms, social media platforms and third-party marketplaces.

Fashion jewellery contributes nearly 69% to our retail revenue, while a mix of different lifestyle products including home, beauty, fashion and accessories and lifestyle products make up the rest. We constantly enrich our product mix, as a result of which, the contribution of products other than fashion jewellery to the total revenue is growing at a notable rate. Our enhanced portfolio not only increases our value proposition to the customer but also enables a greater customer engagement. Our retail brands –Shop LC (US) and Shop TJC (UK) – command a strong brand recall, especially in the value segment.

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.

COVID-19

The COVID-19 crisis disrupted the entire global economy during FY21. Despite the lockdown guidelines across different geographies, the Company was able to maintain uninterrupted retail operations at both Shop LC in the US and Shop TJC in the UK. We were able to make up for the disruptions in sourcing countries, that occurred due to lockdowns in China and India, because of our robust and efficient supply chain that extends across 30+ countries and include the local procurement channels in the countries in which we operate. While resuming operations in sourcing countries, we followed the directives issued by the authorities from time to time and also put in place various safety measures at all units like social distancing, sanitisation of place and people, compulsory mask etc. to ensure the safety of our employees. A large segment of our employees worked from home and we provided various amenities and support to make this transition comfortable.

We leveraged our global supply chain and efficient inventory management system to tide over the challenges caused by the pandemic. During Q1 of FY21, we were able to market essential products like face masks, personal care items, food products, and other goods given our agility in sourcing in a timely and efficient manner.

Overall, our business demonstrated encouraging performance, driven by stringent cost optimisation and efficiency improvements. Despite the pandemic, we were able to register a substantial growth in consolidated top and bottom line, preserved jobs, paid adequate remuneration to our employees and quarterly dividend to the investors.

The second wave of COVID in India, started during Q1 of FY22 may further impact the Indian economy. The Company shall continue its operations as per the directives to be issued by the authorities from time to time. We are hopeful and confident that we will be able to manage our retail business uninterrupted with our robust global supply chain system and agile planning and executions.

Dividend

The Board of Directors of your company is pleased to recommend a final dividend of ₹ 1.50/- per equity share of the face value of ₹ 2/- each (@75%) for the financial year 2020-21, for the approval of the equity shareholders at the ensuing Annual General Meeting (AGM). The dividend, if approved at 32nd AGM, will be paid to those members who will be the members of the Company on the book closure date i.e. 2 July 2021.

During the year under review, 1st interim dividend of ₹ 5/- per equity share of the face value of ₹ 10/- each (@50%), 2nd interim dividend of ₹ 5/- per equity share of the face value of ₹ 10/- each (@50%) and 3rd interim dividend of ₹ 7.50/- per equity share of the face value of ₹ 10/- each (@75%) were paid as declared by the Board of Directors in its meetings held on 30 July 2020, 29 October 2020 and 29 January 2021 respectively.

Cumulatively, the total dividend outgo for the financial year 2020-21 amounts to ₹ 81.30 crores and the dividend payout is 30% of consolidated free cash flow.

The Dividend Distribution Policy, in terms of Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI (LODR) Regulations') is available on the Company's website at https://www.vaibhavglobal.com/code-policies

Transfer to Reserve

The Board of Directors have decided to retain the entire amount of profits for FY 2020-21 in the profit and loss account and not to transfer any amount to the Reserves for the year under review.

Change in Capital Structure

a) **Authorised Share Capital:** During the year under review, there has been no change in the authorised share capital of the Company.

b) **Issued and Subscribed Share Capital:** The Company has allotted 2,23,806 equity shares of ₹ 10/- each to eligible employees under Vaibhav Global Limited, Employee Stock Options Plan (As Amended) - 2006, in different tranches, through Vaibhav Global Employee Stock Option Welfare Trust, pursuant to the exercise of stock options. Further, the Company has not issued shares with differential voting rights.

Employees Benefit Scheme(s)

a) Employee Stock Options Plan (As Amended) - 2006: During the year under review, 4,05,900 stock options convertible into equal number of equity shares of ₹ 10/- each have been granted to the eligible employees of the Company and its subsidiaries under 'Vaibhav Global Limited, Employee Stock Options Plan (As Amended) - 2006' (hereinafter referred to as 'ESOP-2006') in different trenches.

b) Restricted Stock Unit Plan - 2019: The Company has not granted any stock unit under 'Vaibhav Global Limited Restricted Stock Unit Plan – 2019' (hereinafter referred to as 'RSU-2019') during the year under review.

c) The shareholders, vide resolutions dated 21 March 2021 through postal ballot, approved 'Vaibhav Global Limited, Management Stock Option Plan-2021' (hereinafter referred to as 'MSOP-2021') and 'Vaibhav Global Limited, Employees Stock Option Plan-2021' (hereinafter referred to as 'ESOP-2021').

All employees benefit schemes of the Company i.e. ESOP-2006, RSU-2019, MSOP-2021 and ESOP-2021 are in compliance with SEBI (Share Based Employee Benefits) Regulations, 2014. The required details pertaining to said schemes are available on the Company's website: http://www.vaibhavglobal.com/esop

The Auditors' certificate on the implementation of abovesaid schemes in accordance with SEBI (Share Based Employees Benefits) Regulations, 2014 will be made available at the AGM, electronically.

Sub-division of Equity shares

The Board of Directors of the Company in its meeting held on 22 March 2021 has approved the sub-division of 1 (One) Equity Share of face value of ₹ 10/- (Rupees Ten) each to 5 (Five) Equity Shares of face value of ₹ 2/- (Rupees Two) each, subject to the approval of the shareholders of the Company. The Company sought approval of the shareholders under Section 61(1)(d) of the Act, by way of postal ballot, for said sub-division and consequential amendment to the Capital Clause of the Memorandum of Association of the Company. The same were approved by the shareholders on 24 April 2021. The sub-divided shares have been listed under new ISIN i.e. INE884A01027 on BSE Limited and National Stock Exchange of India Limited and effective from 10 May 2021 as record date fixed by the Company. Pursuant to aforesaid sub-division, the paid-up share capital of the Company of ₹ 32,58,14,140/- consisting of 3,25,81,414 Equity Shares of face value of ₹ 10/- each have sub-divided into 16,29,07,070 Equity Shares of face value of ₹ 2/- each.

Consequent to said sub-division of shares, the exercise price for all outstanding options/units and the number of options/units which were available for grant and those already granted but not exercised (vested and unvested) as on the Record Date have proportionately adjusted under all employee benefit schemes of the Company.

Credit Rating

During the year under review, the Company's credit rating for long-term bank facilities were reaffirmed as CARE A- (A minus) with Outlook – Positive (revised from Stable), which denotes adequate degree of safety regarding timely servicing of financial obligations. The short-term bank facilities, for forward contract were assigned as CARE A2+ (A Two Plus) and, for bank guarantees were reaffirmed as CARE A2+ (A Two Plus), which denotes strong degree of safety regarding timely servicing of financial obligations.

Holding and Subsidiary Companies

A. Holding Company:

Brett Enterprises Private Limited holds 1,81,72,764 equity shares, representing 55.85% shareholding of the Company is a holding Company of Vaibhav Global Limited.

B. Subsidiary Companies:

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

Subsidiaries

a) VGL Retail Ventures Ltd (formerly: Genoa Jewelers Limited), Mauritius, a 100% subsidiary of the Company, which in turn holds 100% in Shop TJC Limited, 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 primarily for the group, which in turn holds 100% in PT. STS Bali and STS (Guangzhou) Trading Limited.

d) STS Gems Thai Limited, a 100% subsidiary of the Company, engaged in outsourcing products for the group.

e) STS Gems Japan Limited, a 100% subsidiary of the Company, engaged in outsourcing products for the group.

f) Vaibhav Vistar Limited, a 100% subsidiary of the Company, engaged in fashion jewellery and lifestyle products.

g) Vaibhav Lifestyle Limited, a 75% subsidiary of the Company, engaged in manufacturing and export of textiles.

Step-down Subsidiaries

a) Shop TJC Limited, UK (formerly: The Jewellery Channel Ltd.), 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 (a 100% subsidiary of Shop TJC Limited, UK), 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.

d) STS (Guangzhou) Trading Limited, a wholly-owned stepdown subsidiary of the Company, engaged in the business of export and import trading primarily for the group.

e) Shop LC GmbH, Germany (a 100% subsidiary of Shop TJC Limited, UK), a wholly-owned step-down subsidiary of the Company, engaged in marketing of fashion jewellery and lifestyle accessories.

Change in Subsidiaries/Stepdown Subsidiaries

During the year under review, the following subsidiaries/ stepdown subsidiaries were incorporated/acquired:

a) Vaibhav Vistar Limited, a 100% subsidiary of the Company was incorporated on 2 December 2020.

b) Vaibhav Lifestyle Limited, a 75% subsidiary of the Company was incorporated on 5 December 2020

c) Shop LC GmbH, Germany, a 100% subsidiary of Shop TJC Limited, UK was acquired on 9 March 2021.

There is no associate company within the meaning of Section 2(6) of the Companies Act, 2013 (hereinafter referred to as 'the Act'). There has been no material change in the nature of the business of the subsidiaries except incorporation/acquisition of above mentioned subsidiaries during the year.

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 Act. Pursuant to Section 136 of the Act, the financial statements for the financial year ended 31 March 2021 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 company's subsidiaries in prescribed format AOC-1 which also provides details of the performance and financial position of each of the subsidiaries is annexed as **Annexure 1** to this report.

Directors and Key Managerial Personnel (KMP)

The shareholders at 31st Annual General Meeting held on 30 July 2020 have re-appointed Mr. Sunil Goyal (DIN: 00110601) as an Independent Director of the Company for a second term commencing from 8 March 2020 to 7 March 2025 and appointed Ms. Monica Justice (DIN: 08469874) as Non-Executive Independent woman Director of the Company, to hold office for a term of two years commencing from 6 September 2019 to 5 September 2021.

The Board, upon the recommendation of the Nomination, Remuneration and Compensation (NRC) Committee, in its meeting held on 29 October 2020, has appointed Mr. Sanjeev Agrawal (DIN: 00092746) as an Additional Directors under the category of Non-Executive Non-Independent Director of the Company, liable to retire by rotation, with effect from 29 October 2020. He holds the office of Director till the date of forthcoming Annual General Meeting. His candidature has been received by the Company for regularisation as a Director of the Company in the ensuing Annual General Meeting. The Company has received consent in writing from him to act as Director in Form DIR- 2 and intimation in Form DIR-8 to the effect that he is not disqualified u/s 164(2) to act as Director. He is eligible to be appointed as Director of the Company and his appointment requires the approval of Members at the ensuing Annual General Meeting. Hence, considering the skill, knowledge, expertise and vast & relevant experience of Mr. Sanjeev Agrawal, the NRC Committee and the Board have recommended his appointment as a director of the Company, liable to retire by rotation, for the approval of the Shareholders of the Company.

Pursuant to the requirements of the Act and Articles of Association of the Company, Mr. Pulak Chandan Prasad (DIN: 00003557) is liable to retire by rotation at ensuing Annual General Meeting and being eligible, offers himself for re-appointment. The Board of Directors has recommended his re-appointment for the approval of the shareholders of the Company in the forthcoming Annual General Meeting of the Company.

Pursuant to the provisions of Section 203 of the Act, Mr. Sunil Agrawal, Managing Director, Mr. Vineet Ganeriwala, Group Chief Financial Officer and Mr. Sushil Sharma, Company Secretary are the Key Managerial Personnel of the Company as on 31 March 2021. During the year under review, there has been no change in the Key Managerial Personnel.

a) Board Evaluation and Remuneration Policy

Pursuant to the provisions of the Act, the Board has carried out an annual performance evaluation of its own performance, board committees and of the directors individually (including Independent Directors) 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. Furthermore, the Board is of the opinion that Independent directors of the company are persons of high repute, integrity & possess the relevant expertise, skill & experience, qualification in their respective fields. The criteria of evaluation and directors' skill/expertise etc. are described in the 'Corporate Governance Report' and forms a part of this 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. The Policy is available on the Company's website at https://www.vaibhavglobal.com/code-policies

b) Board Meetings

During the year, five (5) Board Meetings were convened and held, the details of which are given in the 'Corporate Governance Report', forms a part of this Report. The maximum interval between any two meetings did not exceed 120 days as prescribed under the Act.

c) Committees of the Board

Details of the committees, along with their composition, charters and meetings held during the year, are provided in the 'Corporate Governance Report', forms a part of this Report. During the financial year 2020-21, the Board has accepted all the recommendations of its Committees.

d) 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 Act, and Regulation 16(1)(b) of SEBI (LODR) Regulations. 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. The Board is of the opinion that Independent directors of the company fulfil the conditions specified in the Act and the SEBI (LODR) Regulations and that they are independent of the management.

e) Board Diversity

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 identified key skills/expertise/competencies of the Board and mapping with individual director are provided in the 'Corporate Governance Report', forms a part of this Report.

f) Board Policies/Codes

The Company has duly framed the policies and codes which are required under the Act, SEBI (LODR) Regulations and other Laws/Rules/Regulations as applicable on the Company. The policies/codes as required to disclose on the website of the Company are available at https://www.vaibhavglobal.com/code-policies

Corporate Social Responsibility (CSR)

Pursuant to Section 135 of the Act, 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 Act, to recommend the amount of expenditure to be incurred on the activities and to monitor the CSR policy of the Company from time to time. The Company has developed and implemented a CSR Policy, which containing projects and programs. The Company has amended CSR policy to incorporate the regulatory changes made in Section 135 of the Act and rules made thereunder. The amended policy is available on Company's website at https://www.vaibhavglobal.com/code-policies

Your Company has contributed a sum of ₹ 164.59 lacs to various social institutions in the field of mid-day meals, education etc. 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 is annexed herewith as **Annexure 2**, which forms a part of this Report.

The other initiatives undertaken by the Company and its subsidiaries for the help of the community, over and above the statutory requirements, are highlighted under 'CSR Activities' section of the Management Discussion and Analysis Report.

Awards and Recognitions

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

1. Adjudged as the 'Best Governed Company' by The Institute of Company Secretaries of India under Listed Companies (Emerging Category) at 20th ICSI National Award for Excellence in Corporate Governance.

2. Received 'Gold certification' for three years under IGBC Green Factory Building Rating System from Indian Green Building certification.
3. Received 'LEED Platinum Certification' under LEED V4 O&M for SEZ building of the Company in Jaipur from US Green Building Council.
4. Certified as a 'Great Workplace' from Great Place to Work® Institute, India for April 2021 to March 2022.

Deposits

During the year under review, your Company has not accepted any deposit within the meaning of Section 73 and 74 of the Act, read with the Companies (Acceptance of Deposits) Rule, 2014. There are no outstanding deposits as on 31 March 2021.

Particular of Loans, Guarantees and Investment

The details of loans, guarantees and investments covered under the provisions of Section 186 of the Act, are given in the respective notes to the standalone financial statements of the Company.

Related Party Transactions

All related party transactions that were entered into during the financial year were on arm's length basis, in the ordinary course of business and were in compliance with the applicable provisions of the Act and the SEBI (LODR) Regulations. 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 Act, in the prescribed form AOC-2 is annexed herewith as **Annexure 3**.

All related party transactions are placed before the Audit Committee and the Board of Directors for their review and approval. Prior omnibus approval of the Audit Committee is obtained on an annual basis for the transactions which are planned/repetitive in nature and omnibus approvals are taken as per the policy laid down for unforeseen transactions. Related party transactions entered into pursuant to the omnibus approval so granted are placed before the Audit Committee for its review on a quarterly basis, specifying the nature, value and terms and conditions of the transactions.

The Board has also framed a policy on related party transactions and a policy on Material Subsidiaries. These are available on the Company's website at https://www.vaibhavglobal.com/code-policies

Internal Control Systems and their Adequacy

The internal control framework is designed to ensure proper safeguarding of assets, maintaining proper accounting records and providing reliable financial information and other data. This system is supplemented by internal audit, reviews by the management and documented policies, guidelines and procedures. The Company has a well-defined 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 transparent manner.

During the year under review, Deloitte Touche Tohmatsu India LLP were engaged as Internal Auditor of the Company. They carried out the internal audit of the Company's operations and reported its findings to the Audit Committee. Internal auditor also evaluated the functioning and quality of internal controls and provided assurance of its adequacy and effectiveness through periodic reporting. Internal audit was carried out as per risk-based internal audit plan, which was reviewed by the Audit Committee of the Company. The Committee periodically reviewed the findings and suggestions for improvement and was apprised on the implementation status in respect of the actionable items.

For more details, please refer 'Internal Controls and their Adequacy' section of the Management Discussion and Analysis Report, a part of this Report.

Risk Management

The Company has in place a Risk Management framework to identify, evaluate and monitor business risks and challenges across the Company, that seek to minimise the adverse impact on business objectives and capitalise on opportunities. The Company's success as an organisation largely depends on its ability to identify such opportunities and leverage them while mitigating the risks that arise while conducting its business.

The Company has also framed, developed 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. The risk management committee monitor and review the risk management plan and to perform functions as defined under the Act and SEBI (LODR) Regulations. During the year, the committee inter-alia reviewed the risk management policy of the Company and cyber security/IT controls of the Company.

For more details, please refer 'Risk Management' section of the Management Discussion and Analysis Report, a part of this Report.

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 31 March 2021, which forms a part of this Annual Report.

The Reports does not contain any qualification, reservation, adverse remark or disclaimer. Information referred to in the Auditors' Reports are self-explanatory and do not call for any further comments.

B. **Secretarial Auditors**

In terms of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, M/s Vinod Kothari & Company, Practicing Company Secretaries, have been appointed as Secretarial Auditors of the Company to conduct the secretarial audit of the Company for the financial year 2020-21. The Secretarial Audit Report for the financial year 2020-21 is attached herewith as **Annexure 4**.

There has been no qualification, reservation, adverse remark or disclaimer given by the Secretarial Auditors in their Report. Information referred to in the Secretarial Auditors' Report are self-explanatory and do not call for any further comments.

C. **Cost Audit**

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

Reporting of Frauds by Auditors

During the year under review, the Statutory Auditors, Internal Auditors and Secretarial Auditors have not reported any instances of frauds committed in the Company by its officers or employees, to the Audit Committee under Section 143(12) of the Act, details of which needs to be mentioned in this Report.

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 on quarterly meetings 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 ('SEBI (PIT) Regulations'), the Board has adopted a code of conduct to regulate, monitor and report trading by Designated Persons to preserve the confidentiality of price sensitive information, to prevent misuse thereof and regulate trading by designated persons. It prohibits the dealing in the Company's shares by the promoters, promoter group, directors, designated persons and their immediate relatives, and connected persons, while in possession of unpublished price sensitive information in relation to the Company and during the period(s) when the Trading Window to deal in the Company's shares is closed. Pursuant to the above, the Company has put in place adequate and effective system of internal controls to ensure compliance with the requirements of the SEBI (PIT) Regulations. The code is available on the Company's website at https://www.vaibhavglobal.com/code-policies

The Board of Directors have also formulated a code of practices and procedures for fair disclosure of unpublished price sensitive information containing policy for determination of 'legitimate purposes' as a part of this Code, which is available on the Company's website at https://www.vaibhavglobal.com/code-policies

Prevention of Sexual Harassment at Workplace

Your Company is fully committed to uphold and maintain the dignity of women working in the Company. The Company has zero tolerance for sexual harassment at workplace and has adopted a Policy on prevention, prohibition, and redressal of sexual harassment at workplace as per the requirement of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 and Rules made thereunder. In line with the same, the Company has formulated an Anti-Sexual Harassment Policy ('Policy'). All employees (permanent, contractual, temporary and trainees) are covered under this policy. An Internal Complaints Committee (ICC) constituted under the policy is responsible for redressal of complaints related to sexual harassment at the workplace. The policy is available on the Company's website at https://www.vaibhavglobal.com/code-policies

During the year under review, the Company has not received any complaint pertaining to sexual harassment.

Vigil Mechanism / Whistle Blower Policy

The Company has established a Vigil Mechanism/Whistle Blower Policy ('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 behaviour, 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 https://www.vaibhavglobal.com/code-policies

During the year under review, the Company has not received any complaint under this policy.

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.

Particular of Employees

The information required under Section 197(12) of the Act read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is attached as **Annexure 5**.

Annual Return

Pursuant to the provisions of Section 92(3) of the Act, read with Companies (Management & Administration) Rules, 2014, the annual return in the prescribed form is available on the website of the Company at https://www.vaibhavglobal.com/agmegmpostal-ballot-notices

Corporate Governance Report

A report on Corporate Governance and Certificate from the Company Secretary in Practice confirming compliance of conditions, as stipulated under SEBI (LODR) Regulations, 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.

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, is being given separately and forms a part of this Annual Report.

Business Responsibility Report

The Business Responsibility Report describing the initiatives taken by the Company from an environmental, social and governance perspective, in a specified format is being given separately and forms a part of this Annual Report. The said report is also available on the website of the Company.

Secretarial Standards

The Directors have devised proper systems and processes for complying with the requirements of applicable Secretarial Standards issued by the Institute of Company Secretaries of India ('ICSI') and that such systems were adequate and operating effectively and the Company has complied with all applicable Secretarial Standards during the year under review.

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 2021-22 has been duly paid.

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 Act, in preparation of annual accounts for the financial year ended 31 March 2021 and state that:

a) in the preparation of the annual accounts for the financial year ended 31 March 2021, 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 31 March 2021 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 Act, 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.

Unclaimed Dividend

Section 124 of the Act 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 detail of unclaimed dividends 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 31 March 2021 (₹)
2014-15	Interim dividend	2.40	11 November 2014	16 December 2021	32,764.80
2018-19	Interim dividend	5.00	29 October 2018	5 December 2025	66,850.00
2018-19	Final dividend	5.00	30 July 2019	31 August 2026	68,325.00
2019-20	Interim dividend	7.00	29 January 2020	3 March 2027	89,208.00
2019-20	Special Interim dividend	19.74	19 March 2020	25 May 2027	2,87,098.56
2019-20	Final dividend	7.00	30 July 2020	5 September 2027	76,598.00
2020-21	1st Interim dividend	5.00	30 July 2020	4 September 2027	57,523.00
2020-21	2nd Interim dividend	5.00	29 October 2020	3 December 2027	71,088.00
2020-21	3rd Interim dividend	7.50	29 January 2021	4 March 2028	57,824.50*

* unclaimed as on 12 May 2021. The Company has issued demand draft to the shareholders, whose banking detail were not updated. The said amount shall be adjusted accordingly for demand drafts which will remain uncashed, if any, after completion of three months from their issue date.

During the years under review, the Company has not transferred any unclaimed dividend and shares to IEPF.

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, has been 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. vaibhavglobal.com/unpaid-dividend

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 2020-21 and the date of this report which may impact the financial position of the Company. However, the following changes have been occurred:

1. Sub-division of equity shares of the Company.
2. Amendment in the capital clause of the Memorandum of Association of the Company consequent to sub-division of equity shares.

Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo

The disclosures to be made under Section 134(3)(m) of the Act 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.

(i) Steps taken by the company for utilising alternate sources of energy:

- **Renewable Energy**

The Company focusses to use maximum renewable energy. We started our journey with 100 kw rooftop solar project in 2014. The Company commissioned 1.30 mw and 1.55 mw solar projects in 2020 and 2021 respectively, which increased its total solar capacity to 3.23 mw. The commissioning certificate for 0.45 mw is applied and awaited. With this, the Company will address its 100% power requirements through renewable energy for its Jaipur manufacturing units.

- **Green Building**

Our manufacturing unit at the Special Economic Zone in Jaipur, Rajasthan, received LEED Platinum certification under the LEED V4 Building Operations and Maintenance from US Green Building Council: Existing Buildings (LEED O+M) rating system. The SEZ building is the only manufacturing unit in Rajasthan and one of the only two such units across India certified as LEED Platinum under LEED V4 O+M.

- **Water Management**

Installed rainwater harvesting structures, enabling ~52 lacs litres of water harvesting across ~95,000 sq. ft. during FY21.

Set up of ETP/STP plant at the premises to ensure maximum recycling and reuse of water in the process. We recycle 43 kl per day, equivalent to ~15,000 kl annually.

- **Bio-diversity**

We have accelerated efforts to enhance the green coverage at our plants and surroundings. During the year we planted ~1,100 trees, taking our cumulative plantation to over 4,000 trees.

(ii) Capital investment on energy conservation equipment: During the year, ₹ 534.23 lacs incurred for solar project till 31 March 2021.

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. Towards technology and process upgradation in different segments, the Company has installed following technologies during the year:

a) Laser engraving and cutting Machine – The machine is used for personalised jewellery manufacturing which engrave Jewellery items as per customer requirement.

b) Koras Electro Polish Machine – The machine is used for gold jewellery polishing which reduce 50% manual polishing effort as well as decrease gold loss.

c) GB Machine – Installation of GB making machine enabled in-house manufacturing of spares.

d) Stone engraving machine - The machine is used for engraving different designs on gem stones.

(ii) The benefits derived like product improvement, cost reduction, product development or import substitution: The steps taken towards technology absorption by the company helped to improve its processes, product and reduce cost.

(iii) Imported technology: The Company has imported Laser engraving and cutting Machine, Koras Electro polish Machine during the year under review which have been fully absorbed.

(iv) Expenditure incurred on Research and Development: Nil

C. Foreign Exchange Earnings and Outgo

The information on foreign exchange earnings and outgo during the year under review is as under:

Sr. No.	Particulars	₹ in lacs
1	Foreign exchange earnings	45,465.99
2	Foreign exchange used	27,996.10

Acknowledgement

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

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

We wish and pray for all to stay safe, healthy, and Happy!

For and on behalf of the Board of Directors

Harsh Bahadur
Chairman
DIN: 00724826

Place: Delhi
Date: 12 May 2021

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	10	11	12
Name of Subsidiary	STS Jewels Inc., USA	STS Gems Thai Limited, Thailand	STS Gems Limited, Hong Kong	STS Gems Japan Limited, Japan	VGL Retail Ventures Limited (formerly Genoa Jewelers Limited), Mauritius	Vaibhav Vistar Limited, India	Vaibhav Lifestyle Limited, India	Pt. STS Bali, Indonesia	Shop TJC Limited (formerly The Jewelry Channel Limited), UK	Shop LC Global Inc., USA	STS (Guangzhou) Trading Limited, China	Shop LC GmbH, Germany
The date since when subsidiary was acquired/ incorporated	27 January 2006	24 January 2006	24 January 2006	24 January 2006	4 August 2005	2 December 2020	5 December 2020	24 March 2014 (Date of Incorporation)	15 December 2005	30 January 2007	16 May 2018	9 March 2021
Reporting Period for the Subsidiary Concerned, if different from the holding Company's reporting period	1 April 2020 to 31 March 2021	1 April 2020 to 31 March 2021	1 April 2020 to 31 March 2021	1 April 2020 to 31 March 2021	1 April 2020 to 31 March 2021	2 December 2020 to 31 March 2021	5 December 2020 to 31 March 2021	1 April 2020 to 31 March 2021	1 April 2020 to 31 March 2021	1 April 2020 to 31 March 2021	1 April 2020 to 31 March 2021	9 March 2021 to 31 March 2021
Reporting Currency and exchange rate as on the last date of the relevant Financial Year in the case of Foreign Subsidiaries	USD 1 = ₹ 73.229756	THB 1 = ₹ 2.337628	HKD 1 = ₹ 9.419122	JPY 1 = ₹ 0.661473	USD 1 = ₹ 73.229756	INR 1 = ₹ 1	INR 1 = ₹ 1	Rupiah 1 = ₹ 0.005024	GBP 1 = ₹ 100.805682	USD 1 = ₹ 73.229756	Chinese Yuan 1 =11.164191	EURO 1 = ₹ 85.876958
Share Capital	3,66,14,878	8,18,16,980	8,24,17,318	4,96,10,475	3,42,87,36,760	5,00,000	5,00,000	67,85,766	2,32,69,91,307	24,38,55,087	1,52,48,722	21,46,924
Reserves & Surplus	20,35,22,424	7,91,35,690	40,28,15,186	(5,02,67,810)	11,82,31,13,413	(7,04,500)	(13,97,904)	11,04,58,457	13,17,72,40,223	3,49,67,48,457	11,27,58,563	(1,28,23,497)
Total Assets	46,31,11,418	27,10,92,312	62,60,76,248	8,946	1,02,15,87,976	4,46,380	1,65,38,091	14,30,99,771	2,27,15,42,335	3,50,40,42,799	27,69,17,018	3,45,67,984
Total Liabilities	22,29,74,116	11,01,39,641	16,28,84,491	6,99,355	26,34,074	6,50,880	1,74,35,995	2,58,55,548	98,19,49,459	2,56,42,33,348	14,89,09,733	4,52,44,557
Investments	-	-	2,20,40,745	33,074	14,23,28,96,271	-	-	-	14,21,46,38,654	2,80,07,94,092	-	-
Turnover	94,48,94,610	82,93,50,474	1,20,63,63,253	-	-	-	78,77,787	43,91,54,113	8,16,55,87,760	17,33,01,58,834	1,34,57,52,614	-
Profit Before Taxation	5,44,32,900	5,70,26,893	(8,93,50,865)	(42,299)	35,51,35,830	(7,04,500)	(13,97,904)	3,80,34,867	1,08,60,75,982	1,89,77,53,594	15,68,03,148	(1,28,23,497)
Provision for Taxation	1,07,04,135	1,18,94,045	(9)	169	2,62,163	-	-	41,17,540	21,32,44,743	39,55,18,819	3,91,65,148	-
Profit after Taxation	4,37,28,764	4,51,32,848	(8,93,50,856)	(42,467)	35,48,73,668	(7,04,500)	(13,97,904)	3,39,17,327	87,28,31,239	1,50,22,34,775	11,76,38,000	(1,28,23,497)
Proposed Dividend	-	-	-	-	-	-	-	-	-	-	-	-
% of shareholding	100%	100%	100%	100%	100%	100%	75%	100%	100%	100%	100%	100%

Note:

1. Name of Subsidiaries which are yet to commence operations: Vaibhav Vistar Limited, India
2. Name of Subsidiaries which have been liquidated or sold during the year: NA

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 31 March 2021

For and on behalf of the Board

Harsh Bahadur	**Sunil Agrawal**	**Nirmal Kumar Bardiya**	**Vineet Ganeriwala**	**Sushil Sharma**
Chairman	Managing Director	Director	Group CFO	Company Secretary
DIN: 00724826	DIN: 00061142	DIN: 00044624		Membership No. F6535
Place: Delhi	Place: Austin	Place: Jaipur	Place: Jaipur	Place: Jaipur
Date: 12 May 2021	Date: 12 May 2021	Date: 12 May 2021	Date: 12 May 2021	Date: 12 May 2021

Annexure - 2

Annual Report on CSR activities

[Pursuant to Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended]

1. Brief outline on CSR Policy of the Company

VGL 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. Towards this commitment, the Company shall:

a) Build a sustainable enterprise that effectively balances financial strengths with social and environmental responsibilities.
b) Deliver sustainable top-line and bottom-line growth while maintaining the highest corporate governance standards.
c) Reduce its environmental footprint by investing in eco-friendly and reliable technologies and practices.
d) Increase efficiency by optimum utilisation of resources and technology.
e) Promote sustainable farming practices to boost crop productivity in rural India through its soil testing facilities and other advisory services.
f) Work towards improving the quality of life by making the communities self-reliant in areas within which it operates.
g) Build lasting social capital through interventions in the infrastructure, healthcare, education, vocational domains and other social welfare initiatives for the community residing in the vicinity of its plants and other places in India.
h) Ensure welfare, growth and safety of all people associated with the Company.
i) Empower its employees and continuously develop their knowledge and skill sets, so that they realise their true potential and drive the Company's growth.
j) Promote inclusive growth and equal opportunity by retinting a caste, gender and religion neutral organisation.

Focus areas *inter-alia* includes:

- Eradicating hunger, poverty and malnutrition.
- Promoting healthcare including preventive healthcare.
- Promoting education through schools and other organisation.
- Promoting education, enhancing vocational skills.
- Promoting gender equality and empowering women, in particular.
- Ensuring environmental sustainability, including plantation by school children.
- Rural development projects, in particular, support the community infrastructure for improving sanitation, drainage systems etc.
- Contributing to the funds, agencies, Government/Non-government authorities, associations, body corporates etc. as authorized/specified under the Schedule VII of the Act from time to time.
- Disaster management, including relief, rehabilitation and reconstruction activities.

2. Composition of CSR committee

Sr. no.	Name of the director	Designation / nature of directorship	Number of meetings of CSR committee during the year	
			Held	Attended
1.	Mr. Sunil Agrawal	Committee Chairman, Non-Independent Executive Director	1	1
2.	Mr. Harsh Bahadur	Member, Independent Director	1	1
3.	Mr. Nirmal Kumar Bardiya	Member, Non-Independent Non-Executive Director	1	1

3. Web links where composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company:

- The composition of the CSR committee is available on our website at : https://www.vaibhavglobal.com/committees-directors
- The Committee, with the approval of the Board, has adopted the CSR Policy as required under Section 135 of the Companies Act, 2013, which contains the CSR projects as approved by the Board. The CSR Policy of the Company is available on our website at https://www.vaibhavglobal.com/code-policies

4. Details of impact assessment of CSR projects carried out in pursuance of sub-rule (3) of Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable: Not Applicable

5. Details of the amount available for set-off in pursuance of sub-rule (3) of Rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set-off for the financial year, if any: NIL

Sr. No	Financial Year	Amount available for set-off from preceding financial years (in ₹)	Amount required to be setoff for the financial year, if any (in ₹)
-	-	NIL	-

6. Average net profit of the Company as per Section 135(5): ₹ 6,993.86 lacs

7. (a) Two percent of average net profit of the Company as per section 135(5): ₹ 139.88 lacs

   (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: NIL

   (c) Amount required to be set off for the financial year, if any: NIL

   (d) Total CSR obligation for the financial year (7a+7b-7c): ₹ 139.88 lacs

8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year (in ₹)	Amount Unspent				
	Total Amount transferred to Unspent CSR Account as per Section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5)		
	Amount	Date of Transfer	Name of Fund	Amount	Date of transfer
₹ 1,64,59,127	NIL	NA	NA	NIL	NA

(b) Details of CSR amount spent against ongoing projects for the financial year: NIL

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	(12)
Sr. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project		Project duration	Amount allocated for the project (in ₹)	Amount spent in the current financial Year (in ₹)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹)	Mode of Implementa tion - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR Registration number
-	-	-	-	-	-	-	-	-	-	-	-	-

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sr. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project		Amount spent (in ₹)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	District			Name	CSR Registration number[1]
1	Eradicating hunger, poverty and malnutrition	(i)	Yes	Rajasthan	Jaipur	1,62,79,127	No	Akshay Patra foundation	NA
2	Promoting education through schools and other organisations	(ii)	Yes	Rajasthan	Jaipur	1,80,000	No	Akshar Society, Jaipur	NA

[1]CSR registration will be obtained within the prescribed timeline, wherever applicable as per CSR Amendment Rules. The requirement does not applicable to CSR projects or programs as approved prior to 1 April 2021.

(d) Amount spent in Administrative Overheads: Nil

(e) Amount spent on Impact Assessment, if applicable: NA

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): ₹ 164.59 lacs

(g) Excess amount for set off, if any

Sr. No.	Particular	Amount (₹ In lacs)
i.	Two percent of average net profit of the Company as per Section 135(5)	139.88
ii.	Total amount spent for the Financial Year	164.59
iii.	Excess amount spent for the financial year [(ii)-(i)]	24.71
iv.	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	NIL
v.	Amount available for set off in succeeding financial years [(iii)-(iv)]	24.71*

* Considering the annual action plan of FY22, the Board, upon the recommendation of CSR Committee, approved not to set off the excess spending of FY21 in succeeding years.

9. (a) **Details of unspent CSR amount for the preceding three financial years:** NIL

(b) **Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):** Not applicable, as the concept of 'ongoing projects' has been introduced in the CSR Amendment Rules, relevant from financial year 2021-22.

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year: No capital asset was created / acquired during FY21 through CSR spend.

(a) **Date of creation or acquisition of the capital asset(s):** Not Applicable

(b) **Amount of CSR spent for creation or acquisition of capital asset:** NIL

(c) **Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.:** Not Applicable

(d) **Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset):** Not Applicable

11. Specify the reason(s), if the company has failed to spend two percent of the average net profit as per Section 135(5): Not Applicable.

Sunil Agrawal
Managing Director & Chairman - CSR Committee
DIN: 00061142
Place: Austin
Date: 12 May 2021

Harsh Bahadur
Chairman of the Board
DIN: 00724826
Place : Delhi
Date: 12 May 2021

Annexure - 3

Form No. AOC - 2

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

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

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

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

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

a	b	c	d	e	f
Name(s) of Related Party and Nature of relationship	Nature of Contracts/ Arrangements/Transactions	Duration of Contracts/ Arrangements/Transactions	Salient term of Contracts/ Arrangements/Transactions, including value, if any	Date of approval by the Board, if any	Amount paid as advances, if any
Shop LC Global Inc., (100% step down Subsidiary)	Sales	Ongoing	180 Days for Payment from the Date of Invoice ₹ 2,64,16,13,658	N.A	N.A
	Management fee	Ongoing	180 Days for Payment from the Date of Invoice ₹ 2,08,37,632	N.A	N.A
STS Gems Ltd. (100% Subsidiary)	Purchase	Ongoing	120 Days for Payment from the Date of Invoice ₹ 14,94,47,529	N.A	N.A
	Sales	Ongoing	180 Days for Payment from the Date of Invoice ₹ 5,14,53,240	N.A	N.A
	Management fee	Ongoing	180 Days for Payment from the Date of Invoice ₹ 19,05,905	N.A	N.A
STS Gems Thai Ltd. (100% Subsidiary)	Purchase	Ongoing	120 Days for Payment from the Date of Invoice ₹ 16,15,64,506	N.A	N.A
	Sales	Ongoing	180 Days for Payment from the Date of Invoice ₹ 17,27,59,944	N.A	N.A
	Management fee	Ongoing	180 Days for Payment from the Date of Invoice ₹3,24,718	N.A	N.A
STS Jewels Inc. (100% Subsidiary)	Purchase	Ongoing	120 Days for Payment from the Date of Invoice ₹ 6,89,29,028	N.A	N.A
	Sales	Ongoing	180 Days for Payment from the Date of Invoice ₹ 16,34,05,024	N.A	N.A
	Management fee	Ongoing	180 Days for Payment from the Date of Invoice ₹1,80,144	N.A	N.A
PT. STS Bali (100% step down Subsidiary)	Purchase	Ongoing	120 Days for Payment from the Date of Invoice ₹ 72,13,531	N.A	N.A
	Sales	Ongoing	180 Days for Payment from the Date of Invoice ₹ 60,26,579	N.A	N.A
	Management fee	Ongoing	180 Days for Payment from the Date of Invoice ₹ 1,48,074	N.A	N.A
Shop TJC Limited (100% step down Subsidiary)	Sales	Ongoing	180 Days for Payment from the Date of Invoice ₹ 91,31,01,857	N.A	N.A
	Management fee	Ongoing	180 Days for Payment from the Date of Invoice ₹ 99,55,536	N.A	N.A
STS (Guangzhou) Trading Ltd. (100% step down Subsidiary)	Purchase	Ongoing	120 Days for Payment from the Date of Invoice ₹ 1,54,80,952	N.A	N.A
Shop LC GmbH (100% step down Subsidiary)	Sales	Ongoing	180 Days for Payment from the Date of Invoice ₹ 49,37,354	N.A	N.A
	Management fee	Ongoing	180 Days for Payment from the Date of Invoice ₹ 9,298	N.A	N.A

Place: Delhi
Date: 12 May 2021

Harsh Bahadur
Chairman
DIN: 00724826

Annexure - 4

Form No. MR-3
Secretarial Audit Report

For the financial year ended 31 March 2021

[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") for the financial year ended 31 March 2021 ["period under review"] in terms of Audit Engagement Letter dated October 30, 2020. The secretarial audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conduct/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minutes, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the period under review, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place.

We have examined the books, papers, minutes, forms and returns filed and other records maintained by the Company for the period under review, according to the provisions of applicable law provided hereunder:

1. The Companies Act, 2013 ('the Act') and the rules made thereunder including any re-enactment thereof;
2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
3. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
4. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and Overseas Direct Investment;
5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'), to the extent applicable:
   a. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations');
   b. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
   c. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 ('PIT Regulations');
   d. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
   e. Securities and Exchange Board of India (Depositories & Participants) Regulations, 2018.
   f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations,1993;
6. Specific laws applicable to the industry to which the Company belongs, as identified and compliance whereof as confirmed by the management, that is to say: No specific law is applicable to the Company.

We have also examined compliance with the applicable clauses of the Secretarial Standard 1 and 2 issued by the Institute of Company Secretaries of India.

We report that during the period under review, the Company has complied with the provisions of the Act, rules, regulations, guidelines, standards etc. mentioned above.

Recommendations as a matter of best practice:
In the course of our audit, we have made certain recommendations for good corporate practices to the compliance team, for its necessary consideration and implementation by the Company.

We further report that:
The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Director 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 and other applicable laws.

Adequate notice is given to all directors to schedule the Board Meetings and Committee meetings, agenda and detailed notes on agenda were sent at least seven days in advance, 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.

All the decisions were unanimous and there was no instance of dissent in Board or Committee Meetings.

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

We further report that during the period under review, the Company has not undertaken specific events/ actions that can have a major bearing on the Company's compliance responsibility in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc., except as follows:

i. Issue of Equity Shares under ESOP Scheme:
During the period under review, the Company allotted 2,23,806 (Two Lacs Twenty Three Thousand Eight Hundred and Six) Equity Shares of INR 10 each on the following dates in accordance with VGL ESOP Scheme 2006 (as modified in 2018).

Date of Allotment	No. of shares allotted
20 May 2020	7,919
03 June 2020	26,912
15 June 2020	11,605
22 June 2020	13,419
29 July 2020	14,697
16 August 2020	31,867
22 September 2020	43,490
26 October 2020	12,724
18 November 2020	18,786
07 December 2020	6,018
22 December 2020	7,807
29 January 2021	11,450
03 March 2021	17,112
Total	**2,23,806**

ii. Approval of ESOP scheme 'Vaibhav Global Limited Management Stock Option Plan – 2021':
During the period under review, the shareholders passed a special resolution under Section 62(1)(b) of the Act on 21 March 2021 approving issue/grant of 2,50,000 (Two Lacs Fifty Thousand) stock options to the eligible senior employees of the Company and its subsidiary(ies) convertible into not more than 2,50,000 (Two Lacs Fifty Thousand) fully paid-up equity shares of face value of INR 10 each of the Company under 'Vaibhav Global Limited Management Stock Option Plan – 2021'.

iii. Approval of ESOP scheme 'Vaibhav Global Limited Employees Stock Option Plan – 2021':
During the period under review, the shareholders passed a special resolution under Section 62(1) (b) of the Act on 21 March 2021 approving issue/grant of 5,00,000 (Five Lacs) stock options to the eligible employees of the Company and its subsidiary(ies) convertible into not more than 5,00,000 (Five Lacs) fully paid-up equity shares of face value of INR 10 each of the Company under 'Vaibhav Global Limited Employees Stock Option Plan – 2021'.

iv. Sub-division of Equity Shares:
During the period under review, the Company sought approval of the shareholders under Section 61(1)(d) of the Act, by way of postal ballot, for sub-dividing 1 (One) Equity Share of face value of INR 10 (Rupees Ten) each to 5 (Five) Equity Shares of face value of INR 2 (Rupees Two) each and consequential amendment to the Capital Clause of the Memorandum of Association of the Company. The special resolution was passed on 24 April 2021. The sub-divided shares have been listed under new ISIN INE884A01027 on BSE Limited and National Stock Exchange of India Limited.

For M/s Vinod Kothari & Company
Practicing Company Secretaries
Unique Code: P1996WB042300

Vinita Nair
Senior Partner
Membership No.: F10559
CP No.: 11902
UDIN: F010559C000265583
Peer Review Certificate No.: 781/2020

Place: Mumbai
Date: 10 May 2021

This report is to be read with our letter of even date which is annexed as **Annexure 'I'** and forms an integral part of this report.

Annexure I

Annexure to Secretarial Audit Report (Non-Qualified)

To,
The Members,
Vaibhav Global Limited,

Our Secretarial Audit Report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit. The list of documents for the purpose, as seen by us, is listed in **Annexure II**;
2. We have followed the audit practices and the processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion;
3. Our Audit examination is restricted only upto legal compliances of the applicable laws to be done by the Company, we have not checked the practical aspects relating to the same.
4. Wherever our Audit has required our examination of books and records maintained by the Company, we have also relied upon electronic versions of such books and records, as provided to us through online communication. Wherever for the purposes of our Audit, there was a need for physical access to any of the places of business of the Company, the same was not possible due to the lockdowns and travel restrictions imposed by Central and State Governments respectively. We have conducted online verification & examination of records, as facilitated by the Company, due to COVID-19 and subsequent lockdown situation for the purpose of issuing this Report.
5. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company as well as correctness of the values and figures reported in various disclosures and returns as required to be submitted by the Company under the specified laws, though we have relied to a certain extent on the information furnished in such returns.
6. Wherever required, we have obtained the management representation about the compliance of laws, rules and regulation and happening of events etc.
7. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedure on test basis.
8. Due to the inherent limitations of an audit including internal, financial, and operating controls, there is an unavoidable risk that some misstatements or material non-compliances may not be detected, even though the audit is properly planned and performed in accordance with audit practices.
9. The contents of this Report has to be read in conjunction with and not in isolation of the observations, if any, in the report(s) furnished/to be furnished by any other auditor(s)/ agencies/authorities with respect to the Company.
10. 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.

Annexure II

List of Documents

1. Draft final Minutes for the meetings of the following held during the period under review:
   a. Board of Directors;
   b. Audit Committee;
   c. Nomination, Remuneration and Compensation Committee;
   d. Corporate Social Responsibility Committee;
   e. Risk Management Committee;
   f. Stakeholders Relationship Committee;
   g. Allotment Committee;
   h. Annual General Meeting;
2. Agenda papers for Board Meeting and Committee(s) along with notice on a sample basis;
3. Proof of circulation of draft and signed minutes of the Board and Committee meetings on a sample basis;
4. Annual Report for financial year 2019-20;
5. Directors disclosures under Act, 2013 and rules made thereunder;
6. Statutory Registers under Act, 2013;
7. Forms filed with ROC;
8. Policies/ Codes framed under SEBI regulations;
9. Periodic reports/disclosures under SEBI (Prohibition of Insider Trading) Regulations, 2015;
10. Disclosures required to be made under the SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 2011;
11. Forms filed under the Foreign Exchange Management Act, Rules and Regulations made thereunder with Authorised Dealer Bank and RBI.

Annexure - 5

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 (MRE):

Sr. No.	Name of Person	Designation	Ratio of Remuneration to MRE	% Increase / (Decrease) in Remuneration#
1.	Mrs. Sheela Agarwal	Non-Executive Non-Independent Director	1.21	(28.57)
2.	Mr. Nirmal Kumar Bardiya	Non-Executive Non-Independent Director	2.96	12.27
3.	Mr. Harsh Bahadur	Independent Director	9.70	-
4.	Mr. Sunil Goyal	Independent Director	2.80	19.53
5.	Mr. James Patrick Clarke	Independent Director	15.41	1.28
6.	Mr. Santiago Roces	Independent Director	6.28	1.36
7.	Ms. Monica Justice	Independent Director	11.85	0.65
8.	Mr. Sanjeev Agrawal*	Non-Executive Non-Independent Director	0.49	NA

#Based on annualised remuneration including sitting fees and profit related commission paid/payable during the financial year 2020-21. There is no change in the remuneration (sitting fees / profit related commission) during the year. However, the increase/decrease in remuneration was due to number of meeting held/attended by directors and exchange rate fluctuation.

*Mr. Sanjeev Agrawal appointed as Non-Executive Non-Independent Director w.e.f 29 October 2020.

2. The percentage increase in gross remuneration of Company Secretary was 7.00% during the year and Group CFO was Nil, as he was appointed on 21 February 2020.
3. The median remuneration of employees (MRE) was ₹ 3,09,144 as on 31 March 2021 and ₹ 2,71,200 as on 31 March 2020. There was increase of 13.99% in MRE during the financial year 2020-21.
4. Total permanent employees on the rolls of Company were 1,313 employees as on 31 March 2021.
5. Average salary increase of non-managerial personnel was 5.80% and that of managerial personnel was NIL during the financial year 2020-21. There are no exceptional circumstances for increase in managerial remuneration.
6. Remuneration paid during the financial year ended 31 March 2021 was as per the Remuneration Policy of the Company.

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

a) Details of top ten employees in terms of remuneration drawn during the year ended 31 March 2021:

Sr. No.	Emp Name	Designation	Remuneration FY 2020-21* (₹ in lacs)	Date of Commencement of employment	Education Qualification	Age	Total Experience (In Years)	Last Employment
1	Aswini Agarwal	General Manager	116.55	20-Dec-18	M.B.A.	40	17	PT. STS Bali
2	Raj Kumar Singh	VP-SCM	113.29	9-Mar-11	M.B.A, B.Sc.	50	27	Steckbeck Jewelery Pvt. Ltd.
3	Pushpendra Singh	VP-HR, VGL Group	112.64	1-Dec-12	M.B.A, L.L.B	51	26	JSPL
4	Vineet Ganeriwala	Group CFO	72.82	21-Feb-20	C.A.	46	23	Vodafone Group Services Ltd., London
5	Unnat Gautam	Dy. General Manager	51.80	9-Apr-11	PGDFM, B.Sc.	47	23	Genus Power Infrastructures Ltd.
6	Jatin Patel	Asst. General Manager	44.10	01-Feb-09	M.Com.	42	24	First employment
7	Kamlesh Kumar Jain	Dy. General Manager	42.84	27-Mar-07	B.com	48	27	Tache Diamonds (India) Pvt. Ltd.
8	Saurabh Vijay Vargiya	Asst. General Manager	30.86	19-Apr-17	M.B.A	34	13	India MART Inter MESH Ltd.
9	Alok Dadheech	Dy. General Manager	25.39	20-Feb-17	C.A.	39	14	BSR & Co. LLP
10	Hitendra Gautam	Dy. General Manager	25.28	12-Jul-10	M.Com & CHH	41	18	Silvex & Company India Ltd.

*Annualised Remuneration includes fixed pay, variable pay, incentives, bonus and the perquisite value of stock option exercised during the year, determined in accordance with the provisions of the Income-tax Act, 1961.

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, 2 & 3 were 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.

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.

As a testimony of the same, your Company has been adjudged as the 'Best Governed Company' (Listed Segment: Emerging Category) by the Institute of Company Secretaries of India at the 20th edition of the ICSI National Awards for Excellence in Corporate Governance for the year 2020.

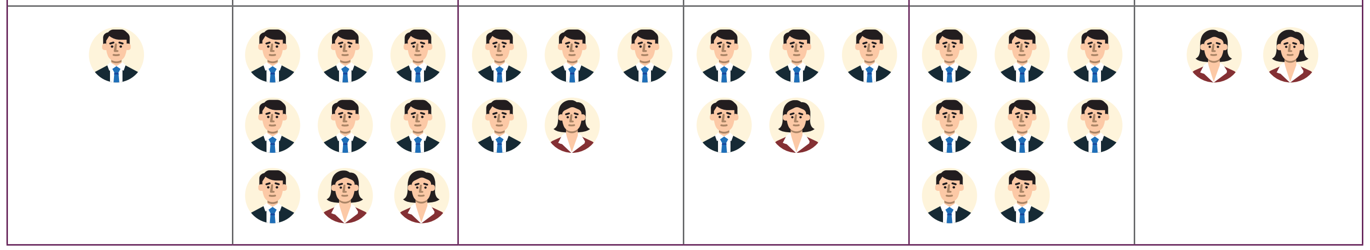
The Company is in compliance with the requirements stipulated under Regulations 17 to 27 read with Schedule V and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred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

2. Board of Directors

A) Board Composition

As on 31 March 2021, the Board of the Company comprises of ten members, headed by Non-Executive Chairman. The Board consists of one Executive Director (Managing Director), five Non-Executive Independent Directors and four Non-Executive Non-Independent Directors. The Chairman of the Board is a Non-Executive Director and more than one-half of the total number of Directors comprised of Non-Executive Directors. The Independent Directors constitute one-half of the total Board strength. The Board has an appropriate mix of professionalism, experience and knowledge which enables the Board to discharge its responsibilities effectively. Profiles of the Directors are available on the website of the Company viz. www.vaibhavglobal.com

Executive/Non-Executive		Independent/Non-Independent		Male/Female	
Executive (10%)	Non-Executive (90%)	Independent (50%)	Non-Independent (50%)	Male (80%)	Female (20%)



The name and category of directors on the Board, their tenure and shareholding in VGL as on 31 March 2021 are as under:

Category	No. of Directors	Name of Directors	Promoter / Promoters Group	Date of first Appointment	Current Tenure	Shareholding in VGL
Executive Directors	1	Mr. Sunil Agrawal	Yes	08/05/1989	Managing Director upto 31/01/2024	28,140
Non – Executive Non – Independent Directors	4	Mr. Nirmal Kumar Bardiya	Yes	10/07/2001	NA[1]	1,50,581
		Mrs. Sheela Agarwal	Yes	10/11/2008	NA[1]	22,450
		Mr. Pulak Chandan Prasad	No	29/10/2013	NA[1]	Nil
		Mr. Sanjeev Agrawal[2]	Yes	29/10/2020	NA[1]	8,320
Independent Directors	5	Mr. Harsh Bahadur	No	26/09/2015	Upto 25/09/2022	Nil
		Mr. Santiago Roces	No	28/07/2015	Upto 27/07/2022	Nil
		Mr. James Patrick Clarke	No	07/02/2017	Upto 06/02/2024	Nil
		Mr. Sunil Goyal	No	08/03/2017	Upto 07/03/2025	Nil
		Ms. Monica Justice	No	06/09/2019	Upto 05/09/2021	Nil

[1]Director liable to retire by rotation.

[2]Appointed on the Board w.e.f. 29 October 2020

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

None of the Directors on the Board is a Director in more than 7 listed entities. None of the Non – Executive Directors is an Independent Director in more than 7 listed entities as required under the SEBI (LODR) Regulations. Further, the Managing Director do not serve as Independent Director in any other listed company. None of the Directors held directorships in more than 20 Indian companies, with more than 10 public limited companies.

All Directors are in compliance with the limit on Directorships / Independent Directorships of listed companies as prescribed under Regulation 17A of the SEBI (LODR) Regulations.

The Company has not issued any convertible instruments to the directors.

B) Chairman of the Board

Mr. Harsh Bahadur acted as Non-Executive Chairman of the Board. The Chairman presides over the meetings of the Board and of the shareholders of the Company.

C) Independent Directors

The Independent Directors of the Company have been appointed in terms of the requirements of the Act, the SEBI (LODR) Regulations and the Nomination and Remuneration policy of the Company. Independent Directors have confirmed that they meet the criteria of independence as defined under Regulation 16(1)(b) of the SEBI (LODR) Regulations and Section 149(6) of Companies Act, 2013 ('the Act'). The maximum tenure of Independent Directors is in compliance with the provisions of the Act.

In terms of Regulation 25(8) of the SEBI (LODR) Regulations, the Independent Directors have confirmed that they are not aware of any circumstances or situations which exist or may be reasonably anticipated that could impair or impact their ability to discharge their duties.

The Board is of the opinion that the Independent Directors fulfil the conditions specified in the Act and the SEBI (LODR) Regulations and that they are independent of the management.

In terms of Section 150 of the Act read with Rule 6 of the Companies (Appointment & Qualification of Directors) Rules, 2014, the Independent Directors have confirmed that they have enrolled themselves in the Independent Directors' Databank maintained with the Indian Institute of Corporate Affairs.

D) Woman Independent Director

Pursuant to the requirement of Regulation 17(1)(a), Ms. Monica Justice is a Non-Executive woman Independent Director on the Board of the Company.

E) Board Skills and Expertise

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 Board of Directors have, based on the recommendations of the Nomination, Remuneration and Compensation Committee, identified the following key skills/expertise/competencies of Directors as required in the context of business of the Company for its effective functioning which are currently possessed by the Board Members of the Company and mapped against each of the Directors:-

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.	Specialised Skills	Specialised 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 Director	Area of expertise					
	Business	Financial	Board Services and Governance	Specialised Skills	Leadership and sound Judgement	Other diversity
Mr. Sunil Agrawal	√	√	√	√	√	√
Mr. Nirmal Kumar Bardiya	√	√	√	√	√	-
Mrs. Sheela Agarwal	√	√	√	-	√	√
Mr. Pulak Chandan Prasad	√	√	√	√	√	√
Mr. Santiago Roces	√	√	√	√	√	√
Mr. Harsh Bahadur	√	√	√	√	√	√
Mr. James Patrick Clarke	√	√	√	√	√	√
Mr. Sunil Goyal	√	√	√	√	√	√
Ms. Monica Justice	√	√	√	√	√	√
Mr. Sanjeev Agrawal	√	√	√	√	√	√

F) 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 Director 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 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 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 for participation 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.

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

The Company held five Board Meetings during FY 2020-21 and the gap between two Meetings did not exceed 120 days. The necessary quorum was present at all the Board Meetings. The directors' attendance at Board Meetings and Annual General Meeting held virtually during the year are given below:

Name of Director	Attendance at 31st AGM held on 30 July 2020	Attendance at the Board Meeting held on					Total No. of Board Meetings attended	% age of attendance
		27 May 2020	30 July 2020	29 October 2020	29 January 2021	22 March 2021		
Mr. Sunil Agrawal	√	√	√	√	√	√	5	100%
Mr. Sunil Goyal	√	√	√	√	√	√	5	100%
Mr. Nirmal Kumar Bardiya	√	√	√	√	√	√	5	100%
Mrs. Sheela Agarwal	√	√	√	√	√	√	5	100%
Mr. Pulak Chandan Prasad	√	√	√	√	Leave	√	4	80%
Mr. Santiago Roces	√	√	√	√	√	√	5	100%
Mr. Harsh Bahadur	√	√	√	√	√	√	5	100%
Mr. James Patrick Clarke	√	√	√	√	√	√	5	100%
Ms. Monica Justice	√	√	√	√	√	√	5	100%
Mr. Sanjeev Agrawal[1]	NA	NA	NA	NA	√	√	2	100%

[1]Appointed as an additional director on the Board w.e.f. 29 October 2020.

Directorship and Committee's Membership

Sr. No.	Name of Director	Number of Directorship(s) held in other Indian public limited companies[1]	Number of Committee(s) position (including VGL)[2]		Directorship in other listed entities	
			Chairperson	Member	Name of the Listed entity	Category of Directorship*
1	Mr. Sunil Agrawal	2	Nil	Nil	Nil	-
2	Mr. Nirmal Kumar Bardiya	3	Nil	2	Nil	-
3	Mrs. Sheela Agarwal	1	Nil	Nil	Nil	-
4	Mr. Pulak Chandan Prasad	2	Nil	1	• Just Dial Limited • Berger Paint India Limited	NE NEI
5	Mr. Santiago Roces	Nil	Nil	Nil	Nil	-
6	Mr. Harsh Bahadur	1	Nil	3	• Indian Terrian Fashions Limited	NEI
7	Mr. James Patrick Clarke	Nil	Nil	Nil	Nil	-
8	Mr. Sunil Goyal	1	2	Nil	Nil	-
9	Ms. Monica Justice	Nil	Nil	Nil	Nil	-
10	Mr. Sanjeev Agrawal	Nil	Nil	Nil	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.

*NE - Non-Executive – Non-Independent Director, NEI - Non - Executive - Independent Director

None of the Directors on the Board is a member of more than 10 (ten) Committees or Chairman of more than 5 (five) Committees (Audit Committee and Stakeholders' Relationship Committee) across all public limited companies in which he/she is a Director. Necessary disclosures regarding their Committee positions have been made by all the Directors.

H) Board Committees

i) Audit Committee

The Audit Committee of the Company is constituted in accordance with the provisions of Regulation 18 of the SEBI (LODR) Regulations and the provisions of Section 177 of the Companies Act, 2013. All Members of the Committee are financially literate. Mr. Sunil Goyal, Chairperson of the Committee, is having the relevant accounting and financial management expertise. The terms of reference of the Audit Committee are 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 and as determined by the Board which inter alia, includes the following:

1. Oversight of the listed entity's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
   a. Matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
   b. Changes, if any, in accounting policies and practices and reasons for the same;
   c. Major accounting entries involving estimates based on the exercise of judgment by management;
   d. Significant adjustments made in the financial statements arising out of audit findings;
   e. Compliance with listing and other legal requirements relating to financial statements;
   f. Disclosure of any related party transactions;
   g. Modified opinion(s) in the draft audit report;
   h. Going concern assumption
   i. Compliance with accounting standards.
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency, monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;
7. Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
8. Approval or any subsequent modification of transactions of the listed entity with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the listed entity, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. Discussion with internal auditors of any significant findings and follow up there on;
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. To review the functioning of the whistle blower mechanism;
19. Approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
20. Reviewing the utilisation of loans and/ or advances from/ investment by the holding company in the subsidiary exceeding ₹ 100 crore or 10% of the asset size of the subsidiary, whichever is lower.
21. Reviewing compliance with the Insider Trading Regulations at least once in a financial year and verify that the systems for internal control are adequate and are operating effectively.
22. Reviewing the information as specified in the para B of Part (C) of the Schedule II of the SEBI (LODR) Regulations.
23. To review and approve all transactions/ agreements with related parties, all transactions that may be entered into with any person otherwise than on arm's length basis and formulate a policy on materiality of related party transactions and also on dealing with Related Party Transactions.

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

Name of Director	Category of the Directors	Position held in the Committee	Attendance at Audit Committee Meeting held during 2020-21				Total No. of Meetings attended	% age of attendance
			27 May 2020	30 July 2020	29 October 2020	29 January 2021		
Mr. Sunil Goyal	Non – Executive Independent Director	Chairman	√	√	√	√	4	100%
Mr. Harsh Bahadur	Non – Executive Independent Director	Member	√	√	√	√	4	100%
Mr. Nirmal Kumar Bardiya	Non – Executive Non - Independent Director	Member	√	√	√	√	4	100%

The gap between two Audit Committee Meetings did not exceed 120 days. Requisite quorum was present at the above Meetings.

The Audit Committee meetings are usually attended by the Managing Director, Group CFO, and the respective head of the departments, wherever required. The Company Secretary acts as the Secretary of the Audit Committee. The Statutory Auditors and Internal Auditors also attends the Audit Committee meetings by invitation. During the year, the Audit Committee reviewed key audit findings covering Operational, Financial and Compliance areas. Risk Mitigation Plan covering key risks affecting the Company were also presented to the Committee.

Mr. Sunil Goyal, Chairperson of the Audit Committee, was present at the AGM of the Company held on 30 July 2020.

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:

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to the remuneration of the directors, key managerial personnel and other employees;
2. To determine the appropriate characteristics, skills and experience for the Board and Director(s);
3. Formulation of criteria for evaluation of performance of independent directors and the board of directors;
4. Devising a policy on diversity of board of directors;
5. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal and shall specify the manner for effective evaluation of performance of Board, its committees and individual directors to be carried out either by the Board, by the Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance.
6. Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
7. Recommend to the board, all remuneration, in whatever form, payable to senior management.
8. To formulate terms and conditions of the Share based employee benefit Scheme(s), determine eligibility criteria, grant & vesting of options and to administer, supervise and recommend modifications in the same;
9. To perform duties / responsibilities / powers etc. as assigned by board from time to time under Share based employee benefit scheme(s) of the Company.

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

Name of Director	Category of the Directors	Position held in the Committee	Attendance at NRC Committee Meeting held during 2020-21			Total No. of Meetings attended	% age of attendance
			14 May 2020	29 October 2020	29 January 2021		
Mr. Sunil Goyal	Non – Executive Independent Director	Chairman	√	√	√	3	100%
Mr. Harsh Bahadur	Non – Executive Independent Director	Member	√	√	√	3	100%
Mr. Nirmal Kumar Bardiya	Non – Executive Non - Independent Director	Member	√	√	√	3	100%

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

Requisite quorum was present at the above Meetings. Mr. Sunil Goyal, Chairperson of the NRC Committee, was present at the AGM of the Company held on 30 July 2020.

Performance Evaluation:

The Board has carried out an annual performance evaluation of its own performance, the Directors individually (including Independent Directors) and Board Committees 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, 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. The performance of Chairman of the Company and Managing Director was also evaluated at the additional parameters.

Remuneration to Directors:

a) **Executive Director:** The Executive Director shall be eligible for remuneration, as may be approved by the shareholders of the Company on the recommendation of the NRC Committee and the Board of Directors. The office of executive director may be terminated by the Company or by him by giving prior notice in writing as per the policy of the Company. No severance fees is payable to the Executive Director and he shall not be entitled for any share-based employee benefit.

b) **Non-Executive/Independent Directors:** 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 and/or Committees 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 to Directors for the year ended 31 March 2021 are as under:

(Amount in ₹)

Name of Director	Details of remuneration paid/payable during the year			
	Salary	Sitting Fees	Profit related Commission	Total Remuneration
Mr. Sunil Agrawal	-	-	-	-
Mr. Sanjeev Agrawal	-	1,50,000	-	1,50,000
Mr. Nirmal Kumar Bardiya	-	9,15,000	-	9,15,000
Mrs. Sheela Agarwal	-	3,75,000	-	3,75,000
Mr. Pulak Chandan Prasad	-	-	-	-
Mr. Santiago Roces	-	-	19,42,176	19,42,176
Mr. Harsh Bahadur	-	9,15,000	20,85,000	30,00,000
Mr. James Patrick Clarke	-	-	47,63,828	47,63,828
Mr. Sunil Goyal	-	8,65,000	-	8,65,000
Ms. Monica Justice	-	-	36,64,483	36,64,483
Total	**-**	**32,20,000**	**1,24,55,487**	**1,56,75,487**

Succession Plan:

The Company believes that sound succession plans for the senior leadership are very important for creating a robust future for the Company. The Nomination and Remuneration Committee works along with the Human Resource team of the Company for a structured leadership succession plan.

iii) Stakeholders' Relationship Committee

The constitution and terms of reference of Stakeholders' Relationship Committee (SRC) are in compliance with the provisions of the Section 178 of the Companies Act, 2013, and Regulation 20 of SEBI (LODR) Regulations, 2015. The terms of reference of the SRC inter-alia includes:

1. Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
2. Review of measures taken for effective exercise of voting rights by shareholders.
3. Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.
4. Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/ annual reports/statutory notices by the shareholders of the company.

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 Stakeholders Relationship Committee Meeting held on 29 January 2021	% age of attendance
Mr. Sunil Goyal	Non – Executive Independent Director	Chairman	√	100%
Mr. Harsh Bahadur	Non – Executive Independent Director	Member	√	100%
Mr. Nirmal Kumar Bardiya	Non – Executive Non - Independent Director	Member	√	100%

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

Requisite quorum was present at the above Meeting. Mr. Sunil Goyal, Chairperson of the Stakeholders' Relationship Committee, was present at the AGM held on 30 July 2020.

Details of Complaints received and resolved during the year

Status of Investor Complaints as on 31 March 2021 as reported under Regulation 13(3) of the SEBI (LODR) Regulations is as under:

Particulars	No. of Complaints
Complaints pending as on 1 April 2020	Nil
Received during the year	51
Resolved during the year	51
Complaints outstanding as on 31 March 2021	Nil

The majority of complaints were pertaining to non-receipt of dividend and non-receipt of Annual Report.

Details of the Compliance Officer:

Name: Mr. Sushil Sharma
Designation: Company Secretary & Compliance Officer
Address: E-69, EPIP, Sitapura, Jaipur - 302 022
Tel: 0141- 2771975
Email: investor_relations@vaibhavglobal.com

iv) Corporate Social Responsibility Committee

The Company has a Corporate Social Responsibility (CSR) Committee in compliance with the provisions of Section 135 of the Companies Act, 2013. The Committee is also empowered to oversee the implementation of Business Responsibility Policies. The terms of reference of the CSR Committee are as follows:

a. Formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the company in areas or subject, specified in Schedule VII.

b. Recommend the amount of expenditure to be incurred on the activities.

c. Monitor the Corporate Social Responsibility Policy of the company from time to time.

The Board has adopted the CSR Policy as formulated and recommended by the Committee. The same is displayed on the website of the Company at www.vaibhavglobal.com The Annual Report on CSR activities for FY 2020-21 forms a part of the Board's Report.

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 at CSR Committee Meeting held on 27 May 2020	% age of attendance
Mr. Sunil Agrawal	Executive Director	Chairman	√	100%
Mr. Harsh Bahadur	Non – Executive Independent Director	Member	√	100%
Mr. Nirmal Kumar Bardiya	Non – Executive Non - Independent Director	Member	√	100%

Requisite quorum was present at the above Meeting. The Company Secretary of the Company acts as Secretary to the Corporate Social Responsibility (CSR) Committee.

v) Risk Management Committee

The Risk Management Committee (RMC) of the Company has been constituted pursuant to Regulation 21 of the SEBI (LODR) Regulations. The terms of reference, inter-alia, includes to monitor and review the risk management plan, cyber security and to perform functions as defined under SEBI (LODR) Regulations, 2015 and 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 Member	Category /Designation of the Members	Position held in the Committee	Attendance at RMC Meeting held on 29 March 2021	% age of attendance
Mr. Sunil Goyal	Non – Executive Independent Director	Chairman	√	100%
Mr. Harsh Bahadur	Non – Executive Independent Director	Member	√	100%
Mr. Nirmal Kumar Bardiya	Non – Executive Non - Independent Director	Member	√	100%
Mr. Vineet Ganeriwala	Group CFO	Member	√	100%

vi) Allotment Committee

The Allotment Committee has been constituted for the approval, issue and allotment of shares/securities under the supervision of Board. It comprises three senior management personnel. The Committee meets as and when need arises particularly for allotment and issue of shares 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, the Independent Directors of the Company met on 26 May 2020 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, 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	Special Resolution passed
31st AGM	30 July 2020	9.00 A.M	Through Video Conferencing (VC)/ Other Audio Visual Means (OAVM) Deemed Venue: E-69, EPIP, Sitapura, Jaipur – 302022 (Rajasthan)	Re-appointment of Mr. Sunil Goyal as an Independent Director of the Company
30th AGM	30 July 2019	10.00 A.M.	E-69, EPIP, Sitapura, Jaipur – 302022 (Rajasthan)	Adoption of new set of Articles of Association of the Company Alteration of the Object Clause & Liability Clause of the Memorandum of Association of the Company
29th AGM	30 July 2018	10.00 A.M.	E-69, EPIP, Sitapura, Jaipur – 302022 (Rajasthan)	Nil

All resolutions moved at the last AGM were passed by the requisite majority.

b) Extra – Ordinary General Meeting

There was no Extra – Ordinary General Meeting held during the year 2020-21.

c) Postal Ballot

During the year under review, the Company has circulated the following resolutions through postal ballot:

(i) Notice dated 29 January 2021 which has been duly passed on 21 March 2021:

Sr. No.	Type of Resolution	Particulars	Voting Pattern (%)	
			Favor	Against
1	Special Resolution	Approval of 'Vaibhav Global Limited Management Stock Option Plan – 2021' of the Company.	98.11	1.89
2	Special Resolution	Approval of 'Vaibhav Global Limited Management Stock Option Plan – 2021' extended to the eligible employees of Subsidiary(ies).	98.11	1.89
3	Special Resolution	Approval of 'Vaibhav Global Limited Employees Stock Option Plan – 2021' of the Company.	98.11	1.89
4	Special Resolution	Approval of 'Vaibhav Global Limited Employees Stock Option Plan – 2021' extended to the eligible employees of Subsidiary(ies).	98.11	1.89

(ii) Notice dated 22 March 2021 which has been duly passed on 24 April 2021:

Sr. No.	Type of Resolution	Particulars	Voting Pattern (%)	
			Favor	Against
1	Ordinary Resolution	Approval of Sub-division of 1 (One) Equity Share of face value of ₹ 10/- each fully paid-up into 5 (Five) Equity Shares of face value of ₹ 2/- each fully paid-up.	99.99	0.01
2	Ordinary Resolution	Alteration of Clause V (Capital Clause) of Memorandum of Association of the Company.	99.99	0.01

Procedure for Postal Ballot

The Postal Ballot were conducted in accordance with Section 110 and 108 of the Act read together with Rule 22 and Rule 20 of the Companies (Management and Administration) Rules, 2014 and the General Circular No. 14/2020 dated 8 April 2020, No. 17/2020 dated 13 April, 2020, No. 22/2020 dated 15 June 2020, No. 33/2020 dated 28 September 2020 and No. 39/2020 dated 31 December 2020, issued by the Ministry of Corporate Affairs, Government of India. The shareholders were provided the facility to vote through e-voting. The postal ballot notices were sent to shareholders in electronic form having email addresses. The Company also published notices in the newspapers in accordance with the requirements under the Companies Act, 2013.

Shareholders holding equity shares as on the cut-off date were allowed to cast their votes through e-voting during the voting period fixed for these purposes. The results of e-voting by postal ballot were announced within 48 hours of conclusion of the e-voting period. The results were displayed on the website of the Company (www.vaibhavglobal.com), and were communicated to the Stock Exchanges and Registrar and Share Transfer Agents. Mr. B K Sharma, Practicing Company Secretary, was appointed as the Scrutiniser for both postal ballot notices to scrutinise the postal ballot e-voting process in a fair and transparent manner.

At Present, there is no proposal to pass any special resolution 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, Business Responsibility Report, Auditor's Report and other information are circulated to members and others who are entitled to it through permitted mode.

(ii) Financial results are published in leading local and national newspapers such as Business Remedies (All editions) and Financial Express (All editions).

(iii) All important information relating to the Company and its performance, including the financial results, shareholding pattern, Corporate Governance Report etc. 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 disseminate 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 investors and analysts.

5. General Shareholder Information

The Company is registered with the Registrar of Companies, Jaipur, Rajasthan. The Corporate Identity Number (CIN) allotted to the Company by the Ministry of Corporate Affairs ('MCA') is L36911RJ1989PLC004945.

(i) 32nd Annual General Meeting (AGM):

Date and time – Thursday, 29 July 2021 at 9.00 A.M. (IST)

The Company is conducting AGM through VC / OAVM pursuant to the MCA Circular dated 13 January 2021 (General Circular No. 02/21) read with circulars dated 8 April 2020, 13 April 2020 and 5 May 2020 (collectively referred to as "MCA Circulars"). For details, please refer to the Notice of 32nd AGM.

(ii) Financial year:

The Company follows April to March as the financial year. The next financial year of the Company would be from 1 April 2021 to 31 March 2022.

(iii) Date of book closure for AGM & Dividend: Friday, 2 July 2021

(iv) Dividend payment date: within 30 days from the date of declaration at 32nd AGM.

(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 2021- 22 to BSE Limited and National Stock Exchange of India Limited.

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

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

(viii) Share transfer system

As per directives issued by SEBI, it is compulsory to trade in the Company's equity shares in dematerialised form. Effective 1 April 2019, transfer of shares in physical form had ceased. Shareholders who had lodged their request for transfer prior to 31 March 2019 and, have received the same under objection can relodge the transfer request after rectification of the documents. Request for transmission of shares and dematerialisation of shares will continue to be accepted.

(ix) Dematerialisation of shares

The Company has set up requisite facilities for dematerialisation of its equity shares with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

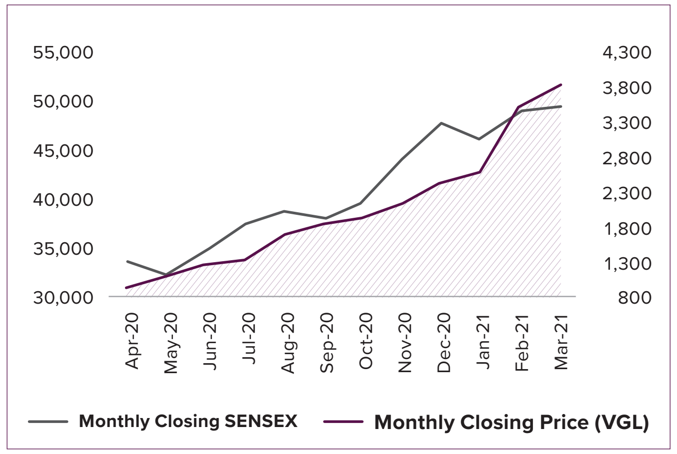
The new International Securities Identification Number (ISIN) for equity shares after split is INE884A01027 (ISIN before Split - INE884A01019). The status of dematerialisation as on 31 March 2021 is as under:

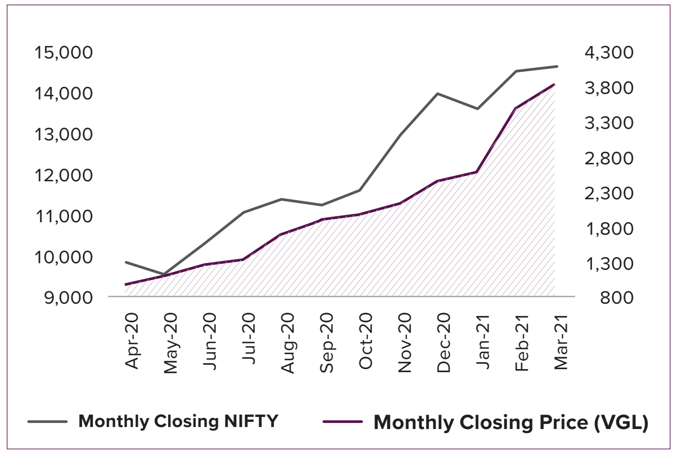
Mode		No. of Shares	% (Percentage)
Dematerialisation Form	NSDL	3,06,21,124	94.11
	CDSL	18,94,771	5.82
Subtotal		3,25,15,895	99.93
Physical Form		22,257	0.07
Total		**3,25,38,152**	**100.00**

(x) Market price data

Month	VGL Price at BSE (₹)			VGL Price at NSE (₹)		
	High Price	Low Price	Closing Price	High Price	Low Price	Closing Price
April, 2020	1,099.00	785.65	953.80	1,013.00	746.00	960.05
May, 2020	1,142.00	932.75	1,097.65	1,145.00	915.55	1,103.85
June, 2020	1,493.00	1,074.30	1,279.15	1,300.00	1,075.00	1,276.20
July, 2020	1,393.55	1,249.35	1,337.20	1,460.00	1,249.05	1,338.40
August, 2020	1,999.00	1,329.00	1,699.80	1,970.00	1,329.05	1,688.10
September, 2020	1,940.00	1,551.00	1,882.60	1,945.00	1,630.00	1,883.30
October, 2020	2,029.10	1,802.25	1,955.65	2,039.90	1,805.00	1,954.50
November, 2020	2,156.50	1,890.00	2,126.95	2,155.00	1,890.00	2,129.45
December, 2020	2,500.00	2,056.65	2,448.25	2,487.00	2,022.35	2,446.90
January, 2021	2,895.95	2,428.90	2,598.05	2,900.20	2,440.00	2,596.95
February, 2021	3,600.00	2,625.15	3,523.75	3,540.00	2,627.30	3,506.60
March, 2021	4,850.00	3,460.00	3,832.55	4,780.00	3,472.00	3,841.90

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





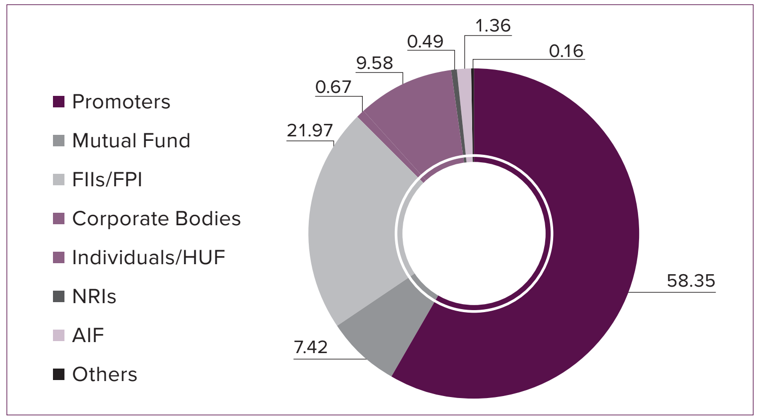
(xi) Distribution of shareholding as on 31 March 2021

No. of Equity Shares	Total Shares	% of Shareholding	No. of shareholder
1-5000	8,35,063	2.57	29,916
5001- 10000	1,94,474	0.60	260
10001- 20000	2,25,372	0.69	158
20001- 30000	1,98,407	0.61	78
30001- 40000	88,497	0.27	26
40001- 50000	1,17,245	0.36	25
50001- 100000	4,19,260	1.29	57
100001 & Above	3,04,59,834	93.61	65
Total	**3,25,38,152**	**100.00**	**30,585**

(xii) Shareholding Pattern as on 31 March 2021

Category	Number of Shares	% of shareholding
A. Promoters		
Indian Promoters	1,89,38,600	58.21
Foreign Promoters	46,460	0.14
Sub-total (A)	**1,89,85,060**	**58.35**
B. Public		
Mutual Funds	24,15,748	7.42
FIIs /FPI	71,47,474	21.97
Corporate Bodies	2,17,821	0.67
Individuals/HUF	31,16,178	9.58
NRIs	1,60,839	0.49
Alternative Investment Fund (AIF)	4,43,696	1.36
Others	51,336	0.16
Sub-total (B)	**1,35,53,092**	**41.65**
Grand Total (A+B)	**3,25,38,152**	**100.00**

Shareholding Pattern



(xiii) Plant locations

The Company's plants are located at the following addresses:
- K-6B, Fateh Tiba, Adarsh Nagar, Jaipur - 302 004
- E-68, E-69 & F64, 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: HW – 4070, H Tower, West Wing, 4th Floor, Bharat Diamond Bourse, Bandra Kurla Complex, Bandra (E) Mumbai – 400 051

(xv) Investor Contacts

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:

Name: Mr. Sushil Sharma
Designation: Company Secretary & Compliance Officer
Address: E-69, EPIP, Sitapura, Jaipur - 302 022
Tel: 0141-2771975
Email: investor_relations@vaibhavglobal.com

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

(xvi) The Company has no outstanding GDR/ADR/warrants as on 31 March 2021.

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

The brief profile of the Directors seeking appointment/re-appointment is provided in the Notice of convening the 32nd 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/RTA (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 form to dematerialise their shares. Shareholders are requested to quote their e-mail IDs, telephone/fax numbers for prompt reply to their communication.

6. Disclosures

(i) The necessary disclosure of the related party transactions as required under the accounting standards have been made in the financial statements. None of the transactions with any of the related party was in conflict with the interests of the Company. The Board has approved a policy on materiality of related party transactions and on dealing with related party transactions and the same is disclosed on the website of the Company at https://www.vaibhavglobal.com/code-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. None of the Company's listed securities is suspended from trading.

(iii) The Company has a Whistle Blower policy for establishing a vigil mechanism for directors and employees to report concerns about any unethical behavior. No person has been denied access to the Audit Committee. The policy has been disclosed on the website of the Company at https://www.vaibhavglobal.com/code-policies

(iv) All mandatory requirements of SEBI (LODR) Regulations, have been complied with during the year. The Company has also implemented discretionary requirements of SEBI (LODR) Regulations:

a) Internal auditor make quarterly presentation to the Audit Committee.

b) Appointment of Non-executive Chairman of the Board and his position is separate from that of the Managing Director.

c) Sending the financial results to the shareholders quarterly at their email id registered with the Company/RTA/Depository.

d) The financial statements of the Company are with unmodified audit opinion.

(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.

Further, the Company has managed the Foreign Exchange risk with appropriate hedging activities in accordance with the policies of the Company. The Company used Forward Exchange Contracts to hedge against its Foreign Currency exposures relating to firm commitments. There were no materially uncovered exchange rate risks in the context of the Company's Foreign Exchange exposures. For more detail, please refer Management Discussion and Analysis Report, form a part of this report.

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

(vi) During the year, no complaint was received by 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.

(viii) The Company has adequate Directors and Officers insurance ('D and O insurance') for all their directors and officers.

(ix) During the financial year 2020-21, the Board has accepted all the recommendations of its Committees.

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. The Risk Management Committee monitor and review the risk management plan, cyber security and to perform functions as defined under SEBI (LODR) Regulations and the Companies Act, 2013. During the year, Risk Management Committee met on 29 March 2021 reviewed the Risk Management Policy, Major risk areas & mitigations action Plan and IT controls of the Company. For more detail, please refer Management Discussion and Analysis Report, form a part of this report.

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 quarterly.

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

10. Reconciliation of Share Capital Audit

A qualified Practicing Company Secretary carried out a share capital audit quarterly reconciled and confirmed that the total admitted equity share capital with the National Securities Depository Limited ("NSDL"), the Central Depository Services (India) Limited ("CDSL") and shares in physical forms are in agreement with the total issued and listed equity share capital.

11. Familiarisation programme for Independent Directors

The Board members are provided with the necessary documents, reports and internal policies to enable them to familiarise with the Company's procedures and practices. Periodic presentations are made at the Board, Committees, Strategy and Management 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 familiarisation programmes for Independent Directors are posted on the website of the Company and can be accessed at: https://www.vaibhavglobal.com/code-policies

12. Fee paid to Statutory Auditors

During the year, total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to the statutory auditor of the Company and all entities in the network firm/network entity of which auditors the statutory auditor is a part is given below:

Particulars	(₹ in lacs)
Statutory audit	71.48
Limited review	51.00
Other services	19.78
Reimbursement of expenses	30.12
Total	**172.38**

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 disclosed on the Company's website, i.e. https://www.vaibhavglobal.com/code-policies. 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 31 March 2021. A declaration to this effect, signed by Mr. Sunil Agrawal, Managing Director of the Company, is appended at the end of this report.

The Senior Management of the Company have made disclosures to the Board confirming that there is no material financial and/or commercial transactions between them and the Company that could have potential conflict of interest with the Company at large.

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. https://www.vaibhavglobal.com/code-policies

15. Compliance Certificate

The Compliance Certificate on the financial statements for the financial year ended 31 March 2021 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 2020-21.

For and on behalf of the Board of Directors

Sunil Agrawal
Managing Director
DIN: 00061142

Place: Austin
Date: 12 May 2021

Compliance Certificate

(Pursuant to Regulation 17(8) of SEBI (LODR) Regulations for the Financial Year ended 31 March 2021)

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 31 March 2021, 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 2020-21 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
Place: Austin
Date: 12 May 2021

Vineet Ganeriwala
Group Chief Financial Officer
Place: Jaipur
Date: 12 May 2021

Certificate on Corporate Governance

To
The Members
Vaibhav Global Limited
Jaipur

We have examined the compliance of Corporate Governance by Vaibhav Global Limited ("the Company") for the financial year ending on 31 March 2021, as stipulated in Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Regulations, 2015") basis examination of documents provided in **Annexure I**.

The compliance of conditions of Corporate Governance is the responsibility of the Management of the Company. Our examination was limited to review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulations, 2015. We have made certain recommendations for good corporate practices to the compliance team, for its necessary consideration and implementation by the Company.

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

For M/s Vinod Kothari & Company
Practicing Company Secretaries
Unique Code: P1996WB042300

Vinita Nair
Senior Partner
Membership No.: F10559
CP No.: 11902
UDIN: F010559C000265891
Peer Review Certificate No.: 781/2020

Place: Mumbai
Date: 10 May 2021

Annexure I

List of Documents

1. Draft final Minutes of:
   - Board Meetings;
   - Annual General Meeting;
   - Audit Committee Meetings;
   - Nomination, Remuneration and Compensation Committee Meetings;
   - Stakeholders Relationship Committee Meetings;
   - Risk Management Committee Meeting;
   - Independent Director Meeting Minutes;
2. Policies as available on the website;
3. Declaration by Independent Directors;
4. Omnibus approval as placed in Audit Committee Meeting;
5. Draft CG Report for FY 2020-21;
6. Details of other directorship as reflecting in Director's Master Data on MCA and stock exchange filing for corporate governance;
7. Proof of submission of quarterly compliance report on corporate governance to stock exchange on sample basis.

Business Responsibility Report

About this Report

Our Business Responsibility Report includes our responses to questions on our practices and performance on key principles defined by Regulation 34(2)(f) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, covering topics across environment, governance and stakeholder relationships.

Section A - General Information about the Company

1.	Corporate Identity Number (CIN) of the Company	L36911RJ1989PLC004945
2.	Name of the Company	Vaibhav Global Limited
3.	Registered address	K-6B, Fateh Tiba, Adarsh Nagar, Jaipur 302 004, Rajasthan
4.	Website	www.vaibhavglobal.com
5.	E-mail id	Investor_relations@vaibhavglobal.com
6.	Financial Year reported	2020-21
7.	Sector(s) that the Company is engaged in (industrial activity code-wise)	Manufacturer & Exporter of fashion jewelry and related articles (3211)
8.	List three key products/services that the Company manufactures/ provides (as in balance sheet)	Fashion jewelry, Gemstone and lifestyle products
9.	Total number of locations where business activity is undertaken by the Company (a) Number of International Locations (b) Number of National Locations	 NA 6 National Location (4 in Jaipur, 2 in Mumbai)
10.	Markets served by the Company – Local/State/National/ International	National/International

Section B - Financial Details of the Company

1.	Paid-up Capital (INR)	32,53,81,520 as on 31 March 2021
2.	Total Turnover (including other income (INR)	46,173.52 lacs
3.	Total profit after taxes (INR)	4,683.11 lacs
4.	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	During the year, the company spent ₹164.59 lacs towards Corporate Social Responsibility (CSR) which was 2.35% of average net profits of the Company during immediate three preceding financial years.
5.	List of activities in which expenditure in 4 above has been incurred:	The Company has focused its CSR initiative in providing mid-day meal and support schools for meeting the expenses relating to educational aids and other expenses. For more details, refer Annexure 2 of the Board's report, forms part of this report.

Section C - Other Details

1.	Does the Company have any Subsidiary Company/ Companies?	Yes, the Company has seven Subsidiaries and five Step-down Subsidiaries, the details of which is given in Board Report.
2.	Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)	The subsidiary companies operates in different geographies and conduct their own BR initiatives. For more details, please refer Management, Discussion and Analysis report.
3.	Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/ entities? [Less than 30%, 30-60%, More than 60%]	The Company always encourage the other entities (e.g. suppliers, distributors, customers etc.) for participating in BR initiatives of the Company. Our subsidiaries in USA and UK also conducts BR activities at their level in different geographical areas.

Section D: BR Information

1. Details of Director/Directors responsible for BR

(a) BR Initiatives of the Company are undertaken under the supervision of Corporate Social Responsibility Committee of the Board of Directors, which comprises following Directors.

DIN Number	Name of Director	Designation
00061142	Mr. Sunil Agrawal	Managing Director
00724826	Mr. Harsh Bahadur	Non-Executive Independent Director
00044624	Mr. Nirmal Kumar Bardiya	Non-Executive Non-Independent Director

(b) Details of BR Head

DIN Number	Name of Director	Designation	Telephone No.	Email ID
00061142	Mr. Sunil Agrawal	Managing Director	91-141-2771975	investor_relations@vaibhavglobal.com

2.(a) Principle-wise (as per NVGs) BR Policy/policies

Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.

Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.

Principle 3: Businesses should promote the wellbeing of all employees.

Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.

Principle 5: Businesses should respect and promote human rights.

Principle 6: Business should respect, protect and make efforts to restore the environment.

Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.

Principle 8: Businesses should support inclusive growth and equitable development.

Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner.

Sr. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9	Remark
1.	Do you have a policy/ policies for	Y	Y	Y	Y	Y	Y	Y	Y	Y	-
2.	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y	The policies have been formulated by taking inputs from the concerned internal stakeholders, there is no formal consultation with external stakeholders.
3.	Does the policy conform to any national / international standards? If yes, specify?	NA	NA	NA	NA	NA	NA	NA	NA	NA	As the Company deals with the stakeholders spread across the globe, Hence, the policies have been designed as per industry practices and national / international level standards.
4.	Has the policy been approved by the Board? If yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y	Signed by Managing Director of the Company
5.	Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y	-
6.	Indicate the link for the policy to be viewed online?	https://www.vaibhavglobal.com/code-policies									-
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	The Policies have been placed at the website/ intranet of the Company. Further, Company's executives also discuss the policies of the Company at the time of dealing with stakeholders. Internal stakeholders are duly communicated.									-
8.	Does the company have in-house structure to implement the policy/ policies.	Y	Y	Y	Y	Y	Y	Y	Y	Y	-
9.	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y	-
10.	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	The Policies are evaluated internally as and when required.									-

2(b) If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options) - Not Applicable

Sr. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	The company has not understood the Principles	Not Applicable								
2.	The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
3.	The company does not have financial or manpower resources available for the task									
4.	It is planned to be done within next 6 months									
5.	It is planned to be done within the next 1 year									

3. Governance related to BR

(a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year

Compliance with the Policy(ies) is monitored and evaluated on regular basis. The CSR Committee reviews the BR performance at least once in a year.

(b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

The Company publish business responsibility report in the Annual Report, which is available at the website of the Company i.e. https://www.vaibhavglobal.com/annual-reports

Section E: Principle-wise Performance

PRINCIPLE 1: ETHICS, TRANSPARENCY AND ACCOUNTABILITY

1. Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs / Others?

The Company considers manifesting the highest levels of transparency, disclosures, accountability, equity, professionalism, honesty, integrity and ethical behavior in all spheres of its operations.

The Company has adopted a code of conduct applicable to the Board of Directors and senior management personnel of the Company. The members of the Board of Directors and the members of the senior management of the Company are required to affirm on an annual compliance of this code. This code inter-alia requires the directors and senior management personnel of the Company to act honestly, ethically and with integrity. The code guides the directors and senior management personnel to conduct themselves in professional, courteous and respectful manner and also to ensure their independent judgement is not impacted. The Company has a Whistle Blower Policy to establish a vigil mechanism for directors and employees to report concerns about unethical, actual or suspected fraud in violation of the Company's code of conduct or ethical policy. Further, the Anti Sexual Harassment Policy provide harmonious and safe conditions at workplace that redress complaints of sexual harassment in an unbiased and effective manner, with an approach of zero tolerance. It covers all employees of the company whether permanent, temporary or apprentice and any such sexual harassment which has taken place whether within or without office hours. The Anti Bribery and Corruption policy of the Company applies to all employees (full-time, part-time and those on contractual assignments) of the Company and to relevant third parties and their employees deployed for the Company's activities.

The Policy on determination of materiality of events ensure disclosure of material events to all concerned stakeholders and public at large promptly. The code of practices and procedures for fair disclosure of Unpublished Price Sensitive Information (UPSI) ensures timely and adequate disclosure of UPSI which would impact the price of its securities and to maintain uniformity, transparency and fairness in dealing with all its stakeholders.

The Company is committed towards good Corporate Governance which plays pivotal role in implementation of best practices in corporate governance, Board structure and processes, transparency and disclosure, compliances, stakeholders value enhancement, Corporate Social Responsibility (CSR) and Sustainability.

During the year, the Company has been adjudged as the 'Best Governed Company' by The Institute of Company Secretaries of India under Listed Companies, Emerging Category at 20th ICSI National Award for Excellence in Corporate Governance for the year 2020.

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management?

During the financial year, the company has received 51 complaints from investors/shareholders pertaining to Non receipt of Annual Report / dividend etc. and all complaints were resolved. No complaint was outstanding as on 31 March 2021. The company has not received any complaint for sexual harassment, bribery and corruption and under whistle blower mechanism from any of the stakeholder.

PRINCIPLE 2: PRODUCTS LIFECYCLE SUSTAINABILITY

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.

The three product categories, i.e., fashion jewelry, gemstone and lifestyle products incorporate principles of Environmental Management Systems (EMS) at various levels of operations.

The quality management system of the Company has been ISO 9001:2015 certified for design development, manufacturing, sale of gemstones, diamonds, studded jewellery and sale of lifestyle products.

2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):

(a) Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain?

At VGL, we believe that conserving energy is desirable not only to reduce costs but also for conserving precious & fast depleting fossil fuel reserves and protecting the environment. We make sincere efforts to ensure that our operations are sustainable. We focus on use of renewable energy, water conservation, waste management and energy efficiency. Towards this approach, the Company has implemented several environment & energy conservation steps:

Energy Management

The Company focusses to use maximum renewable energy. Started the journey with 100 kw rooftop solar project in 2014 and with the commissioning of 1.30 mw and 1.55 mw captive consumption solar projects in 2020 and 2021 respectively, the Company is able to increase its total solar capacity to 3.23 mw. The commissioning certificate for 0.45 mw is applied and awaited. The said solar capacity shall fulfill the 100% power requirement of manufacturing units in Jaipur.

In FY21, we procured rotary burnout furnaces and laser marking/cutting machines with advanced inbuilt technology to reduce carbon emission.

Water Management

- Rainwater harvesting

  Installed rainwater harvesting structures, enabling ~52 lacs litres of water harvesting across ~95,000 sq. ft. during FY21.

- Effluence Treatment Plant (ETP)/ Sewage Treatment Plant (STP)

  Set up of ETP/STP plant at the premises to ensure maximum recycling and reuse of water in the process. We recycle 43 kl per day, equivalent to ~15,000 kl annually.

- Low LPM faucets

  Enabled use of low LPM faucets at one of the premises to save water. Further, planning to install at all locations in India by next financial years.

Bio-diversity

During FY21, we planted ~1,100 trees, taking our cumulative plantation to over 4,000 trees.

Green Building Certification

Our manufacturing unit at the Special Economic Zone in Jaipur, Rajasthan, received LEED Platinum certification under the LEED V4 Building Operations and Maintenance: Existing Buildings (LEED O+M) rating system. The SEZ building is the only manufacturing unit in Rajasthan and one of the only two such units across India certified as LEED Platinum under LEED V 4 O+M.

(b) Reduction during usage by consumers (energy, water) has been achieved since the previous year? – Not Applicable

3. Does the company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof.

VGL's Supplier Code of Conduct describes expectations and guidelines with respect to responsible sourcing including our commitments to human rights, the environment, health and safety, business ethics and the development of a diverse and sustainable supply chain. During the meetings with vendor/supplier, we discuss these expectations and promote environmental and social standards. We source product/ services that are environmentally sustainable, such as energy-efficient equipment. It is difficult to ascertain the percentage of our inputs which have been sourced sustainably.

4. Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

The Company's intent is to help local suppliers scale up and improve their operations, besides ensuring sustainable livelihood in the proximity of its operations and expects to build stronger and long-term ties with them. The Company's Adarsh Nagar office and Branch office in Mumbai are situated at a place which is easily accessible to local vendors. The Company is in continuous communication with the local and small vendors to improve their capacity to meet the procurement requirements of the Company and it helps to build the strong and long-term relationship with the local suppliers. To support 'Make in India', the Company procure its lifestyle products through domestic / local vendors. The Company provide opportunity to all vendors through its online vendor portal to tender their products as per the company requirement.

5. **Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof.**

The Company works with Zero dumping philosophy. VGL has aligned waste management practices and adopted the '4R Policy' of Reduce, Recycle, Reuse and Reclaim in our operations. The key initiatives are:

- Ensure 100% conversion of bio-degradable waste (vegetables, food, leaves) into manure.
- Installation of ozonator water treatment plant to facilitate removal of dirt, inorganic chemical impurities, and odour from water. This lowers the risk of ground water contamination. An ozonator can generate 10 gm of oxygen per hour to disinfect water.
- Installation of wet scrubbers to reduce toxicity of fumes generated during jewellery manufacture.

PRINCIPLE 3: EMPLOYEES' WELLBEING

The Company has established a robust Human Resources ('HR') system that nurtures a high performing, conducive and inclusive work culture. It emphasises on the freedom across all the locations for its employee to express views, competitive pay structure, performance-based reward system and growth opportunities and internal job opportunities. The Company conducts several internal functional capabilities building training programmes which mandated training hours for employees to upgrade knowledge and ensure their holistic growth. Company is providing safe and enabling work environment to the employees. VGL also focuses on the overall well-being of employees, providing them with requisite facilities and regular recognition. Some of the key initiatives in this area include company suggestion scheme, scholarship programme for employees' children and sponsoring the employees for participation in digital Marathons. VGL has been certified with 'Great Place to Work' by the Great Place to Work Institute which is a testimony to its high engagement and inclusive culture.

During the unprecedented year given by the pandemic, the Company provided the medical help to employees at home, health supplements to boost immunity levels, various virtual sessions on the awareness on COVID-19, virtual yoga sessions, salary increments, no layoff etc. The Company has also provided medical benefits (including insurance coverage) to all employees, free accommodation & travel expense to employees traveling from different states.

For more details of initiatives taken by the Company and its subsidiaries, please refer Management, Discussion and Analysis report, which forms a part of Annual Report.

1. **Please indicate the total number of employees.** – 1313 permanent employees as on 31 March 2021
2. **Please indicate the total number of employees hired on temporary / contractual / casual basis** - 1714 contractual employees as on 31 March 2021
3. **Please indicate the number of permanent women employees.** - The Company provides equal opportunity to all and do not discriminate on the grounds of gender. However, as on 31 March 2021, there were 180 permanent woman employees.
4. **Please indicate the number of permanent employees with disabilities** - The Company provides equal opportunity to all and do not discriminate on the grounds of disability. However, as on 31 March 2021, there were 15 employees with disabilities.
5. **Do you have an employee association that is recognized by management** - NIL
6. **What percentage of your permanent employees is members of this recognized employee association** - NA
7. **Please indicate the number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year -**

   The Company has not received any complaint relating to child labour, forced labour, involuntary labour and sexual harassment during the financial year 2020-21 and no complaint is pending as on 31 March 2021.
8. **What percentage of under mentioned employees were given safety & skill up-gradation training in the last year?**

(a)	Permanent Employees	93%
(b)	Permanent Women Employees	94%
(c)	Casual/Temporary/Contractual Employees	90%
(d)	Employees with Disabilities	90%

PRINCIPLE 4: STAKEHOLDER ENGAGEMENT

1. **Has the company mapped its internal and external stakeholders? Yes/No**

   VGL recognize employees, communities surrounding our operations, business associates, customers, vendors, shareholders/ investors and regulatory authorities as our key internal and external stakeholders and has mapped all accordingly.
2. **Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders.**

   The Company identifies communities specially children, poor patients as disadvantaged, vulnerable & marginalized and serve them through its CSR activities.
3. **Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof.**

   VGL enhances sustainable CSR impacts with a focus on education, healthcare and poverty alleviation through various implementing agencies. VGL's One for One program is the Company's global flagship (Now named as "Your purchase feeds") CSR initiative is locally registered through charity partners like Akshaya Patra in India, No Kid Hungry in the US and Magic Breakfast in the UK.

   Since the inception of the program, ~51 million meals have been delivered at the group level. This number stood at ~14.4 million meals for FY21. In India, the program spans across 350 schools in Jaipur with 15+ vehicles providing logistical support to this initiative.

   Apart from statutory requirements under CSR, the Company has taken many other initiatives for the vulnerable like repair and maintenance of school buildings, donation to CM relief fund and other associations for COVID-19 etc. For more details of initiatives taken by the Company and its subsidiaries, please refer Management, Discussion and Analysis report, forms a part of this report.

PRINCIPLE 5: HUMAN RIGHTS

1. **Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/ Suppliers/Contractors/ NGOs/Others?**

   The human rights policy applies to all employees of VGL and its affiliates. We promote its principles to our subcontractors and suppliers through our code for responsible sourcing, and also by driving industry based social and environmental standards, and we also engage customers and other business partners on these matters.
2. **How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?**

   The Company has not received any complaint in respect of violation of human rights.

PRINCIPLE 6: ENVIRONMENT PROTECTION

1. **Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/ Suppliers/ Contractors / NGOs/others.**

   The nature of the business of the Company has limited impact on environment. However, the Company endeavors to protect and make efforts to restore the environment. EHS policy covers the Company only. However, the Company encourages its vendors/supplier for uses of renewable energy resources and to also work for environment improvement.
2. **Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.**

   We, at VGL, are committed to inclusive growth and have taken several environment conservation initiatives related to renewable sources of energy, rainwater harvesting, waste management, tree plantation, and the like.

   Towards renewable source of energy, we started our journey with 100 KW rooftop solar project in 2014. The Company commissioned 1.30 mw and 1.55 mw solar projects in 2020 and 2021 respectively, which increased its total solar capacity to 3.23 mw. The commissioning certificate for 0.45 mw is applied and awaited. With this, the Company will address its 100% power requirements through renewable energy for its Jaipur manufacturing facilities.

   In FY21, we procured rotary burnout furnaces and laser marking/cutting machines with advanced inbuilt technology to reduce carbon emission. We also planted ~1,100 trees, taking our cumulative plantation to over 4,000 trees.

   Our manufacturing unit at the Special Economic Zone in Jaipur, Rajasthan, received LEED Platinum certification under the LEED V4 Building Operations and Maintenance: Existing Buildings (LEED O+M) rating system. The SEZ building is the only manufacturing unit in Rajasthan and one of the only two such units across India certified as LEED Platinum under LEED V 4 O+M.
3. **Does the company identify and assess potential environmental risks? Y/N**

   Yes, the company identifies and assess the potential environmental risks regularly.
4. **Does the company have any project related to Clean Development Mechanism? If so, provide details thereof. Also, if Yes, whether any environmental compliance report is filed?**

   No, we have not registered any project related to Clean Development Mechanism.
5. **Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.**

   The Company has taken other initiatives towards waste management, water management, reduction of carbon emissions etc. during the year. For more details on the environmental sustainability initiative taken by the Company and its subsidiaries, please refer Management Discussion and Analysis report, forms a part of this report.
6. **Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?**

   Yes, the emissions/waste generated by the company within the permissible limits given by CPCB/SPCB.
7. **Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.** – Nil

PRINCIPLE 7: COMPANY ADVOCACY

1. **Is your company a member of any trade and chamber or association? If yes, Name only those major ones that your business deals with:**

   The company is member of following trade associations:

   (a) Gem & Jewellery Export Promotion Council

   (b) Federation of Indian Export organization

(c) Export Promotion Council for EOUs and SEZs

(d) Export Promotion council for Handicrafts

(e) Export Promotion Council of Apparel

2. **Have you advocated/lobbied through above associations for the advancement or improvement of public good? if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)**

   The Company participates in the discussions, meetings and seminar organized by the various associations and actively put forth its viewpoint on various policy matters and inclusive development policies.

PRINCIPLE 8: INCLUSIVE GROWTH AND EQUITABLE DEVELOPMENT

1. **Does the company have specified programmes/ initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.**

   VGL is engaged in various social initiatives in the area of education, mid-day meals & healthcare services, rural development, slum development etc. The Corporate Social Responsibility (CSR) Policy specified CSR activities/ projects/ programmes, which broadly defined as under:

   - Eradicating hunger, poverty and malnutrition
   - Promoting health care including preventive health care facilities to the society through recognized trust or societies and hospitals
   - Promoting education through schools and other organization
   - Employment enhancing vocational skills
   - Promoting gender equality and empowering women
   - Ensuring environmental sustainability, in particular, plantation by school children
   - Rural development projects, in particular, support the community infrastructure for improving sanitation, drainage systems etc.
   - Contributing to the funds, agencies, Government/Non-government authorities, associations, body corporates etc as authorized/specified under the Schedule VII of the Act from time to time.
   - Disaster management, including relief, rehabilitation and reconstruction activities.

   The Company is committed to enhance the innovation for its products and process and created a separate department for implementing the innovation at every stages. Company invites its employees and their families through web portal for their innovative ideas for the improvement and development of existing product/process and also launching of new product/process. Company encourage them by providing incentives/rewards for every selected idea.

   During the year, the Board of Directors of the Company approved an incubator policy, which provides an opportunity to early stage start-ups by providing seed capital, world class mentor, resource & infrastructure and legal and financial services, technology and expert opinion. The Company has launched a web portal for the same naming Spark Incubator, which is a platform to connect, collaborate with stakeholders i.e. vendors, customers, employees and also for the general public. During the year Vaibhav Lifestyle Limited was incorporated under the incubator policy.

2. **Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organization?**

   VGL enhances sustainable CSR impacts with a focus on education, healthcare and poverty alleviation through various organizations/ implementing agencies including Akshay Patra, Akshar Society in India.

3. **Have you done any impact assessment of your initiative?**

   Yes, the Company periodically reviews the impact of its initiatives.

4. **What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken.**

   During the financial year 2020-21, the Company has spent ₹ 164.59 lacs under CSR activities. For details of projects undertaken, please refer Annexure 2 of the Board Report and also refer Management Discussion and Analysis report, both forms a part of this report.

5. **Have you taken steps to ensure that this community development initiative is successfully adopted by the community?**

   VGL's One for One program (Now "Your purchase feeds") is the Company's global flagship CSR initiative which aligns the social responsibility of its customers with VGL's. This programme is locally registered through charity partners like Akshaya Patra in India, No Kid Hungry in the US and Magic Breakfast in the UK.

   Company get feedback from its customers, beneficiaries, and communities periodically, who really appreciate One for One program of the Company. The Board/Committee also reviews the said feedback and appreciate the program of the Company.

PRINCIPLE 9: CUSTOMERS VALUE

1. **What percentage of customer complaints/consumer cases are pending as on the end of financial year.**

   The major customers of the Company are its wholly owned foreign subsidiaries. During the year, Company has received grievances majority in the form of rejection of goods from customers. The company is striving to reduce the same continuously. Company was able to reduce its quality defects this year to 1.20% of its total order against its target of 2%. No customer complaints/consumer cases are pending as on the end of financial year.

2. **Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. /Remarks (additional information)**

   The Company display product information on the product label as per the requirement of the law of the Country. However, on specific products, the company also display information for the convenience of the customers and ensure more reliability of the products like safety measures, authenticity report /test report of the products. The Company is also doing anti tarnish test as per the requirement of the customers.

   For lifestyle products, Company displays the product information such as country of origin, care and washing instruction, fiber, brand and size detail etc. Apart from above, other testings like colorfastness check (rub test), moisture test, durabilities, fabric composition, dimensional stability, appearance after wash, color shading, symmetry check etc are being done as per customer specifications.

3. **Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof.** - None

4. **Did your company carry out any consumer survey/ consumer satisfaction trends?**

   The Company carries out customer survey periodically which helps the Company to understand customers' needs and to continuously monitor and improve the customer experience, products and process development. The Company through trend spotting, cater the customers need and provide better value products. The Company's innovation approach for its products and process helps to provide better and enhanced services and products to the customers.

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 2021, 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 (hereinafter referred as the "Standalone Financial Statements").

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 2021, 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 *Auditor's 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 on the Standalone financial statements.

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 Gemstone Inventories
See note 3(e) and 10 of the standalone financial statements

The key audit matter	How the matter was addressed in our audit
Net realisable value (NRV) of Gemstone Inventory The Company deals in fashion jewellery and lifestyle products which may be subject to changing consumer demands and fashion trends. Company uses Gemstones primarily in manufacturing the above products. Significant degree of judgment is thereby required to assess the NRV of the inventories and appropriate write down of items which may be ultimately sold below cost. Such judgment includes Company's expectations for future sale volumes, inventory liquidation plans and future selling prices less cost to sell. In view of the above, assessment of NRV and its consequential impact, if any, on the carrying value of Gemstone inventory has been identified as a key audit matter.	In view of the significance of the matter we applied the following audit procedures in this area, among others to obtain sufficient audit evidence: • Assessed the appropriateness of the accounting policy for inventories as per relevant accounting standards. • Evaluated the design and implementation of key internal financial controls with respect to determination of NRV and tested the operating effectiveness of such controls on selected transactions. • Verified inventory ageing report by testing samples, selected using statistical sampling method. • Tested the moving weighted average rate computation of inventory samples, selected using statistical sampling method. • Evaluated the judgement and assumptions taken for valuation of inventory by involving subject matter expert, wherever required.

Other Information

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 standalone financial statements and our auditors' report thereon. The annual report is expected to be made available to us after the date of this auditor's report.

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 identified above when it becomes available 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.

When we read the other information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take necessary actions, as applicable under the relevant laws and regulations.

Management's and Board of Directors' 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 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, the 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's 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 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 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 in the standalone financial statements made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors 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 auditor's 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 auditor's 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 (Auditors' 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.

2. (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 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2021 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 2021 on its financial position in its standalone financial statements - Refer Note 35(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 2021.

   (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 No. 101248W/W-100022

Rajiv Goyal
Partner
Membership No. 094549
ICAI UDIN: 21094549AAAACJ5375

Place: Gurugram
Date: 12 May 2021

Annexure A referred to in the Independent Auditor's Report

to the members of Vaibhav Global Limited on the standalone financial statements for the year ended 31 March 2021

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets (property, plant and equipment).

(b) The Company has a regular program 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 our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified during the year and no material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties included in property, plant and equipment are held in the name of the Company. In respect of immovable properties taken on lease and disclosed as right of use assets in the standalone financial statements, the lease agreements are in the name of the Company. Further, based on the direct confirmations 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) The inventories have been physically verified, at reasonable intervals by management during the year. In our opinion, the frequency of such verification is reasonable. The Company has maintained proper records of inventory. The discrepancies noticed on verification between the physical stock and the book records were not material.

(iii) According to information and explanation to us, the Company, during the period, has granted unsecured loan to a Company covered in the register maintained under section 189 of the Companies Act, 2013. Further, according to information and explanation given to us:

(a) the terms and conditions of the grant of such loan are not prejudicial to the Company's interest.

(b) the schedule of repayment of principal and payment of interest has been stipulated and the amount is not due for payment currently.

(c) there is no overdue for more than ninety days.

Further, the Company has not granted any loan to firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013.

(iv) In our opinion and according to the information and explanations given to us, the Company has complied with provisions of section 186 of the Companies Act, 2013 in respect of the loans given and investments made. According to information and explanations given by the management, there are no guarantees 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) The Company has not accepted any deposits from the public within the meaning of the directives issued by the Reserve Bank of India, provisions of section 73 to 76 of the Act, any other relevant provisions of the Act and rules framed thereunder. Accordingly, paragraph 3(v) of the Order is not applicable to the Company.

(vi) 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 to the Company.

(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 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 2021 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 2021 except as follows:

Name of the statue	Nature of dues	Amount of dispute (in ₹ lacs) *	Amount paid under protest (in ₹ lacs)	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	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) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to banks. Further, no loans or borrowings were taken from government and there were no debentures issued during the year or outstanding as at 31 March 2021.

(ix) In our opinion and according to the information and explanations given to us, 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 to the Company.

(x) To the best of our knowledge and according to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.

(xi) In our opinion and according to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/ provided managerial remuneration in accordance with the requisite approvals mandated by provisions of Section 197 read with Schedule V to the Act.

(xii) According to the information and explanations given to us, in our opinion, the Company is not a Nidhi Company as prescribed under Section 406 of the Act. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.

(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 to the Company.

(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 to the Company.

(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 to the Company.

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

Rajiv Goyal
Partner
Membership No. 094549
ICAI UDIN: 21094549AAAACJ5375

Place: Gurugram
Date: 12 May 2021

Annexure B to the Independent Auditors' report

on the standalone financial statements of Vaibhav Global Limited for the period ended 31 March 2021

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 2(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 2021 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 2021, 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 No. 101248W/W-100022

Rajiv Goyal
Partner
Membership No. 094549
ICAI UDIN: 21094549AAAACJ5375

Place: Gurugram
Date: 12 May 2021

Standalone Balance Sheet

as at 31 March 2021

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

Particulars	Note No.	31 March 2021	31 March 2020
ASSETS			
Non-current assets			
Property, plant and equipment	4A	4,426.73	3,828.89
Capital work-in-progress	4B	522.04	364.10
Right-of-use assets	4C	833.68	843.58
Other intangible assets	5A	283.19	414.72
Intangible assets under development	5B	-	449.42
Financial assets			
Investments	6A	29,265.06	29,256.31
Others	7	171.48	169.57
Non - current tax assets (net)	8	624.47	584.87
Deferred tax assets (net)	30	224.13	357.77
Other non-current assets	9	35.62	24.64
Total non-current assets		**36,386.40**	**36,293.87**
Current assets			
Inventories	10	11,848.49	10,706.85
Financial assets			
Investments	6B	-	517.54
Trade receivables	11	5,954.89	4,577.95
Cash and cash equivalents	12A	3,150.71	1,672.90
Bank balance other than above	12B	2,346.49	6,188.73
Loans	13	165.25	1,924.99
Others	7	2,704.95	1,049.17
Other current assets	14	1,497.30	2,079.40
Total current assets		**27,668.08**	**28,717.53**
Total Assets		**64,054.48**	**65,011.40**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	15A	3,253.67	3,227.50
Other equity	15B	49,684.70	50,766.59
Total equity		**52,938.37**	**53,994.09**
Liabilities			
Non-current liabilities			
Provisions	16	386.63	237.17
Total non-current liabilities		**386.63**	**237.17**
Current liabilities			
Financial liabilities			
Borrowings	17	5,646.37	6,443.23
Trade payables	18		
- Total outstanding dues of micro enterprises and small enterprises		71.28	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises		3,197.09	3,633.50
Other financial liabilities	19	293.42	437.95
Other current liabilities	20	1,321.55	128.64
Provisions	16	199.77	136.82
Total current liabilities		**10,729.48**	**10,780.14**
Total liabilities		**11,116.11**	**11,017.31**
Total equity and liabilities		**64,054.48**	**65,011.40**
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: Gurugram
Date: 12 May 2021

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

Sunil Agrawal
Managing Director
DIN: 00061142
Place: Austin
Date: 12 May 2021

Nirmal Kumar Bardiya
Non-Executive Director
DIN: 00044624
Place: Jaipur
Date: 12 May 2021

Vineet Ganeriwala
Group CFO

Place: Jaipur
Date: 12 May 2021

Sushil Sharma
Company Secretary
ICSI Membership No: F6535
Place: Jaipur
Date: 12 May 2021

Standalone Statement of Profit and Loss

for the year ended 31 March 2021

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

Particulars	Note No.	Year ended 31 March 2021	Year ended 31 March 2020
Revenue from operations	21	41,589.13	43,068.49
Other income	22	4,584.39	11,217.55
Total income		**46,173.52**	**54,286.04**
EXPENSES			
Cost of material consumed	23	27,156.29	27,579.84
Purchases of Stock-in-trade	24	2,091.04	1,683.43
Changes in inventories of finished goods, stock-in-trade and work-in-progress	25	(447.95)	(1,067.48)
Employee benefits expense	26	4,528.08	4,353.99
Finance costs	27	178.88	649.98
Depreciation and amortisation expense	28	513.34	409.94
Other expenses	29	7,035.50	7,407.90
Total expense		**41,055.18**	**41,017.60**
Profit before tax		**5,118.34**	**13,268.44**
Tax expense	30		
Current tax		283.31	490.88
Deferred tax		151.92	40.64
Tax expense		**435.23**	**531.52**
Profit for the year (A)		**4,683.11**	**12,736.92**
Other comprehensive income			
(i) Items that will not be reclassified to profit or loss		(52.32)	30.58
(ii) Income tax relating to items that will not be reclassified to profit or loss		18.28	(10.69)
Total other comprehensive income for the year, net of tax (B)		**(34.04)**	**19.89**
Total comprehensive income for the year (A + B)		**4,649.07**	**12,756.81**
Earnings per equity share	31		
Basic		14.45	39.26
Diluted		14.06	38.77
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: Gurugram
Date: 12 May 2021

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

Sunil Agrawal
Managing Director
DIN: 00061142
Place: Austin
Date: 12 May 2021

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Non-Executive Director
DIN: 00044624
Place: Jaipur
Date: 12 May 2021

Vineet Ganeriwala
Group CFO

Place: Jaipur
Date: 12 May 2021

Sushil Sharma
Company Secretary
ICSI Membership No: F6535
Place: Jaipur
Date: 12 May 2021

Standalone statement of changes in equity

for the year ended 31 March 2021

(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 2021		31 March 2020	
	No. of shares	Amount	No. of shares	Amount
Balance at the beginning of the year	3,22,75,073	3,227.50	3,26,62,384	3,266.24
Add: Shares issued to employee benefit trust (refer note 15A)	2,63,079	26.31	5,17,637	51.76
Balance at the end of the year	**3,25,38,152**	**3,253.81**	**3,31,80,021**	**3,318.00**
Less: Shares bought back (refer note 15A(f))	-	-	8,65,675	86.57
Less: Treasury shares (refer note 33)	1,354	0.14	39,273	3.93
	3,25,36,798	**3,253.67**	**3,22,75,073**	**3,227.50**

B Other equity

For the year ended 31 March 2021	Reserves and Surplus						
	Securities premium	Share based payment reserve	Capital redemption reserve	Capital reserve	General reserve	Retained earnings	Total
Balance as at 01 April 2020	28,886.73	1,612.40	4,486.57	812.64	1,296.47	13,671.78	50,766.59
Profit of the year	-	-	-	-	-	4,683.11	4,683.11
Other comprehensive income (net of tax) (refer note 30)	-	-	-	-	-	(34.04)	(34.04)
Total comprehensive income	-	-	-	-	-	**4,649.07**	**4,649.07**
Final dividend for the year ended 31 March 2020	-	-	-	-	-	(2,266.19)	(2,266.19)
Interim dividends for the year ended 31 March 2021	-	-	-	-	-	(5,682.37)	(5,682.37)
Exercise of share options	1,559.57	-	-	-	-	-	1,559.57
Transfer from share based payment reserve on allotment	612.36	(612.36)	-	-	-	-	-
Share based payments to employees	-	667.17	-	-	-	-	667.17
Treasury shares	(9.14)	-	-	-	-	-	(9.14)
Balance as at 31 March 2021	**31,049.52**	**1,667.21**	**4,486.57**	**812.64**	**1,296.47**	**10,372.29**	**49,684.70**

Standalone statement of changes in equity

for the year ended 31 March 2021

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

B Other equity (Continued)

For the year ended 31 March 2020	Reserves and Surplus						
	Securities premium	Share based payment reserve	Capital redemption reserve	Capital reserve	General reserve	Retained earnings	Total
Balance as at 01 April 2019	33,221.23	1,874.04	4,400.00	812.64	1,296.47	11,528.83	53,133.21
Profit of the year	-	-	-	-	-	12,736.92	12,736.92
Other comprehensive income (net of tax)	-	-	-	-	-	19.89	19.89
Total comprehensive income	-	-	-	-	-	**12,756.81**	**12,756.81**
Final dividend for the year ended 31 March 2019 (including tax on dividend of ₹ 337.32 lacs)	-	-	-	-	-	(1,978.40)	(1,978.40)
Interim dividends for the year ended 31 March 2020	-	-	-	-	-	(8,635.46)	(8,635.46)
Buyback of equity shares	(7,113.42)	-	-	-	-	-	(7,113.42)
Amount transferred to capital redemption reserve upon buyback	(86.57)	-	86.57	-	-	-	-
Transaction cost relating to buyback	(75.95)	-	-	-	-	-	(75.95)
Exercise of share options	2,386.62	-	-	-	-	-	2,386.62
Transfer from share based payment reserve on allotment	775.39	(775.39)	-	-	-	-	-
Share based payments to employees	-	513.75	-	-	-	-	513.75
Treasury shares	(220.57)	-	-	-	-	-	(220.57)
Balance as at 31 March 2020	**28,886.73**	**1,612.40**	**4,486.57**	**812.64**	**1,296.47**	**13,671.78**	**50,766.59**
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: Gurugram
Date: 12 May 2021

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

Sunil Agrawal
Managing Director
DIN: 00061142
Place: Austin
Date: 12 May 2021

Nirmal Kumar Bardiya
Non-Executive Director
DIN: 00044624
Place: Jaipur
Date: 12 May 2021

Vineet Ganeriwala
Group CFO

Place: Jaipur
Date: 12 May 2021

Sushil Sharma
Company Secretary
ICSI Membership No: F6535
Place: Jaipur
Date: 12 May 2021

Standalone Cash Flow Statement

for the year ended 31 March 2021

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

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit for the year	5,118.34	13,268.44
Adjustment for :		
Depreciation and amortisation expense	513.34	409.94
Unrealised foreign exchange difference (net)	(299.44)	(243.08)
Share based payments to employees	273.30	274.10
Loss on sale/write off of fixed assets	15.14	3.70
Liabilities no longer required written back	(15.25)	(0.81)
Gain on sale of current investments (including change in fair value)	(7.27)	(141.91)
Allowances for/write off doubtful debts and advances	30.25	116.63
Dividend income from subsidiaries (refer note 40)	(3,425.60)	(10,423.41)
Interest income	(221.55)	(432.08)
Finance costs	178.88	649.98
Operating profit before working capital changes:	**2,160.14**	**3,481.50**
Working capital adjustments :		
(Increase)/decrease in trade receivable	(776.32)	1,437.58
(Increase)/decrease in inventories	(1,141.64)	(1,390.65)
(Increase)/decrease in other assets	(273.55)	(1,889.83)
Increase/(decrease) in trade payables, provisions, other current liabilities	1,006.37	(5,165.54)
Cash generated from/(utilised in) operating activities	**975.00**	**(3,526.94)**
Income taxes paid	322.91	598.37
Net cash generated from/(utilised in) operating activities (A)	**652.09**	**(4,125.31)**
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(1,325.17)	(911.44)
Proceeds from disposal of property, plant and equipment	0.05	4.61
Payment for right-of-use of assets	-	(488.00)
Purchase of intangible assets	(372.21)	(453.65)
Movement in deposits (net)	3,844.91	(5,965.02)
Investment made in subsidiaries	(8.75)	-
Repayment of loan given to subsidiaries	1,890.38	-
Grant of loan to subsidiaries	(112.00)	-
Dividend received	3,425.60	10,423.41
Interest received	311.77	410.22
Purchase of current investments in liquid mutual funds	(7,869.38)	(38,002.00)
Proceed from sale of current investments in liquid mutual funds	8,394.18	39,427.10
Net cash generated from/(utilised in) investing activities (B)	**8,179.38**	**4,445.23**

Standalone Cash Flow Statement

for the year ended 31 March 2021

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

Particulars		Year ended 31 March 2021	Year ended 31 March 2020
C. CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from exercise of share options		1,576.60	2,213.88
Buyback of equity shares including transaction cost		-	(7,275.94)
Movement in short term borrowings		(797.27)	(348.71)
Dividend paid (including Dividend Distribution Tax)		(7,948.56)	(10,613.86)
Interest paid		(184.43)	(651.11)
Net cash generated from/(utilised in) financing activities (C)		**(7,353.66)**	**(16,675.74)**
Net increase/(decrease) in cash and cash equivalents (A+B+C)		1,477.81	(16,355.82)
Opening balance of cash and cash equivalents		1,672.90	18,028.72
Closing balance of cash and cash equivalents		**3,150.71**	**1,672.90**
Cash and cash equivalents comprises			
Cash on hand		11.35	8.95
Balance with bank in current accounts		3,139.36	1,548.45
Bank deposits with original maturity of less than 3 months		-	115.50
		3,150.71	**1,672.90**
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 2021	Year ended 31 March 2020
Opening balance of short term borrowings	6,443.23	6,639.55
Movement in short term borrowings	(797.27)	(348.71)
Non cash changes - effect of foreign currency translation	0.41	152.39
Closing balance of short term borrowings	**5,646.37**	**6,443.23**

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: Gurugram
Date: 12 May 2021

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

Sunil Agrawal
Managing Director
DIN: 00061142
Place: Austin
Date: 12 May 2021

Nirmal Kumar Bardiya
Non-Executive Director
DIN: 00044624
Place: Jaipur
Date: 12 May 2021

Vineet Ganeriwala
Group CFO

Place: Jaipur
Date: 12 May 2021

Sushil Sharma
Company Secretary
ICSI Membership No: F6535
Place: Jaipur
Date: 12 May 2021

Notes to the Standalone Financial Statements

for the year ended 31 March 2021

(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 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 12 May 2021.

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 2021 is included in the following notes:

- Note 30 – recognition of deferred tax assets: availability of future taxable profit against which tax losses carried forward can be used.
- Note 32 – measurement of defined benefit obligations: key actuarial assumptions.
- Notes 34 – recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources.
- Note 42 – impairment of financial and non - financial assets

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.

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

Notes to the Standalone Financial Statements

for the year ended 31 March 2021

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

- 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 33 – share-based payment; and
- Note 41 and 42 – 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 and Loss.

b. Financial Instruments

i. Recognition and initial measurement

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

A financial asset or financial liability is initially measured at fair value. For an item not at fair value through profit and loss (FVTPL) at 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; and
- 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 or at FVTPL, if

Notes to the Standalone Financial Statements

for the year ended 31 March 2021

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

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 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 and 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 Statement of Profit and Loss. Any gain or loss on derecognition is recognised in Statement of Profit and Loss.

Equity investments in subsidiaries 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 and 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 and Loss. Any gain or loss on derecognition is also recognised in Statement of Profit and 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.

Notes to the Standalone Financial Statements
for the year ended 31 March 2021
(All amount in lacs of Indian Rupees, except share data and as stated otherwise)

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 Statement of Profit and 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 uses derivative financial instruments to hedge its foreign currency and commodity risks. Derivatives are measured at fair value. The treatment of changes in the value of derivative depends on their use as explained below:

Cash flow hedges:

Derivatives are held to hedge the uncertainty in timing or amount of future forecast cash flows. Such derivatives are classified as being part of cash flow hedge relationships. For an effective hedge, gains and losses from changes in the fair value of derivatives are recognised in other comprehensive income. Any ineffective elements of the hedge are recognised in the Statement of Profit and Loss.

If the hedged cash flow relates to a non-financial asset, the amount accumulated in equity is subsequently included within the carrying value of that asset. For other cash flow hedges, amounts accumulated in other comprehensive income are taken to the Statement of Profit and Loss at the same time as the related cash flow.

Derivatives for which hedge accounting is not applied:

Derivative financial instruments for which hedge accounting is not applied are initially recognised at fair value on the date on which a derivative contract is entered and are subsequently measured at FVTPL.

c. Property, plant and equipment

i. Recognition and measurement

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

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

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

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

Any gain or loss on disposal of an item of property, plant and equipment is recognised in Statement of Profit and 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 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 along with the comparison of useful life as per Schedule II of the Act 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.

Notes to the Standalone Financial Statements
for the year ended 31 March 2021

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

iv. **Leased assets**
Leasehold improvements are amortised over their useful life or the lease period, whichever is lower.

Leasehold lands are amortised 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 include 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 and 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 for the current and comparative periods are as follows:

Asset	Estimated useful life (in years)
Computer software	3-5

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 and 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 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.

Obsolesces and defective inventories are duly provided for and valued at net realisable value or cost whichever is lower. Goods and materials in transit are valued at actual cost incurred up to the date of balance sheet.

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

Identification of a specific item and determination of estimated net realisable value involve technical judgments of the management which is also 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 in 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 Statement of 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.

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 are 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 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 and 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 periodically 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

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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 and Loss.

The Company contributes towards gratuity liabilities to the Gratuity Fund Trust. Trustees of the Company administer contributions made to the Trust and contributions are invested in a scheme with Life Insurance Corporation of India as permitted by law.

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 and commitments are reviewed at each balance sheet date.

i. **Revenue**

Sale of products

Revenue from the sale of goods in the course of ordinary activities is measured at the fair value of the consideration received or receivable, net of returns, expected 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.

Sale of services

Revenue from sale of services are recognised on an accrual basis as and when the services are rendered in accordance with the terms of the underlying contract.

Other operating revenues

Duty benefits are recognised on accrual basis and when the right to entitlement has been established.

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

Dividend income is recognised in the Statement of Profit and 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**

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate.

The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the non-cancellable period of a lease.

The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee

The Company accounts for each lease component within the contract as a lease separately from non-lease components of the contract and allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Company recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the Statement of Profit and Loss.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the leases if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate. For leases with reasonably similar characteristics, the Company, on a lease by lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Company is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. The company recognises the amount of the re-measurement of lease liability due to modification as an adjustment to the right-of-use asset and Statement of Profit and Loss depending upon the nature of modification. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognises any remaining amount of the re-measurement in Statement of Profit and Loss.

The Company has elected not to apply the requirements of Ind AS 116 Leases to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognised as an expense on a straight-line basis over the lease term.

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.

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for the year ended 31 March 2021

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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 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.

Section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019 with effect from fiscal year 2019-20, allows any domestic company to pay availing income tax at the rate of 25.17% subject to condition they will not avail any incentive or exemptions. The lower rate is an option and companies can continue to account based on the old rates. The Company will be shifting under new tax regime once the Company is able to utilise MAT credit entitlement. Hence, the Company decided not to opt for lower rate in FY 2020-21.

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.

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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.

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.

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4A. Property, plant and equipment *

Reconciliation of carrying amount

Particulars	Freehold land	Building	Plant and equipment	Furniture & fixture	Office equipment	Computers	Vehicles	Total
Balance as at 01 April 2019	-	1,774.83	2,514.50	174.58	134.66	331.92	73.19	5,003.68
Additions	34.24	175.65	254.77	12.67	13.38	63.03	-	553.74
Written off/disposals	-	-	-	-	-	(11.18)	(7.14)	(18.32)
Balance as at 31 March 2020	**34.24**	**1,950.48**	**2,769.27**	**187.25**	**148.04**	**383.77**	**66.05**	**5,539.10**
Additions	27.66	20.93	626.96	12.39	58.53	237.80	0.65	984.92
Written off/disposals	-	(11.98)	(3.43)	(6.25)	(11.02)	(0.66)	-	(33.34)
Balance as at 31 March 2021	**61.90**	**1,959.43**	**3,392.80**	**193.39**	**195.55**	**620.91**	**66.70**	**6,490.68**
Accumulated depreciation								
Balance as at 01 April 2019	-	267.42	754.49	54.61	99.36	187.57	18.61	1,382.06
Depreciation charge for the year	-	57.36	175.63	16.17	19.71	60.93	8.53	338.33
Written off/disposals	-	-	-	-	-	(6.64)	(3.54)	(10.18)
Balance as at 31 March 2020	**-**	**324.78**	**930.12**	**70.78**	**119.07**	**241.86**	**23.60**	**1,710.21**
Depreciation charge for the year	-	59.35	186.38	16.39	24.82	77.98	6.99	371.91
Written off/disposals	-	(2.26)	(1.88)	(4.02)	(9.38)	(0.63)	-	(18.17)
Balance as at 31 March 2021	**-**	**381.87**	**1,114.62**	**83.15**	**134.51**	**319.21**	**30.59**	**2,063.95**
Carrying amount (net)								
Balance as at 31 March 2020	**34.24**	**1,625.70**	**1,839.15**	**116.47**	**28.97**	**141.91**	**42.45**	**3,828.89**
Balance as at 31 March 2021	**61.90**	**1,577.56**	**2,278.18**	**110.24**	**61.04**	**301.70**	**36.11**	**4,426.73**

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

Notes to the Standalone Financial Statements
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4B. Capital work in progress

Reconciliation of carrying amount

Particulars	Capital work in progress
Balance as on 01 April 2019	-
Additions	364.10
Capitalisation during the year	-
Balance as on 31 March 2020	**364.10**
Additions	533.83
Capitalisation during the year	(375.89)
Balance as on 31 March 2021	**522.04**

4C. Right-of-use assets

Reconciliation of carrying amount

Particulars	Leasehold Land
Balance as at 01 April 2019	363.58
Additions	488.00
Depreciation charge for the year	(8.00)
Balance as at 31 March 2020	**843.58**
Additions	-
Depreciation charge for the year	(9.90)
Balance as at 31 March 2021	**833.68**

The aggregate depreciation expense on Right-of-use assets amounting to ₹ 9.90 lacs is included under depreciation and amortisation expense in the Statement of Profit and Loss.

As at Balance sheet date, the Company is not exposed to future cashflows relating to extension/termination options, residual value guarantees and leases not commenced to which lessee is committed.

The total amount of cashflow on account of leases for the year has been disclosed in the cash flow statement.

Rental expense recorded for short-term leases amounting to ₹ 19.32 lacs for the year ended 31 March 2021 (Previous year: ₹ 18.74 lacs) is classified as Rent expenses in Statement of Profit and Loss.

5A. Other intangible assets

Particulars	Softwares
Balance as at 01 April 2019	279.05
Additions	387.93
Balance as at 31 March 2020	**666.98**
Additions	-
Balance as on 31 March 2021	**666.98**
Accumulated amortisation	
Balance as at 01 April 2019	188.65
Amortisation charge for the year	63.61
Balance as at 31 March 2020	**252.26**
Amortisation charge for the year	131.53
Balance as on 31 March 2021	**383.79**
Carrying amount (net)	
Balance as at 31 March 2020	**414.72**
Balance as on 31 March 2021	**283.19**

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5B. Intangible assets under development

Particulars	Amount
Cost or deemed cost	
Balance as at 01 April 2019	**139.39**
Additions	687.96
Capitalisation during the year	(377.93)
Balance as at 31 March 2020	**449.42**
Additions	372.21
Transferred to subsidiaries	(821.63)
Balance as on 31 March 2021	-

6. Financial assets - investments

Particulars	31 March 2021	31 March 2020
A. Non-current investments		
Investment at cost		
Unquoted equity shares		
a) Wholly owned subsidiaries		
(i) 4,68,21,633 (31 March 2020: 4,68,21,633) ordinary shares of USD 1 each of VGL Retail Ventures Limited, Mauritius* (formerly Genoa Jewelers Limited)	22,841.49	22,841.49
	22,841.49	**22,841.49**
(ii) 3,50,000 (31 March 2020: 3,50,000) ordinary shares of Baht 100 each STS Gems Thai Limited, Thailand	11,125.99	11,125.99
Less: Amount of impairment in value of investment	(11,125.99)	(11,125.99)
	-	-
(iii) 500 (31 March 2020: 500) common shares with no par value of STS Jewels Inc., USA*	19,950.80	19,950.80
Less: Amount of impairment in value of investment	(15,110.98)	(15,110.98)
	4,839.82	**4,839.82**
(iv) 1,500 (31 March 2020: 1,500) ordinary shares of Yen 50,000 each STS Gems Japan Limited, Japan	199.18	199.18
Less: Amount of impairment in value of investment	(199.18)	(199.18)
	-	-
(v) 87,500 (31 March 2020: 87,500) ordinary shares of HK $100 each STS Gems Limited, Hong Kong*	1,575.00	1,575.00
	1,575.00	**1,575.00**
(vi) 50,000 (31 March 2020: Nil) ordinary shares of ₹ 10 each Vaibhav Vistar Limited, India	5.00	-
	5.00	-
b) Subsidiaries		
(i) 37,500 (31 March 2020: Nil) equity shares of ₹ 10 each of Vaibhav Lifestyle Limited, India	3.75	-
	3.75	-
c) Others		
(i) 3,60,000 (31 March 2020: 3,60,000) equity shares of ₹ 10 each of VGL Softech Limited, India	52.07	52.07
Less: Amount of impairment in value of investment	(52.07)	(52.07)
	-	-
Investment at cost	55,753.28	55,744.53
Impairment on the investment	26,488.22	26,488.22
Total non current investments	**29,265.06**	**29,256.31**
*Refer note 36 for investment hypothecated as security against bank borrowings.		
B Current investments		
Unquoted Investments at FVTPL		
SBI Short Term Debt Fund - Regular Plan Growth - Nil Units (31 March 2020: 21,89,007.679 units)	-	510.42
Aditya Birla Sun Life Arbitrage Fund - Direct Growth - Nil units (31 March 2020: 35,397.768 units)	-	7.12
Total current investment at FVTPL	-	**517.54**
Note:		
Aggregate amount of unquoted investments	55,753.28	56,262.07
Aggregate amount of impairment in value of investments	26,488.22	26,488.22

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7. Financial assets - others

Particulars	31 March 2021	31 March 2020
Non- Current		
Balance with bank to the extent held as security *	76.75	78.66
Security deposits, unsecured, considered good	94.73	90.91
	171.48	**169.57**
Current		
Interest accrued on bank deposits	72.62	170.18
Other receivables (refer note 40)	2,632.33	878.99
	2,704.95	**1,049.17**

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

8. Non- current tax assets

Particulars	31 March 2021	31 March 2020
Deposits with tax authorities	624.47	584.87
	624.47	**584.87**

9. Other non- current assets

Particulars	31 March 2021	31 March 2020
Capital advances	35.62	24.64
	35.62	**24.64**

10. Inventories*

Particulars	31 March 2021	31 March 2020
Raw materials (including gemstone inventory of ₹ 8,535.07 lacs (31 March 2020: ₹ 7,400.53 lacs)	9,866.85	9,164.84
Work in progress	321.62	120.72
Finished goods	1,520.09	1,273.04
Stores and consumables	139.93	148.25
Total inventories at the lower of cost and net realisable value	**11,848.49**	**10,706.85**

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

11. Financial assets - trade receivables*

Particulars	31 March 2021	31 March 2020
Considered good - Unsecured	5,954.89	4,577.95
	5,954.89	**4,577.95**
Trade receivables - credit impaired	9.51	9.51
Loss allowance	(9.51)	(9.51)
	-	-
Net trade receivables	**5,954.89**	**4,577.95**
Of the above, trade receivables from related parties are given in note 40.		
*Refer note 36 for current assets hypothecated as security against bank borrowings.		
The movement in change in allowance for expected credit loss and credit impairment:		
Balance at the beginning of the year	**9.51**	**9.51**
Change in allowance for expected credit loss and credit impairment	-	-
Balance at the end of the year	**9.51**	**9.51**

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12. Financial assets - cash and cash equivalents *

	Particulars	31 March 2021	31 March 2020
A	**Cash and cash equivalents**		
	(i) Balances with banks:		
	Balances with banks - current accounts **	3,139.36	1,548.45
	Bank deposits with original maturity of less than 3 months	-	115.50
		3,139.36	**1,663.95**
	(ii) Cash on hand	11.35	8.95
		3,150.71	1,672.90
B	**Bank balances other than above**		
	(i) Unpaid dividend account ***	7.49	6.73
	(ii) Bank deposits (due for realisation within 12 months of the reporting date)	2,339.00	6,182.00
		2,346.49	**6,188.73**

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

** includes restricted cash balance of ₹ 782.05 lacs (previous year: ₹ 637.47 lacs) for balances with banks in Vaibhav Global Employee Stock Option Welfare Trust

*** Does not include any amount payable to Investor Education and Protection Fund.

13. Financial assets - loans*

Particulars	31 March 2021	31 March 2020
Current		
Loans to subsidiaries (refer note 40)		
Loans receivable considered good - unsecured	112.00	1,889.55
Other receivables	53.25	35.44
	165.25	**1,924.99**

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

14. Other current assets *

Particulars	31 March 2021	31 March 2020
Unsecured, considered good		
Advances other than capital advances		
Advance to suppliers	535.81	588.97
Others		
Balances with government authorities	714.39	1,268.41
Prepaid expenses	211.42	205.77
Forward contracts receivable	16.16	-
Other receivables	19.52	16.25
	1,497.30	**2,079.40**

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

15A. Equity share capital

Particulars	31 March 2021	31 March 2020
Authorized shares		
4,10,00,000 (31 March 2020: 4,10,00,000) equity shares of ₹ 10 each	4,100.00	4,100.00
45,00,000 (31 March 2020: 45,00,000) 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		
3,25,36,798 (31 March 2020: 3,22,75,073) equity shares of ₹ 10 each	3,253.67	3,227.50
Total issued, subscribed and fully paid-up share capital	**3,253.67**	**3,227.50**

Notes to the Standalone Financial Statements

for the year ended 31 March 2021

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

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 2021		31 March 2020	
	No. of shares	Amount	No. of shares	Amount
Balance at the beginning of the year	3,22,75,073	3,227.50	3,26,62,384	3,266.24
Shares issued to employee benefit trust	2,63,079	26.31	5,17,637	51.76
	3,25,38,152	**3,253.81**	**3,31,80,021**	**3,318.00**
Less: Shares bought back (refer note 15A(f))	-	-	8,65,675	86.57
Less: Treasury shares (refer note 33)	1,354	0.14	39,273	3.93
Balance at the end of the year	**3,25,36,798**	**3,253.67**	**3,22,75,073**	**3,227.50**

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 33 regarding share-based payments.

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

Name of the shareholder	31 March 2021		31 March 2020	
	% of Holding	No. of shares	% of Holding	No. of shares
Brett Enterprises Private Limited*	55.85%	1,81,72,764	56.01%	1,80,77,764
Nalanda India Fund Limited	10.33%	33,59,713	10.41%	33,59,713
Motilal Oswal Multicap 35 Fund	7.38%	24,02,104	7.67%	24,75,833
Malabar India Fund Limited	5.64%	18,36,723	6.77%	21,84,818

* Ultimate Holding Company (also refer note 40)

e) Shares reserved for issue under options

	31 March 2021		31 March 2020	
	No of shares	Amount	No of shares	Amount
Under VGL employee stock option scheme, 2006: Equity shares of ₹ 10 each, at a weighted average exercise price of ₹ 752.62 per share (Previous year: ₹ 625.75 per share) (refer note 33)	12,68,022	126.80	12,08,714	120.87

f) Equity shares movement during the five years preceding 31 March 2021:

The Company bought back 8,65,675 equity shares at an average buyback price of ₹ 831.72 per equity share, comprising 2.63% of the pre-buyback paid-up equity share capital of the Company for an aggregate amount of ₹ 7,199.99 lacs. The buyback of equity shares through the stock exchange commenced on 20 August 2019 and was completed on 25 November 2019.

g) On 22 March 2021, the Board of directors approved, subject to approval of shareholders, the sub-division of equity shares of ₹ 10 each (fully paid up) into five equity shares of ₹ 2 each (fully paid up). Subsequent to year end, the shareholders have approved the sub-division of equity shares through postal ballot resolution dated 24 April 2021. The record date for sub-division was 10 May 2021.

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for the year ended 31 March 2021

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

15B. Other equity

Particulars	31 March 2021	31 March 2020
Reserves and Surplus		
Capital reserve:		
Opening balance	812.64	812.64
Movement during the year	-	-
Closing balance	**812.64**	**812.64**
Capital redemption reserve:		
Opening balance	4,486.57	4,400.00
Amount transferred from securities premium reserve upon buyback	-	86.57
Closing balance	**4,486.57**	**4,486.57**
Securities premium reserve:		
Opening balance	28,886.73	33,221.23
Security premium received on exercise of stock options	1,559.57	2,386.62
Transfer from share based payment reserve on allotment	612.36	775.39
Amount transferred to capital redemption reserve upon buyback	-	(86.57)
Buyback of equity shares	-	(7,113.42)
Transaction cost relating to buyback	-	(75.95)
Treasury shares (refer note 33)	(9.14)	(220.57)
Closing balance	**31,049.52**	**28,886.73**
Share based payment reserve:		
Opening balance	1,612.40	1,874.04
Expenses for the year	667.17	513.75
Transfer to securities premium reserve on allotment	(612.36)	(775.39)
Closing balance	**1,667.21**	**1,612.40**
General reserve:		
Opening balance	1,296.47	1,296.47
Movement during the year	-	-
Closing balance	**1,296.47**	**1,296.47**
Retained earnings:		
Opening balance	13,671.78	11,528.83
Net profit for the year	4,683.11	12,736.92
Other comprehensive income for the year	(34.04)	19.89
Final dividend for the year ended 31 March 2019	-	(1,641.07)
Interim dividends for the year ended 31 March 2020	-	(8,635.46)
Final dividend for the year ended 31 March 2020	(2,266.19)	-
Interim dividends for the year ended 31 March 2021	(5,682.37)	-
Dividend distribution tax	-	(337.33)
Closing balance	**10,372.29**	**13,671.78**
Total (a+b)	**49,684.70**	**50,766.59**

15C. 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 utilized in accordance with the provision of the Companies Act, 2013.

Notes to the Standalone Financial Statements
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(All amount in lacs of Indian Rupees, except share data and as stated otherwise)

d. **Share based payment reserve**
Share based payment reserve is used to recognize the grant date fair value of options issued to employees under the Employees Stock Option Schemes. Refer to note 33 for further details of the plan.

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

f. **Retained earnings**
Retained earnings comprises of undistributed earnings after taxes.

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

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
₹ 7 per equity share final dividend for the year ended 31 March 2020	2,266.19	-
₹ 5 per equity share interim dividend for the year ended 31 March 2021	1,619.44	-
₹ 5 per equity share second interim dividend for the year ended 31 March 2021	1,623.85	-
₹ 7.5 per equity share third interim dividend for the year ended 31 March 2021	2,439.08	-
₹ 5 per equity share final dividend for the year ended 31 March 2019	-	1,641.07
Dividend distribution tax (DDT) on final dividend to equity shareholders	-	337.33
₹ 7 per equity share interim dividend for the year ended 31 March 2020	-	2,256.61
₹ 19.74 per equity share special interim dividend for the year ended 31 March 2020	-	6,378.85
	7,948.57	**10,613.86**

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

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
₹ 1.5 per equity share having face value of ₹ 2/- each (post sub - division of equity shares) (31 March 2020: ₹ 7 per equity share having face value of ₹ 10/- each)*	2,440.36	2,262.00

*calculated on the basis number of shares outstanding (including treasury shares) as on 31 March 2021 i.e. 162,690,760 shares (face value of ₹ 2/- per share) (post sub - division of equity shares) (31 March 2020: 32,314,346 shares (face value of ₹ 10/- per share).

16. Provisions

Particulars	Non-Current		Current	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
Provision for employee benefits (refer note 32)				
Provision for gratuity	186.28	98.15	126.25	95.60
Provision for compensated absences	200.35	139.02	54.56	41.22
Other provision				
Provision for expected sales returns	-	-	18.96	-
	386.63	**237.17**	**199.77**	**136.82**

17. Borrowings

Particulars	31 March 2021	31 March 2020
Loan repayable on demand from banks:		
Pre-shipment credit (secured) ^	4,434.31	5,684.26
Post-shipment credit (secured) ^	1,212.06	758.97
	5,646.37	**6,443.23**

Notes to the Standalone Financial Statements
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(All amount in lacs of Indian Rupees, except share data and as stated otherwise)

Notes

Information about company exposure to interest rate foreign currency and liquidity risk is given in note 42.

^ 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 pari-passu basis, by :-

a) Equitable mortgage of land and building 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., USA.

(iv) Pledge of 87,500 ordinary shares of HK $100 each of STS Gems Limited, Hongkong.

(v) Pledge of 1,25,76,633 equity shares of US $ 1 each of VGL Retail Ventures Limited, Mauritius (formerly Genoa Jewelers Limited)

(vi) Personal guarantee of Mr. Sunil Agrawal, Managing Director of the Company. (refer note 40)

18. Trade payables

Particulars	31 March 2021	31 March 2020
Trade payables		
- Total outstanding dues of micro enterprises and small enterprises (refer note 34)	71.28	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises	3,197.09	3,633.50
	3,268.37	**3,633.50**

19. Other financial liabilities

Particulars	31 March 2021	31 March 2020
Employee benefit payables	179.89	159.82
Capital creditors	72.98	244.31
Unclaimed dividend	7.49	6.73
Interest accrued but not due on borrowing	4.53	-
Other payables	28.53	27.09
	293.42	**437.95**

20. Other current liabilities

Particulars	31 March 2021	31 March 2020
Statutory dues payable	323.06	128.00
Advance from customers (refer note 40)	361.05	0.64
Other liabilities	637.44	-
	1,321.55	**128.64**

21. Revenue from operations

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Sale of products (refer note 40)	41,405.71	42,976.14
Sale of services (refer note 40)	51.44	-
Other operating revenues	131.98	92.35
	41,589.13	**43,068.49**

Notes to the Standalone Financial Statements
for the year ended 31 March 2021

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

22. Other income

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Interest income on bank deposits	202.54	386.08
Interest income on loans and advances (refer note 40)	19.01	46.00
Dividend income from subsidiaries (refer note 40)	3,425.60	10,423.41
Gain on sale of current investments (including change in fair value)	7.27	141.91
Liabilities no longer required written back	15.25	0.81
Miscellaneous income *	914.72	219.34
	4,584.39	**11,217.55**

* includes foreign exchange gain (net)

23. Cost of material consumed

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Opening stock of raw material	9,164.84	8,814.04
Add: Purchases during the year	27,858.30	27,930.64
	37,023.14	**36,744.68**
Less: Closing stock of raw material	(9,866.85)	(9,164.84)
	27,156.29	**27,579.84**

24. Purchases of stock-in-trade

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Purchases of stock-in-trade	2,091.04	1,683.43
	2,091.04	**1,683.43**

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

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Inventory at the beginning of the year		
Work in progress	120.72	27.54
Finished goods *	1,273.04	298.74
	1,393.76	**326.28**
Inventory at the end of the year		
Work in progress	321.62	120.72
Finished goods *	1,520.09	1,273.04
	1,841.71	**1,393.76**
	(447.95)	**(1,067.48)**

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

26. Employee benefits expense

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Salaries and wages	3,584.55	3,427.74
Contribution to provident and other funds	420.32	407.21
Share based payments to employees	273.30	274.10
Staff welfare expenses	249.91	244.94
	4,528.08	**4,353.99**

Notes to the Standalone Financial Statements
for the year ended 31 March 2021

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

27. Finance costs

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Interest	98.94	146.83
Exchange differences regarded as an adjustment to borrowing costs	-	431.10
Other borrowing costs	79.94	72.05
	178.88	**649.98**

28. Depreciation and amortisation expense

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Depreciation of property, plant and equipment	371.91	338.33
Depreciation of right-of-use assets	9.90	8.00
Amortisation of intangible assets	131.53	63.61
	513.34	**409.94**

29. Other expenses

a) Manufacturing and direct expenses

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Job work charges	3,201.30	3,622.30
Stores and consumables	422.33	471.13
Power and fuel	395.58	436.34
Repair and maintenance- machinery	60.98	82.79
Other manufacturing and direct expenses	184.45	156.25
	4,264.64	**4,768.81**

b) Administrative and selling expenses

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Rent	19.32	18.74
Rates and taxes	87.43	51.77
Insurance	70.28	38.94
Travelling and conveyance	154.20	460.19
Legal and professional fees (refer note 29A)	169.93	226.22
Repairs and maintenance		
Buildings	9.05	11.81
Others	110.56	81.78
Advertising and sales promotion	32.81	37.64
Bad debts written off	-	107.12
Packing and forwarding	917.14	661.14
Postage and telephone	76.29	82.31
Printing and stationery	36.89	35.55
Security expenses	29.77	29.48
Directors' remuneration	124.55	106.19
Directors' sitting fees	32.20	35.40
Charitable expenses (refer note 29B)	173.26	129.76
Loss on sale/write off of property, plant and equipments	15.14	3.70
Information technology expenses	442.21	306.33
Miscellaneous expenses	269.83	215.02
	2,770.86	**2,639.09**
	7,035.50	**7,407.90**

Notes to the Standalone Financial Statements
for the year ended 31 March 2021

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29A. Payment to auditors

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Statutory audit	15.54	15.58
Limited review	8.93	6.92
Other services	9.30	8.08
Reimbursement of expenses	4.25	4.91
	38.02	**35.49**

29B. 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 ₹ 139.88 lacs (Previous year: ₹ 70.19 lacs).

b Amount spent during the year on:

Particulars	Year ended 31 March 2021		
	In cash	Yet to be paid in cash	Total
(i) Construction/ acquisition of any asset	-	-	-
(ii) On purpose other than (i) above	164.59	-	164.59

Particulars	Year ended 31 March 2020		
	In cash	Yet to be paid in cash	Total
(i) Construction/ acquisition of any asset	-	-	-
(ii) On purpose other than (i) above	129.76	-	129.76

30. Tax expense

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

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Current tax	283.31	490.88
Deferred tax attributable to original and reversal of temporary differences	151.92	40.64
	435.23	**531.52**

(b) Income tax charged to other comprehensive income

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Remeasurement of the net defined benefit liability	18.28	(10.69)

(c) Reconciliation of effective tax rate

Particulars	Year ended 31 March 2021		Year ended 31 March 2020	
	%	Amount	%	Amount
Profit before tax		5,118.34		13,268.44
Less: Dividend received u/s 115 - O(1A) as per Income Tax Act, 1961		(3,425.60)		(10,423.41)
Taxable income		**1,692.74**		**2,845.03**
Tax expense as per statutory income tax rate	34.94%	591.51	34.94%	994.17
Net tax impact on deduction/ disallowances in ascertaining taxable income as per Income Tax Act 1961	2.58%	43.71	0.44%	12.65
Net of timing difference reversed within tax exemption period and prior period deferred taxation	3.84%	64.98	0.74%	21.09
Less: Exempted tax as per provisions for section 10AA of income tax exemption	-14.61%	(247.23)	-17.17%	(488.47)
Less: Other adjustments	-1.05%	(17.74)	-0.28%	(7.92)
Income tax reported in statement of profit and loss and effective tax rate	**25.71%**	**435.23**	**18.68%**	**531.52**

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for the year ended 31 March 2021

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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 1 April 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 are not available to units commencing operations on or after 1 April 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 2035.

(d) MAT credit entitlement

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Opening balance	416.56	329.61
Add: MAT credit (utilisation)/entitlement for current year	(56.32)	86.95
Closing balance	**360.24**	**416.56**

(e) Recognised deferred tax assets/(liabilities)

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

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Property, plant and equipment	(311.36)	(173.40)
Provision for employee benefits	156.97	125.30
MAT credit entitlement	360.24	416.56
Other items	18.28	(10.69)
	224.13	**357.77**

(f) Movement in temporary differences

Particulars	Property, plant and equipment	Provision-employee benefits	MAT credit entitlement	Other items	Total
Balance as at 01 April 2019	(82.46)	172.44	329.61	(10.48)	409.11
Recognised in profit and loss during the year	(90.94)	(47.14)	-	-	(138.08)
Recognised in OCI during the year	-	-	-	(0.21)	(0.21)
MAT credit entitlement during the year	-	-	86.95	-	86.95
Balance as at 31 March 2020	**(173.40)**	**125.30**	**416.56**	**(10.69)**	**357.77**
Recognised in profit and loss during the year	(137.96)	31.67	-	-	(106.29)
Recognised in OCI during the year	-	-	-	28.97	28.97
MAT credit utilised during the year	-	-	(56.32)	-	(56.32)
Balance as at 31 March 2021	**(311.36)**	**156.97**	**360.24**	**18.28**	**224.13**

31. Earning per share

	Particulars	Year ended 31 March 2021	Year ended 31 March 2020
A	Basic earnings per share		
	The calculation of profit attributable to equity shareholders and weighted average numbers of equity shares outstanding for purpose of basic earnings per share calculation are as follows:		
i.	Profit for the year, attributable to equity holders	4,683.11	12,736.92
ii.	Weighted average number of equity shares for basic EPS		
	Opening balance*	3,22,75,073	3,26,62,384
	Effect of share options exercised	1,32,448	2,01,026
	Effect of buyback of equity share	-	(4,21,455)
	Weighted average number of equity shares*	**3,24,07,521**	**3,24,41,955**
iii.	**Basic earnings per share**	**14.45**	**39.26**

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

	Particulars	Year ended 31 March 2021	Year ended 31 March 2020
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	4,683.11	12,736.92
ii.	Weighted average number of equity shares for diluted EPS		
	Opening balance*	3,22,75,073	3,26,62,384
	Effect of share options exercised	1,32,448	2,01,026
	Effect of buyback of equity share	-	(4,21,455)
	Dilution of equity	9,02,135	4,07,923
	Weighted average number of equity shares (diluted) for the year*	**3,33,09,656**	**3,28,49,878**
iii.	**Diluted earnings per share**	**14.06**	**38.77**

* Excludes treasury shares (refer note 33)

32. 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 2021	Year ended 31 March 2020
Employer's contribution to Employee's Provident Fund	228.04	236.12
Employer's contribution to Employee's State Insurance	39.60	47.33
Employer's contribution to National Pension Scheme	10.84	16.80
	278.48	**300.25**

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 2021	Year ended 31 March 2020
Current service cost	117.83	89.70
Interest cost on benefit obligation	12.59	17.26
Net benefit expenses	**130.42**	**106.96**

(b) Position of the assets and obligation

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Present value of the obligations	(883.95)	(716.29)
Fair value of plan assets	571.42	522.54
Assets/(liability) recognised in balance sheet	**(312.53)**	**(193.75)**

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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 2021		
	Defined benefit obligation	Fair value of plan assets	Benefit liability/ (assets)
Opening balance	716.29	522.54	193.75
Gratuity cost charged to profit or loss			
Service cost	117.83	-	117.83
Net interest expense	46.53	33.94	12.59
Benefits paid	(43.76)	(43.76)	-
Remeasurement gains/(losses) in other comprehensive income			
Return on plan assets (excluding amounts included in net interest expense)	-	(5.26)	5.26
Actuarial changes arising from changes in demographic assumptions	5.18	-	5.18
Actuarial changes arising from changes in financial assumptions	20.30	-	20.30
Experience adjustments	21.58	-	21.58
Contribution by employer	-	63.96	(63.96)
	883.95	**571.42**	**312.53**

Particulars	Year ended 31 March 2020		
	Defined benefit obligation	Fair value of plan assets	Benefit liability/ (assets)
Opening balance	702.96	472.77	230.19
Gratuity cost charged to profit or loss			
Service cost	89.70	-	89.70
Net interest expense	52.72	35.46	17.26
Benefits paid	(71.50)	(55.85)	(15.65)
Remeasurement gains/(losses) in other comprehensive income			
Return on plan assets (excluding amounts included in net interest expense)	-	(27.01)	27.01
Actuarial changes arising from changes in demographic assumptions	3.67	-	3.67
Actuarial changes arising from changes in financial assumptions	(49.64)	-	(49.64)
Experience adjustments	(11.62)	-	(11.62)
Contribution by employer	-	97.17	(97.17)
	716.29	**522.54**	**193.75**

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

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
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 2021	Year ended 31 March 2020
Discount rate	6.10%	6.50%
Future salary increases	7.67%	7.67%
Retirement age (years)	60	60
Mortality rates inclusive of provision for disability (2006 - 08)	100% of IALM	100% of IALM
Employee turnover Withdrawal Rate (%)		
All ages	14.21%	15.46%

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.

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(f) **Sensitivity analysis**

A quantitative sensitivity analysis for significant assumption as at 31 March 2021 and 31 March 2020 are shown as below:

Impact on defined benefit obligation	Year ended 31 March 2021	Year ended 31 March 2020
Discount rate		
Increase by 1%	(52.92)	(37.62)
Decrease by 1%	59.34	41.87
Future salary		
Increase by 1%	55.42	39.22
Decrease by 1%	(51.10)	(36.38)

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 contribution:**

Expected contributions to defined benefit obligation for the year ending 31 March 2022 are ₹ 450.76 lacs. The expected maturity analysis of defined benefit plan is as follows:

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Year		
- Within the next 12 months (next annual reporting period)	126.25	97.44
- Above 1 to 5 years	420.21	294.33
- More than 5 years	851.29	324.52
Total expected payments	**1,397.75**	**716.29**

The average duration of the defined benefit plan obligation at the end of the reporting period is 6 years (31 March 2020: 8 years).

(ii) **Leave obligations**

The amount of the provision of ₹ 254.91 lacs (31 March 2020: ₹ 180.24 lacs) is presented as current and non current. The Company has provided for the liability on the basis of actuarial valuation.

33. Share-based payments

a) **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, unless otherwise determined by the Board/Committee. 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 previous financial year, the shareholders have 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

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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. Subsquent to the year end, the Nomination and Remuneration Committee has granted 245,297 RSU on 10 May 2021.

c) **Vaibhav Global Limited Employee Stock Options Plan - 2021**

During the current financial year, the shareholders have approved the Vaibhav Global Limited Employee Stock Option Plan – 2021 (herein referred as 'ESOP Plan 2021') through postal ballot resolution dated 21 March 2021. According to ESOP Plan 2021, the Nomination and Remuneration Committee (hereinafter referred as "Committee") decides upon the employees who qualify under the ESOP Plan 2021 and the number of stock options to be issued to such employees. The exercise price of the stock options shall be determined by the Committee/Board of Directors from time to time as on the date of grant, which shall not be less than the face value of the equity share and not more than the market price. Out of ESOP granted, vesting period shall be determined by the Committee/Board of Directors at the time of grant of stock options ranging between one to three years from the date of grant of option. The Company has constituted " Vaibhav Global Employee Stock Option Welfare Trust" to administer and implement the plans. The fair value of the stock option will be estimated at the grant date using a Black-Scholes pricing model taking into account the terms and conditions upon which the stock 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 such stock option will be 7 years from the date of respective vesting. Stock options under the ESOP Plan 2021 are yet to be issued.

d) **Vaibhav Global Limited Management Stock Options Plan - 2021**

During the current financial year, the shareholders have approved the Vaibhav Global Limited Management Stock Option Plan – 2021 (herein referred as 'MSOP Plan') through postal ballot resolution dated 21 March 2021. According to MSOP Plan, the Nomination and Remuneration Committee (hereinafter referred as "Committee") decides upon the employees who qualify under the MSOP Plan and the number of stock options to be issued to such employees. The exercise price of the such stock options shall be the face value of the equity shares as on date of exercise. For stock options granted, the vesting period shall be determined by the Committee/Board of Directors at the time of grant of stock option ranging between one to three years from the date of grant of options. The Company has constituted "Vaibhav Global Employee Stock Option Welfare Trust" to administer and implement MSOP Plan. The fair value of the stock options will be estimated at the grant date using a Black-Scholes pricing model taking into account the terms and conditions upon which the stock 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 such stock options will be 7 years from the date of respective vesting. Subsquent to the year end, the Nomination and Remuneration Committee has granted 23,187 stock options on 10 May 2021.

e) **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:

Particulars	Year ended 31 March 2021		Year ended 31 March 2020	
	Number	WAEP	Number	WAEP
Outstanding at beginning of the year	12,08,714	625.75	13,83,529	541.77
Granted during the year	4,05,900	1,021.88	4,57,700	712.92
Forfeited during the year	(84,867)	698.59	(1,54,151)	636.56
Exercised during the year *	(2,61,725)	601.76	(4,78,364)	462.80
Outstanding at the end of the year	**12,68,022**	**752.62**	**12,08,714**	**625.75**
Exercisable at 31 March	5,03,180	564.56	4,84,210	526.05

* The weighted average share price at the date of exercise of these options was ₹ 1,913.62 (previous year: ₹ 899.12)

The weighted average remaining contractual life for the share options outstanding as at 31 March 2021 was 6.82 years (31 March 2020: 6.92 years)

The weighted average fair value of options granted during the year was ₹ 423.00 (31 March 2020: ₹ 293.31).

The range of exercise prices for options outstanding at the end of the year was ₹ 45.30 to ₹ 3,806.91 (31 March 2020: ₹ 45.30 to ₹ 1,059.45)

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The following tables list the inputs to the models used for the plans for the years ended 31 March 2021:

Series	31 March 2021				
	AC	AD	AE	AF	AG
Stock price of option as on grant date	1,007.20	1,335.10	4,013.70	4,013.70	4,013.70
Exercise price of option	944.75	1,317.82	1,970.00	2,644.36	3,806.91
Risk free rate	4.90% to 5.59%	4.75% to 5.37%	5.81% to 6.48%	5.81% to 6.48%	5.81% to 6.48%
Volatility	39.7% to 42.2%	39.3% to 41.1%	41.0% to 43.1%	41.0% to 43.1%	41.0% to 43.1%

The following tables list the inputs to the models used for the plans for the years ended 31 March 2020:

Series	31 March 2020				
	X	Y	Z	AA	AB
Stock price of option as on grant date	768.70	866.65	816.50	999.20	1,175.45
Exercise price of option	680.40	852.84	812.94	901.06	1,059.45
Risk free rate	7.82% to 8.00%	7.82% to 8.00%	5.76% to 6.41%	5.41% to 5.80%	5.41% to 5.79%
Volatility	31.17% to 39.01%	31.13% to 38.65%	28.51% to 35.96%	27.11% to 34.93%	27.63% to 35.21%

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

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Expense arising from equity-settled share-based payment transactions	273.30	274.10

There were no cancellations or modifications to the awards in 31 March 2021 or 31 March 2020.

(g) **A summary of movement of treasury shares is as follows:**

Particulars	Number of shares	Amount
Opening balance as on 01 April 2019	36,852	3.69
Add: Shares allotted by Company	4,80,785	48.08
Less: Shares exercised by employee	(4,78,364)	(47.84)
Closing balance as on 31 March 2020	**39,273**	**3.93**
Add: Shares allotted by Company	2,23,806	22.38
Less: Shares exercised by employee	(2,61,725)	(26.17)
Closing balance as on 31 March 2021	**1,354**	**0.14**

34. 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 2021	31 March 2020
i)	The principal amount and the interest due thereon remaining unpaid to any supplier at the end of accounting year;		
	- Principal amount	71.28	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

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35. Contingent liabilities and Commitments

a) Contingent liabilities:

Particulars	31 March 2021	31 March 2020
(a) Demand/show cause notices received from government authorities		
- Demand/show cause notice received under Income Tax Act	200.77	185.66
(b) Guarantees provided by the Company		
- Guarantee given by the bank on behalf of the Company	580.60	569.79
(c) Claims against the Company, not acknowledged as debt	Not quantifiable	Not quantifiable

A. The Company had received a notice from the Income Tax Department under Section 148 of the Income Tax Act, 1961 for Assessment Year 2012 - 13. Honorable High Court had granted stay order on the Company's petition. Based upon the nature and external expert opinion obtained by the Company, the management does not expect any liability to arise out of it. Amount is not quantifiable at this point in time.

B. The Company has received notices from the Income Tax Department under Section 148 of the Income Tax Act, 1961 for Assessment Year 2013 - 14 to Assessment Year 2015 - 16. The Company has inquired with Income Tax Department for reasons behind issuing such notices and responded as per the required procedures. Management has no further information in this regards.

C. During the previous financial year, pursuant to the shareholder's approval, the Company has bought back and extinguished a total of 8,65,675 equity shares at an average buyback price of ₹ 831.72 per equity share. Basis external opinion obtained by the Company, the Company believes that provisions of Section 115QA of Income Tax Act 1961 is not applicable to the Company.

D. The Company is required to comply with the transfer pricing regulations, which are contemporaneous in nature. The Company appoints independent consultant annually for conducting transfer pricing studies to determine whether transactions with associate enterprises undertaken during the financial year, are on an arm's length basis. Adjustments, if any, arising from the transfer pricing studies will be accounted for when the study is completed for the current financial year. The management is of the opinion that its transactions with associates are at arm's length so that the outcome of the studies to corroborate compliance with legislation will not have any material adverse impact on the financial statements.

b) Commitments:

Particulars	31 March 2021	31 March 2020
Estimated amount of contracts remaining to be executed on capital account and not provided for	110.13	70.21

36. Assets hypothecated as security

The carrying amount of assets hypothecated as security for short term borrowings are as under:

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Current assets	27,668.08	28,717.53
Non- current		
Property, plant and equipment	4,364.83	3,794.65
Right-of-use assets	363.58	363.58
Investment in subsidiaries		
- 200 common shares with no par value of STS Jewels Inc., USA	7,980.32	7,980.32
- 87,500 Ordinary shares of HK $100 each of STS Gems Limited, Hong Kong	1,575.00	1,575.00
- 1,25,76,633 equity shares of US $ 1 each of equity investment of VGL Retail Ventures Limited, Mauritius (formerly Genoa Jewelers Limited)	6,135.39	6,135.39
Other financial assets - bank deposits	76.75	78.66
Total non-current assets hypothecated as security	**20,495.87**	**19,927.60**
Total assets hypothecated as security	**48,163.95**	**48,645.13**

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37. Segment reporting

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

38. 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 2021 is as follows:

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Borrowings (refer note 17)	5,646.37	6,443.23
Cash and cash equivalents (refer note 12A)	(3,150.71)	(1,672.90)
Bank balances other than above (refer note 8 and note 12B)	(2,346.49)	(6,267.39)
Net debt	**149.17**	**(1,497.06)**
Equity share capital (refer note 15A)	3,253.67	3,227.50
Other equity (refer note 15B)	49,684.70	50,766.59
Total Equity	**52,938.37**	**53,994.09**
Net debt to equity ratio	**0.28%**	**-2.77%**

39. 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 2021.

40. Related party transactions

A. List of related parties :

Ultimate Holding Company

Brett Enterprises Private Limited

Subsidiaries (direct and step down)

Name of the subsidiaries	Country of incorporation	Percentage holdings as at 31 March 2021	31 March 2020
Direct subsidiaries			
STS Gems Limited	Hong Kong	100	100
STS Gems Thai Limited	Thailand	100	100
VGL Retail Ventures Limited	Mauritius	100	100
STS Gems Japan Limited	Japan	100	100
STS Jewels Inc.	USA	100	100
Vaibhav Vistar Limited *	India	100	Not applicable
Vaibhav Lifestyle Limited **	India	75	Not applicable
Step down subsidiaries of direct subsidiaries			
PT STS Bali	Indonesia	100	100
Shop LC Global Inc.	USA	100	100
Shop TJC Limited	United Kingdom	100	100
STS (Guangzhou) Trading Limited	China	100	100
Shop LC Gmbh. ***	Germany	100	Not applicable

* Incorporated on 02 December 2020

** Incorporated on 05 December 2020

*** Acquired on 09 March 2021

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Key Management Personnel (KMP) :

Mr. Sunil Agrawal - Managing Director
Mr. Rahimullah - Whole Time Director (upto 12 October 2019)
Mr. Vineet Ganeriwala - Group Chief Financial Officer (w.e.f. 21 February 2020)
Mr. Puru Aggarwal - Group Chief Financial Officer (upto 21 February 2020)
Mr. Sushil Sharma - Company Secretary

Non-Executive and Non-Independent Directors

Mr. Nirmal Kumar Bardiya
Mrs. Sheela Agarwal
Mr. Pulak Chandan Prasad
Mr. Sanjeev Agrawal (w.e.f. 29 October 2020)

Non-Executive and Independent Directors

Mr. Harsh Bahadur - Chairman
Mr. Purushottam Agarwal (upto 14 May 2019)
Ms. Monica Justice (w.e.f. 6 September 2019)
Mr. Sunil Goyal
Mr. Santiago Roces
Mr. James Patrick Clarke

Relatives of key management personnel

Mr. Hursh Agrawal (son of Mr. Sunil Agrawal)
Mrs. Deepti Agrawal (wife of Mr. Sunil Agrawal)
Master Neil Agrawal (son of Mr. Sunil Agrawal)
Mrs. Renu Raniwala (sister of Mr. Sunil Agrawal)
Mr. Sanjeev Agrawal (brother of Mr. Sunil Agrawal)
Mrs. Kusum Bardiya (wife of Mr. Nirmal Kumar Bardiya)

Others (significant influence)

VGL Softech Limited

Employee benefit trust

Vaibhav Global Limited Employees Gratuity Fund

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B. Details of material related party transactions and balances:

Particulars	Ultimate Holding Company	Subsidiaries/Step down subsidiaries											Total
	Brett Enterprises Private Limited	Shop TJC Limited	Shop LC Global Inc.	STS Jewels Inc.	STS Gems Limited	VGL Retail Ventures Limited	PT STS Bali	STS (Guangzhou) Trading Limited	STS Gems Thai Limited	Vaibhav Vistar Limited	Vaibhav Lifestyle Limited	Shop LC GmbH	
Transactions during the year ending 31 March 2021:													
Sale of goods	-	9,131.02	26,416.14	1,634.05	514.53	-	60.27	-	1,727.60	-	-	49.37	39,532.98
Purchase of goods	-	-	-	689.29	1,494.48	-	72.14	154.81	1,615.65	-	-	-	4,026.36
Expenses reimbursement (net)		740.29	1,758.76	(28.44)	182.52	2.69	15.82		52.25	5.84	4.98	8.67	2,743.39
Dividend paid	4,429.05	-	-	-	-	-	-	-	-	-	-	-	4,429.05
Dividend received	-	-	-	-	-	3,425.60	-	-	-	-	-	-	3,425.60
Interest Income	-	-	-	-	-		-	-	17.04	-	1.42	-	18.46
Grant/(repayment) of borrowing	-	-	-	-	-	-	-	-	(1,889.55)	-	112.00	-	(1,777.55)
Purchase of intangible assets	-	-	-	-	-	-	-	-	-	-	-	-	-
Allocation of intangible assets	-	304.92	437.65	9.15	43.01	3.66	9.15	-	14.09	-	-	-	821.63
Investment made	-	-	-	-	-	-	-	-	-	5.00	3.75	-	8.75
Transactions during the year ending 31 March 2020:													
Sale of goods	-	8,575.97	26,645.01	923.06	1,746.82	-	-	-	697.11	-	-	-	38,587.97
Purchase of goods	-	-	-	1,545.00	2,091.69	-	33.78	5.96	1,468.68	-	-	-	5,145.11
Expenses reimbursement (net)	-	131.56	(83.72)	31.39	123.10	14.90	8.63	-	5.28	-	-	-	231.14
Dividend paid	5,737.88	-	-	-	-	-	-	-	-	-	-	-	5,737.88
Dividend received	-	-	-	-	-	10,423.41	-	-	-	-	-	-	10,423.41
Interest Income	-	-	-	-	-	-	-	-	46.00	-	-	-	46.00
Purchase of intangible assets	-	244.31	-	-	-	-	-	-	-	-	-	-	244.31

Particulars	Subsidiaries/Step down subsidiaries											Total
	Shop TJC Limited	Shop LC Global Inc.	STS Jewels Inc.	STS Gems Limited	VGL Retail Ventures Limited	PT STS Bali	STS (Guangzhou) Trading Limited	STS Gems Thai Limited	Vaibhav Vistar Limited	Vaibhav Lifestyle Limited	Shop LC GmbH	
Balances as at year end 31 March 2021:												
Amount receivable	1,653.61	3,826.56	1,383.58	385.48	20.86	124.13	6.74	602.82	5.84	6.28	59.19	8,075.10
Amount payable	53.48	627.81	188.50	349.38	-	1.90	30.86	52.31	-	-	-	1,304.25
Advance received	-	-	-	345.13	-	-	-	-	-	-	-	345.13
Interest receivable	-	-	-	-	-	-	-	17.81	-	1.42	-	19.23
Loan receivable	-	-	-	-	-	-	-	-	-	112.00	-	112.00
Balances as at year end 31 March 2020:												
Amount receivable	1,852.78	1,879.41	136.22	771.65	14.90	40.74	-	266.43	-	-	-	4,962.13
Amount payable	292.75	9.49	69.61	130.21	-	0.45	-	482.38	-	-	-	984.89
Advance received	-	-	-	-	-	-	-	-	-	-	-	-
Interest receivable	-	-	-	-	-	-	-	11.90	-	-	-	11.90
Loan receivable	-	-	-	-	-	-	-	1,889.55	-	-	-	1,889.55

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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. Rahimullah	Mr. Puru Aggarwal	Mr. Vineet Ganeriwala	Mr. Sushil Sharma	Other directors	Total	Vaibhav Global Limited Employees' Gratuity Fund	VGL Softech Limited	Total
Transaction during the year ending :										
Remuneration										
- 31 March 2021	-	-	-	107.67	30.20	124.55	262.42	-	-	-
- 31 March 2020	-	17.50	152.98	33.44	19.25	106.19	329.36	-	-	-
Share based payment to employees *										
- 31 March 2021	-	-	-	24.78	3.37	-	28.15	-	-	-
- 31 March 2020	-	-	32.82	2.55	3.01	-	38.38	-	-	-
Dividend paid										
- 31 March 2021	6.89	-	-	0.33	-	56.68	63.90	-	-	-
- 31 March 2020	8.93	5.00	1.25	0.24	-	82.04	97.46	-	-	-
Dividend paid to relatives of Key Managerial Persons										
- 31 March 2021	107.21	-	-	-	0.00	40.48	147.69	-	-	-
- 31 March 2020	86.03	-	1.10	-	0.02	52.44	139.59	-	-	-
Directors commission/sitting fees										
- 31 March 2021	-	-	-	-	-	32.20	32.20	-	-	-
- 31 March 2020	-	-	-	-	-	35.40	35.40	-	-	-
Balance as at year end:										
- 31 March 2021	-	-	-	-	-	27.74	27.74	571.42	52.07	623.49
- 31 March 2020	-	-	-	-	-	23.47	23.47	522.54	52.07	574.61
Less: Impairment loss recognised										
- 31 March 2021	-	-	-	-	-	-	-	-	(52.07)	(52.07)
- 31 March 2020	-	-	-	-	-	-	-	-	(52.07)	(52.07)

* Refer note 3(g)(ii)

Note: The working capital borrowings of the Company are secured by the personal guarantee of Mr. Sunil Agrawal, Managing Director of the Company. (Refer note 17)

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41. Fair value measurements

(i) Financial assets and liabilities:

The accounting classification of each category of financial instruments, and their carrying amounts, are set out below:

As at 31 March 2021	Note No.	FVTPL	FVTOCI	Amortised cost	Total carrying value
Financial assets					
Cash and cash equivalents	12A	-	-	3,150.71	3,150.71
Bank balance other than above	12B	-	-	2,346.49	2,346.49
Loans- current	13	-	-	165.25	165.25
Trade receivables	11	-	-	5,954.89	5,954.89
Investments *	6B	-	-	-	-
Other non current financial asset	7	-	-	171.48	171.48
Other current financial asset	7	-	-	2,704.95	2,704.95
		-	**-**	**14,493.77**	**14,493.77**
Financial liabilities					
Borrowings- current	17	-	-	5,646.37	5,646.37
Trade payables	18	-	-	3,268.37	3,268.37
Other financial liabilities	19	-	-	293.42	293.42
		-	**-**	**9,208.16**	**9,208.16**

As at 31 March 2020	Note No.	FVTPL	FVTOCI	Amortised cost	Total carrying value
Financial assets					
Cash and cash equivalents	12A	-	-	1,672.90	1,672.90
Bank balance other than above	12B	-	-	6,188.73	6,188.73
Loans- current	13	-	-	1,924.99	1,924.99
Trade receivables	11	-	-	4,577.95	4,577.95
Investments *	6B	517.54	-	-	517.54
Other non current financial asset	7	-	-	169.57	169.57
Other current financial asset	7	-	-	1,049.17	1,049.17
		517.54	**-**	**15,583.31**	**16,100.85**
Financial liabilities					
Borrowings- current	17	-	-	6,443.23	6,443.23
Trade payables	18	-	-	3,633.50	3,633.50
Other financial liabilities	19	-	-	437.95	437.95
		-	**-**	**10,514.68**	**10,514.68**

* Investments 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.

Notes to the Standalone Financial Statements

for the year ended 31 March 2021

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

(a) Financial assets and liabilities measured at fair value- recurring fair value measurements

Financial instruments	As at 31 March 2021		
	Level 1	Level 2	Level 3
Financial assets			
Investments (unquoted)	-	-	-
Total	-	-	-

Financial instruments	As at 31 March 2020		
	Level 1	Level 2	Level 3
Financial assets			
Investments (unquoted)	-	517.54	-
Total	-	**517.54**	-

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:

- 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.

42. 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, 11, 12, 13, 17, 18 and 19.

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.

Notes to the Standalone Financial Statements

for the year ended 31 March 2021

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

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.

Commodity price risk

Fluctuation in commodity price in market affects directly or indirectly the price of raw material and components used by the Company. The Company sells its products mainly to its Group Companies whereby there is a regular negotiation/adjustment of prices on the basis of changes in the commodity prices.

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 optimize 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.

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 2021			
	< 1 year	1-3 Years	> 3 Years	Total
Current borrowings	5,646.37	-	-	**5,646.37**
Trade and other payables	3,268.37	-	-	**3,268.37**
Other financials liabilities	293.42	-	-	**293.42**
Total	**9,208.16**	**-**	**-**	**9,208.16**

Financial liabilities	As at 31 March 2020			
	< 1 year	1-3 Years	> 3 Years	Total
Current borrowings	6,443.23	-	-	**6,443.23**
Trade and other payables	3,633.50	-	-	**3,633.50**
Other financials liabilities	437.95	-	-	**437.95**
Total	**10,514.68**	**-**	**-**	**10,514.68**

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 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.

Notes to the Standalone Financial Statements
for the year ended 31 March 2021

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

Particulars	As at 31 March 2021		
	USD	GBP	EURO
Financial assets	35,935.57	1,647.94	61.18
Financial liabilities	2,434.85	53.48	0.11

Particulars	As at 31 March 2021		
	USD	GBP	EURO
Financial assets	34,627.03	1,885.62	-
Financial liabilities	6,904.66	808.53	3.36

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 and equity for the fiscal year 2021 and 2020 by ₹ 1,757.81 lacs and ₹ 1,439.81 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, Indian Rupee and GBP with floating rates of interest. The debt is of floating rates linked to LIBOR for foreign currency denominated loans and Repo Rate for Indian Rupee denominated loans. 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 2021	31 March 2020
Floating rate financial liabilities	5,646.37	6,443.23

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 2021	Year ended 31 March 2020
0.50%	28.23	32.22
1%	56.46	64.43
1.50%	84.70	96.65

(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. The calculation is based on historical experience/ current facts available in relation to default and delays in collection thereof. The management historical experience of collecting receivables is that credit risk is low. Hence, trade receivables are considered to be a single class of financial assets. Refer note 11 for exposure to trade receivables and note 3 for accounting policy on financial instruments.

Financial assets other than trade receivables

With regards to other financial assets with contractual cash flows other than trade receivable, 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

Notes to the Standalone Financial Statements
for the year ended 31 March 2021

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

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 2021 is ₹ 8,825.09 lacs (31 March 2020 is ₹ 8,069.65 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 and Great Britain Point 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 fair value hedges. The Company does not use forward covers and currency options for speculative purposes.

During the current year, the Company has earned profits on account of cash flow hedging derivatives amounting to ₹ 16.16 lacs. The above profit is included in foreign exchange gain (net) in the Statement of Profit and Loss. All the foreign exchange forward contracts designated as fair value flow hedges along with related forecasted transactions will be matured within the next financial year.

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

Particulars	31 March 2021		31 March 2020	
	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	16.16	-	-	-
Net assets/ liability	**16.16**	-	-	-

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: Gurugram
Date: 12 May 2021

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

Sunil Agrawal
Managing Director
DIN: 00061142
Place: Austin
Date: 12 May 2021

Nirmal Kumar Bardiya
Non-Executive Director
DIN: 00044624
Place: Jaipur
Date: 12 May 2021

Vineet Ganeriwala
Group CFO
Place: Jaipur
Date: 12 May 2021

Sushil Sharma
Company Secretary
ICSI Membership No: F6535
Place: Jaipur
Date: 12 May 2021

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 2021, 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 2021, 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 ethical requirements that are relevant to our audit of the consolidated financial statements in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. 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 opinion on the consolidated financial statements.

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.

Description of Key Audit Matter:

Revenue recognition
See note 3(k) and note 21 to the consolidated financial statements

The key audit matter	How the matter was addressed in our audit
Revenue recognition: • Revenue from the sale of goods is recognised when control is transferred to the customer. • The Group's major part of revenue relates to retail sales which comprises of high volumes of individually small transactions recorded in the books. This increase the risk of revenue being recognised inappropriately and which highlights the criticality of sound internal processes of summarising and recording sales revenue to mitigate the risk of error and fraud. • The timing of revenue recognition is also relevant to the reported performance of the Company. The management considers revenue as a key measure for evaluation of performance. • In view of the above, we have identified revenue recognition as a key audit matter.	In view of the significance of the matter we applied the following audit procedures in this area, among others to obtain sufficient audit evidences: • Assessed the appropriateness of the accounting policy for revenue recognition as per relevant accounting standard. • Evaluated the design and implementation of key internal financial controls with respect to the revenue recognition and tested the operating effectiveness of such control including those related to the reconciliation of sales records with collections from payment channels, preparation, posting and approval of journal entries on the basis of selected transactions. • For samples selected using statistical sampling method, performed testing of retail sale transactions during the year by examining the underlying documents and agreeing them with the collection from payment channels • Verified the reconciliation of retail sales as per books of account with the sales as per Indirect tax records and tested the reconciliation, if any. • Tested selected samples of sales transactions made immediately pre and post year end, agreed the period of revenue recognition to the underlying documents for ensuring period of revenue of recognition. • Tested journal entries passed during the year which were selected on specified risk-based criteria to identify unusual items. • Performed analytical procedures on revenue recognised during the year, to identified unusual variances and verified the reasons for unusual variances.

Net realisable value (NRV) of Gemstone Inventories
See note 3(g) and note 10 to the consolidated financial statements

The key audit matter	How the matter was addressed in our audit
Net realisable value (NRV) of Gemstone Inventories The Group deals in fashion jewellery and lifestyle products goods which may be subject to changing consumer demands and fashion trends. Group uses Gemstones primarily in manufacturing the above products. Significant degree of judgment is thereby required to assess the NRV of the inventories and appropriate write down of items which may be ultimately sold below cost. Such judgment includes Group's expectations for future sale volumes, inventory liquidation plans and future selling prices less cost to sell. In view of the above, assessment of NRV and its consequential impact, if any on the carrying value of Gemstone inventory has been identified as a key audit matter.	In view of the significance of the matter we applied the following audit procedures in this area, among others to obtain sufficient audit evidence: • Assessed the appropriateness of the accounting policy for inventories as per relevant accounting standards. • Evaluated the design and implementation of key internal financial controls with respect to determination of NRV and tested the operating effectiveness of such controls on selected transactions. • Verified inventory ageing report by testing samples, selected using statistical sampling method. • Tested the moving weighted average rate computation of Gemstone inventory, selected using statistical sampling method. • Evaluated the judgement and assumptions taken for valuation of inventory by involving subject matter expert, wherever required.

Other Information

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 consolidated financial statements and our auditors' report thereon. The annual report is expected to be made available to us after the date of this auditor's report.

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.

When we read the other information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take necessary actions, as applicable under the relevant laws and regulations.

Management's and Board of Directors' Responsibility 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 Management and 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 Management and 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 the respective Board of Directors 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 the internal financial controls with reference to the consolidated financial statements and the operating effectiveness of such controls based on our audit.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of Management and Board of Directors 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 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. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the consolidated financial statements of which we are the independent auditors. 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 ₹ 13,175.63 lacs (before consolidation adjustments) as at 31 March 2021, total revenues of ₹ 39,975.77 lacs (before consolidation adjustments) and net cash outflows amounting to ₹ 328.36 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.

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 2021 taken on record by the Board of Directors of the Holding Company and on the basis of written representation received by the management from directors of its subsidiary companies which are incorporated in India, as on 31 March 2021, none of the directors of the Group's Companies incorporated in India is disqualified as on 31 March 2021 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 its subsidiary companies incorporated in India 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 2021 on the consolidated financial position of the Group. Refer Note 35(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 2021.

   iii. There are no amounts which are required to be transferred to the Investor Education and Protection Fund by the Holding Company or its subsidiary companies incorporated in India during the year ended 31 March 2021.

   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 2021.

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, 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 No. 101248W/W-100022

Rajiv Goyal
Partner
Membership No. 094549
ICAI UDIN: 21094549AAAACK1543

Place: Gurugram
Date: 12 May 2021

Annexure A to the Independent Auditors' report

on the consolidated financial statements of Vaibhav Global Limited for the period ended 31 March 2021

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 2021, we have audited the internal financial controls with reference to consolidated financial statements of Vaibhav Global Limited (hereinafter referred to as "the Holding Company") and such companies incorporated in India under the Companies Act, 2013 which are its subsidiary companies as of that date.

In our opinion, the Holding Company and such companies incorporated in India which are its subsidiary companies 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 2021, 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 respective 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 respective 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 No. 101248W/W-100022

Rajiv Goyal
Partner
Membership No. 094549
ICAI UDIN: 21094549AAAACK1543

Place: Gurugram
Date: 12 May 2021

Consolidated Balance Sheet

as at 31 March 2021

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

Particulars	Note No.	31 March 2021	31 March 2020
ASSETS			
Non-current assets			
Property, plant and equipment	4A	8,268.43	7,454.76
Capital work-in-progress	4B	770.43	364.10
Right-of-use asset	4C	3,284.50	3,545.03
Goodwill	5A	2,868.32	2,868.32
Other intangible assets	5A	1,836.17	1,548.95
Intangible assets under development	5B	2,161.69	493.40
Financial assets			
Investments	6A	0.33	0.35
Others	7	747.69	754.27
Non - current tax assets (net)	8	745.05	1,227.04
Deferred tax assets (net)		1,934.66	2,095.59
Other non-current assets	9	35.63	112.91
Total non-current assets		**22,652.90**	**20,464.72**
Current assets			
Inventories	10	44,595.85	42,017.36
Financial assets			
Investments	6B	28,007.94	8,173.03
Trade receivables	11	16,710.94	13,479.77
Cash and cash equivalents	12A	7,206.75	7,058.29
Bank balance other than above	12B	11,626.41	10,486.48
Loans	13	135.11	206.00
Others	7	120.18	178.15
Other current assets	14	8,458.69	7,035.62
Total current assets		**1,16,861.87**	**88,634.70**
Total Assets		**1,39,514.77**	**1,09,099.42**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	15A	3,253.67	3,227.50
Other equity	15B	93,129.62	71,903.70
Equity attributable to owners of the Company		**96,383.29**	**75,131.20**
Non-controlling interest	15C	(1.61)	-
Total equity		**96,381.68**	**75,131.20**
Liabilities			
Non-current liabilities			
Financial liabilities			
Lease liabilities	4C	1,872.49	2,517.63
Provisions	16	483.36	374.46
Total non-current liabilities		**2,355.85**	**2,892.09**
Current liabilities			
Financial liabilities			
Borrowings	17	9,171.91	6,443.23
Lease liabilities	4C	1,404.07	1,213.04
Trade payables	18		
- Total outstanding dues of micro enterprises and small enterprises		71.28	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises		16,000.02	14,314.13
Other financial liabilities	19	545.13	369.87
Other current liabilities	20	6,159.90	5,243.90
Provisions	16	5,105.80	1,957.62
Current tax liabilities (net)		2,319.13	1,534.34
Total current liabilities		**40,777.24**	**31,076.13**
Total liabilities		**43,133.09**	**33,968.22**
Total equity and liabilities		**1,39,514.77**	**1,09,099.42**
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: Gurugram
Date: 12 May 2021

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

Sunil Agrawal
Managing Director
DIN: 00061142
Place: Austin
Date: 12 May 2021

Nirmal Kumar Bardiya
Non-Executive Director
DIN: 00044624
Place: Jaipur
Date: 12 May 2021

Vineet Ganeriwala
Group CFO

Place: Jaipur
Date: 12 May 2021

Sushil Sharma
Company Secretary
ICSI Membership No: F6535
Place: Jaipur
Date: 12 May 2021

Consolidated Statement of Profit and Loss

for the year ended 31 March 2021

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

Particulars	Note No.	Year ended 31 March 2021	Year ended 31 March 2020
Revenue from operations	21	2,54,007.02	1,98,646.98
Other income	22	1,769.98	1,453.27
Total income		**2,55,777.00**	**2,00,100.25**
EXPENSES			
Cost of material consumed	23	27,217.95	27,579.84
Purchases of Stock-in-trade	24	64,503.04	42,331.34
Changes in inventories of finished goods, stock-in-trade and work-in-progress	25	(1,453.03)	(216.13)
Employee benefits expense	26	43,604.57	35,848.63
Finance costs	27	462.94	864.83
Depreciation and amortisation expense	28	3,913.82	3,136.21
Other expenses	29	83,111.44	66,921.37
Total expense		**2,21,360.73**	**1,76,466.09**
Profit before tax		**34,416.27**	**23,634.16**
Tax expense	30		
Current tax		7,080.01	5,328.33
Deferred tax		160.92	(719.90)
Tax expense		**7,240.93**	**4,608.43**
Profit for the year (A)		**27,175.34**	**19,025.73**
Other comprehensive income			
(i) Items that will not be reclassified to profit or loss		(52.32)	30.58
(ii) Income tax relating to items that will not be reclassified to profit or loss		18.28	(10.69)
		(34.04)	**19.89**
(i) Items that will be reclassified to profit or loss		(186.61)	2,354.97
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
		(186.61)	**2,354.97**
Total other comprehensive income for the year, net of tax (B)		**(220.65)**	**2,374.86**
Total comprehensive income for the year (A) + (B)		**26,954.69**	**21,400.59**
Profit for the year attributable to owners of the parent			
- Owners of Vaibhav Global Limited		27,178.20	19,025.73
- Non-controlling interest		(2.86)	-
		27,175.34	**19,025.73**
Other comprehensive income attributable to:			
- Owners of Vaibhav Global Limited		(220.65)	2,374.86
- Non-controlling interest		-	-
		(220.65)	**2,374.86**
Total comprehensive income attributable to:			
- Owners of Vaibhav Global Limited		26,957.55	21,400.59
- Non-controlling interest		(2.86)	-
		26,954.69	**21,400.59**
Earnings per equity share	31		
Basic		83.86	58.65
Diluted		81.59	57.92
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: Gurugram
Date: 12 May 2021

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

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Managing Director
DIN: 00061142
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Place: Jaipur
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Vineet Ganeriwala
Group CFO

Place: Jaipur
Date: 12 May 2021

Sushil Sharma
Company Secretary
ICSI Membership No: F6535
Place: Jaipur
Date: 12 May 2021

Consolidated Statement of Changes in Equity
for the year ended 31 March 2021

(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 2021		31 March 2020	
	No. of shares	Amount	No. of shares	Amount
Balance at the beginning of the period/year	32,275,073	3,227.50	32,662,384	3,266.24
Add: Shares issued to employee benefit trust	263,079	26.31	517,637	51.76
Balance at the end of the period/year	**32,538,152**	**3,253.81**	**33,180,021**	**3,318.00**
Less: Shares bought back	-	-	865,675	86.57
Less: Treasury shares	1,354	0.14	39,273	3.93
	32,536,798	**3,253.67**	**32,275,073**	**3,227.50**

B Other equity

For the year ended 31 March 2021:

Particulars	Reserves and Surplus						Items of OCI	Total
	Securities premium	Share based payment reserve	Capital redemption reserve	Capital reserve	General reserve	Retained earnings	Exchange difference on translation of foreign operations	
Balance as at 01 April 2020	**28,886.73**	**1,612.45**	**4,486.57**	**954.76**	**1,296.47**	**32,950.05**	**1,716.67**	**71,903.70**
Profit of the year	-	-	-	-	-	27,178.20	-	27,178.20
Other comprehensive income (net of tax) (refer note 30)	-	-	-	-	-	(34.04)	(186.61)	(220.65)
Total comprehensive income	**-**	**-**	**-**	**-**	**-**	**27,144.16**	**(186.61)**	**26,957.55**
Final dividend for the year ended 31 March 2020	-	-	-	-	-	(2,266.20)	-	(2,266.20)
Interim dividends for the year ended 31 March 2021	-	-	-	-	-	(5,682.37)	-	(5,682.37)
Share options exercised	1,559.57	-	-	-	-	-	-	1,559.57
Transfer from share based payment reserve on allotment	612.36	(612.36)	-	-	-	-	-	-
Share based payments to employees	-	666.51	-	-	-	-	-	666.51
Treasury shares	(9.14)	-	-	-	-	-	-	(9.14)
Balance as at 31 March 2021	**31,049.52**	**1,666.60**	**4,486.57**	**954.76**	**1,296.47**	**52,145.64**	**1,530.06**	**93,129.62**

Consolidated Statement of Changes in Equity
for the year ended 31 March 2021

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

For the year ended 31 March 2020:

Particulars	Reserves and Surplus						Items of OCI	Total
	Securities premium	Share based payment reserve	Capital redemption reserve	Capital reserve	General reserve	Retained earnings	Exchange difference on translation of foreign operations	
Balance as at 01 April 2019	33,221.23	1,874.09	4,400.00	954.76	1,296.47	25,293.11	(638.30)	66,401.36
Transition impact of Ind AS 116	-	-	-	-	-	(463.33)	-	(463.33)
Profit of the year	-	-	-	-	-	19,025.73	-	19,025.73
Other comprehensive income (net of tax) (refer note 30)	-	-	-	-	-	19.89	2,354.97	2,374.86
Total comprehensive income	**-**	**-**	**-**	**-**	**-**	**19,045.62**	**2,354.97**	**21,400.59**
Final dividend of ₹ 5/- per share (including tax on dividend of ₹ 337.33 lacs)	-	-	-	-	-	(1,978.40)	-	(1,978.40)
Interim dividend for the year ended 31 March 2020	-	-	-	-	-	(2,256.61)	-	(2,256.61)
Special interim dividend for the year ended 31 March 2020 (including tax on dividend of ₹ 311.49 lacs)	-	-	-	-	-	(6,690.34)	-	(6,690.34)
Amount transferred to capital redemption reserve upon buyback	(86.57)	-	86.57	-	-	-	-	-
Share options exercised	2,386.62	-	-	-	-	-	-	2,386.62
Buyback of equity shares	(7,113.42)	-	-	-	-	-	-	(7,113.42)
Transaction cost relating to buyback	(75.95)	-	-	-	-	-	-	(75.95)
Transfer from share based payment reserve on allotment	775.39	(775.39)	-	-	-	-	-	-
Share based payments to employees	-	513.75	-	-	-	-	-	513.75
Treasury shares	(220.57)	-	-	-	-	-	-	(220.57)
Balance as at 31 March 2020	**28,886.73**	**1,612.45**	**4,486.57**	**954.76**	**1,296.47**	**32,950.05**	**1,716.67**	**71,903.70**
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: Gurugram
Date: 12 May 2021

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

Sunil Agrawal
Managing Director
DIN: 00061142
Place: Austin
Date: 12 May 2021

Nirmal Kumar Bardiya
Non-Executive Director
DIN: 00044624
Place: Jaipur
Date: 12 May 2021

Vineet Ganeriwala
Group CFO

Place: Jaipur
Date: 12 May 2021

Sushil Sharma
Company Secretary
ICSI Membership No: F6535
Place: Jaipur
Date: 12 May 2021

Consolidated Cash Flow Statement
for the year ended 31 March 2021

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

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit for the year	34,416.27	23,634.16
Adjustment for :		
Depreciation and amortisation expenses	3,913.82	3,136.21
Unrealised foreign exchange difference (net)	(5.97)	(243.08)
Share based payments to employees	667.74	513.77
Loss on sale of property, plant and equipment (net)	17.70	9.48
Liabilities no longer required written back	(95.95)	(0.55)
Gain on sale of current investments (including change in fair value) (net)	(7.27)	(141.91)
Allowances for/write off doubtful debts and advances (net)	1,404.78	1,868.99
Interest income	(322.17)	(576.15)
Finance costs	462.94	864.83
Operating profit before working capital changes:	**40,451.89**	**29,065.75**
Working capital adjustments :		
(Increase)/decrease in trade receivable	(4,356.03)	(2,416.29)
(Increase)/decrease in inventories	(2,054.01)	(953.34)
(Increase)/decrease in other assets	(2,400.72)	(3,604.85)
Increase/(decrease) in trade payables, provisions, other current liabilities	6,708.60	3,562.09
Cash generated from operating activities	**38,349.73**	**25,653.36**
Income taxes paid	(5,769.83)	(4,303.79)
Net cash generated from operating activities (A)	**32,579.90**	**21,349.57**
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(3,061.17)	(2,171.21)
Proceeds from sale of property, plant and equipment	0.05	4.61
Payment for right-of-use of assets	-	(488.00)
Purchase of other intangible assets	(2,630.96)	(827.03)
Movement in deposits (net)	(1,303.95)	(10,034.69)
Interest received	412.39	600.30
Purchase of current investments in liquid mutual funds	(28,598.93)	(45,251.24)
Proceed from sale of current investments in liquid mutual funds	8,394.18	39,427.09
Net cash used in investing activities (B)	**(26,788.39)**	**(18,740.17)**
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from exercise of share options	1,576.60	2,213.88
Proceeds from issue of equity shares to non-controlling interest	1.25	-
Buyback of equity shares including transaction cost	-	(7,275.96)
Movement in short term borrowings (net)	2,766.45	(348.71)
Dividend paid	(7,948.57)	(10,276.53)
Dividend distribution tax	-	**(648.82)**
Payment of lease liabilities	(1,855.79)	(1,413.33)
Interest paid	(288.72)	(689.43)
Net cash used in financing activities (C)	**(5,748.78)**	**(18,438.90)**

Consolidated Cash Flow Statement
for the year ended 31 March 2021

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

Particulars		Year ended 31 March 2021	Year ended 31 March 2020
D. IMPACT OF MOVEMENT OF EXCHANGE RATES			
Exchange difference on translation of foreign operations		**105.73**	**292.26**
Net increase/(decrease) in cash and cash equivalents (A+B+C+D)		**148.46**	**(15,537.24)**
Opening balance of cash and cash equivalents		7,058.29	22,595.53
Closing balance of cash and cash equivalents		**7,206.75**	**7,058.29**
Cash and cash equivalents comprises			
Balance with bank in current accounts		7,155.50	6,836.64
Term deposits with original maturity of less than 3 months		-	115.50
Cash on hand		51.25	30.79
Funds-in-transit		-	75.36
		7,206.75	**7,058.29**
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 2021	Year ended 31 March 2020
Opening balance of short term borrowings	6,443.23	6,639.56
Movement in short term borrowings	2,728.27	(348.71)
Non cash changes - effect of foreign currency translation	0.41	152.38
Closing balance of short term borrowings	**9,171.91**	**6,443.23**

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: Gurugram
Date: 12 May 2021

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

Sunil Agrawal
Managing Director
DIN: 00061142
Place: Austin
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Non-Executive Director
DIN: 00044624
Place: Jaipur
Date: 12 May 2021

Vineet Ganeriwala
Group CFO

Place: Jaipur
Date: 12 May 2021

Sushil Sharma
Company Secretary
ICSI Membership No: F6535
Place: Jaipur
Date: 12 May 2021

Notes to the Consolidated Financial Statements
for the year ended 31 March 2021

(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 2021. 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 12 May 2021.

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 (₹) which is also the Group's functional currency. All amounts have been rounded off to the nearest lacs, except share data and as stated otherwise.

c. Basis of measurement

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

Items	Measurement basis
Certain financial assets and liabilities (including 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.

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 2021 is included in the following notes:

- Note 4C – measurement of lease liabilities and right of use asset
- Note 16 – measurement of provision for expected sales returns
- Note 30 – recognition of deferred tax assets: availability of future taxable profit against which tax losses carried forward can be used;
- Note 32 – measurement of defined benefit obligations: key actuarial assumptions;
- Note 35 – recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources;
- Note 42 – impairment of financial and non - financial assets

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 33 – share-based payment; and
- Note 41 – financial instruments

f. Current and non-current classification

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

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

All other assets are classified as non-current.

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.

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for the year ended 31 March 2021

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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 2021, which are as follows:

Name of the Subsidiaries	Country of incorporation	% holding as at 31 March 2021	% holding as at 31 March 2020
Direct subsidiaries:			
VGL Retail Venture Limited	Mauritius	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	100%	100%
Vaibhav Vistar Limited *	India	100%	Not applicable
Vaibhav Lifestyle Limited **	India	75%	Not applicable

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Name of the Subsidiaries	Country of incorporation	% holding as at 31 March 2021	% holding as at 31 March 2020
Step-down subsidiaries:			
Shop TJC Limited (formerly The Jewellery Channel Limited)	United Kingdom	100%	100%
Shop LC Global Inc.	USA	100%	100%
Pt. STS Bali	Indonesia	100%	100%
STS (Guangzhou) Trading Limited	China	100%	100%
Shop LC GmbH, Germany ***	Germany	100%	Not applicable

* Incorporated on 02 December 2020

** Incorporated on 05 December 2020

*** Acquired on 09 March 2021

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 unrealised 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.

Non-controlling interest (NCI) are measured at their proportionate share of the acquiree's net identifiable assets at the date of acquisition. Changes in the Group's equity interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the Group, 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.

Notes to the Consolidated Financial Statements

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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 and Loss, except exchange differences arising from the long-term investments in unquoted and quoted equity shares are recognised at Fair Value Through OCI (FVOCI).

ii. Foreign operation

The translation of foreign operations from respective functional currency into INR (the reporting currency) for assets and liabilities is performed using the exchange rates in effect at the balance sheet date, and for revenue, expenses and cash flows is performed using an appropriate 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. 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 or 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).

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.

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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 and 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 and Loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in Statement of Profit and 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 uses derivative financial instruments to hedge its foreign currency and commodity risks. Derivatives are measured at fair value. The treatment of changes in the value of derivative depends on their use as explained below:

Cash flow hedges:

Derivatives are held to hedge the uncertainty in timing or amount of future forecast cash flows. Such derivatives are classified as being part of cash flow hedge relationships. For an effective hedge, gains and losses from changes in the fair value of derivatives are recognised in other comprehensive income. Any ineffective elements of the hedge are recognised in the Statement of Profit and Loss.

If the hedged cash flow relates to a non-financial asset, the amount accumulated in equity is subsequently included within the carrying value of that asset. For other cash flow hedges, amounts accumulated in other comprehensive income are taken to the statement of profit and loss at the same time as the related cash flow.

Derivatives for which hedge accounting is not applied:

Derivative financial instruments for which hedge accounting is not applied are initially recognised at fair value on the date on which a derivative contract is entered and are subsequently measured at FVTPL.

e. Property, plant and equipment

i. Recognition and measurement

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

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

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

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

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

ii. 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.

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 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 along with comparison with Schedule II of the Act 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.

iv. Leased assets

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

Leasehold lands are amortised 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 include computer software. Such intangible assets are subsequently measured at cost less accumulated amortisation and any accumulated impairment losses.

i. Subsequent expenditure

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

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 and Loss when the asset is derecognised.

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g. Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the 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 realisable 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 in 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 Group'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.

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ii. Share based payments

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 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 periodically 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 and Loss.

The Group contributes towards gratuity liabilities to the Gratuity Fund Trust. Trustees of the Company administer contributions made to the Trust and contributions are invested in a scheme with Life Insurance Corporation of India as permitted by law.

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.

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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

Group 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 Group'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.

Sale of services

Revenue from sale of services are recognised on an accrual basis as and when the services are rendered in accordance with the terms of the underlying contract.

Other operating revenues

Duty benefits are recognised on accrual basis and when the right to entitlement has been established.

l. Recognition of dividend income, interest income or expense

Dividend income is recognised in the Statement of Profit and 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

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group accounts for each lease component within the contract as a lease separately from non-lease components of the contract and allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

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The Group recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. Right of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the Statement of Profit and Loss.

The Group measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease if that rate can be readily determined. If that rate cannot be readily determined, the Group uses incremental borrowing rate. For leases with reasonably similar characteristics, the Group, on a lease by lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Group is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. The Group recognises the amount of the re-measurement of lease liability due to modification as an adjustment to the right-of-use asset and Statement of Profit and Loss depending upon the nature of modification. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Group recognises any remaining amount of the re-measurement in Statement of Profit and Loss.

The Group has elected not to apply the requirements of Ind AS 116 Leases to short term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognised as an expense on a straight-line basis over the lease term.

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

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liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

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

Deferred tax 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 Group 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 Group will pay normal income tax during the specified period.

Section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019 with effect from fiscal year 2019-20, allows any domestic company to pay availing income tax at the rate of 25.17% subject to condition they will not avail any incentive or exemptions. The lower rate is an option and companies can continue to account based on the old rates. The Company will be shifting under new tax regime once the Company is able to utilise MAT credit entitlement. Hence, the Company decided not to opt for lower rate in FY 2020-21.

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.

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4A. Property, plant and equipment *

Reconcilation of carrying amount

Particulars	Freehold land	Leasehold improvement	Building	Plant and equipment	Furniture & fixture	Office equipment	Computers	Vehicles	Total
Balance as at 01 April 2019	**-**	**1,502.68**	**1,977.73**	**4,417.97**	**989.80**	**450.94**	**1,773.65**	**112.45**	**11,225.22**
Additions	34.24	481.26	175.65	675.69	99.23	375.87	291.74	69.79	2,203.47
Written off/disposals	-	-	-	(0.17)	(7.56)	(2.05)	(5.67)	(3.60)	(19.05)
Exchange differences on translation of foreign operations	-	175.52	15.87	153.30	111.36	25.19	171.42	0.92	653.58
Balance as at 31 March 2020	**34.24**	**2,159.46**	**2,169.25**	**5,246.79**	**1,192.83**	**849.95**	**2,231.14**	**179.56**	**14,063.22**
Additions	27.66	318.36	20.93	1,247.56	136.41	351.95	445.28	75.62	2,623.77
Written off/disposals	-	-	(9.72)	(1.55)	(2.23)	(1.64)	(24.44)	-	(39.58)
Exchange differences on translation of foreign operations	-	3.79	-	64.93	(5.36)	(12.39)	(9.18)	5.15	46.94
Balance as at 31 March 2021	**61.90**	**2,481.61**	**2,180.46**	**6,557.73**	**1,321.65**	**1,187.87**	**2,642.80**	**260.33**	**16,694.35**
Accumulated depreciation									
Balance as at 01 April 2019	-	688.06	268.55	1,646.58	590.13	239.80	1,174.23	34.23	4,641.58
Depreciation charge for the year	-	293.06	64.26	521.47	125.84	97.13	331.29	17.01	1,450.06
Exchange differences on translation of foreign operations	-	130.16	0.48	118.89	93.78	16.71	155.46	1.34	516.82
Balance as at 31 March 2020	**-**	**1,111.28**	**333.29**	**2,286.94**	**809.75**	**353.64**	**1,660.98**	**52.58**	**6,608.46**
Depreciation charge for the year	-	432.93	59.35	537.28	132.16	250.25	307.72	93.42	1,813.11
Exchange differences on translation of foreign operations	-	(8.75)	-	32.50	(7.73)	(2.30)	(13.30)	3.93	4.35
Balance as at 31 March 2021	**-**	**1,535.46**	**392.64**	**2,856.72**	**934.18**	**601.59**	**1,955.40**	**149.93**	**8,425.92**
Carrying amount (net)									
Balance as at 31 March 2020	**34.24**	**1,048.18**	**1,835.96**	**2,959.85**	**383.08**	**496.31**	**570.16**	**126.98**	**7,454.76**
Balance as at 31 March 2021	**61.90**	**946.15**	**1,787.82**	**3,701.01**	**387.47**	**586.28**	**687.40**	**110.40**	**8,268.43**

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

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4B. Capital work in progress

Particulars	31 March 2021	31 March 2020
Opening balance	364.10	-
Additions during the year	782.22	364.10
Capitalisation during the year	(375.89)	-
Closing balance	770.43	364.10

4C. Right-of-use assets and lease liability

Information about leases for which the Company is a lessee is presented below

Particulars	Land	Buildings	Total
Balance as at 01 April 2019	388.28	2,406.07	2,794.35
Additions during the year	488.00	1,061.09	1,549.09
Depreciation charge for the year	(8.00)	(912.62)	(920.62)
Exchange differences on translation of foreign operations	-	122.21	122.21
Balance as at 31 March 2020	868.28	2,676.75	3,545.03
Additions during the year	-	1,030.48	1,030.48
Depreciation charge for the year	(9.90)	(1,369.72)	(1,379.62)
Exchange differences on translation of foreign operations	-	88.61	88.61
Balance as at 31 March 2021	858.38	2,426.12	3,284.50

The aggregate depreciation expense on Right-of-use assets amounting to ₹ 1,379.62 lacs (previous year ₹ 920.62 lacs) is included under depreciation and amortisation expense in the Statement of Profit and Loss.

The following is the movement in lease liabilities during the year:

Particulars	31 March 2021	31 March 2020
Opening balance	3,730.67	3,223.24
Additions during the year	1,074.10	1,489.16
Interest expenses for the year (refer note 27)	179.77	165.25
Payment of lease liability during the year	(1,880.86)	(1,248.08)
Exchange differences on translation of foreign operations	172.88	101.10
Closing Balance	3,276.56	3,730.67
Current	1,404.07	1,213.04
Non - current	1,872.49	2,517.63

As at Balance sheet date, the Company is not exposed to future cashflows relating to extension/termination options, residual value guarantees and leases not commenced to which lessee is committed.

The total amount of cashflow on account of leases for the year has been disclosed in the consolidated cash flow statement.

The table below provides details regarding the contractual maturities of lease liabilities on an undiscounted basis:

Particulars	31 March 2021	31 March 2020
Less than one year	1,404.07	1,213.04
After one year but not longer than five years	1,872.49	2,517.63
More than five years	-	-
Total	3,276.56	3,730.67

The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

Rental expense recorded for short-term leases is ₹ 483.03 lacs (previous year ₹ 820.21 lacs).

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5A. Goodwill and Other intangible assets

Particulars	Goodwill on consolidation	Softwares (a)	Broadcast rights (b)	Other intangible assets (a) + (b)
Balance as at 01 April 2019	2,868.32	5,919.60	1,715.32	7,634.92
Additions	-	519.37	-	519.37
Exchange differences on translation of foreign operations	-	418.28	24.20	442.48
Balance as at 31 March 2020	2,868.32	6,857.25	1,739.52	8,596.77
Additions	-	959.43	-	959.43
Exchange differences on translation of foreign operations	-	(5.05)	91.59	86.54
Balance as at 31 March 2021	2,868.32	7,811.63	1,831.11	9,642.74
Accumulated amortisation				
Balance as at 01 April 2019	-	4,772.79	1,115.98	5,888.77
Amortisation charge for the year	-	666.54	98.99	765.53
Exchange differences on translation of foreign operations	-	381.10	12.42	393.52
Balance as at 31 March 2020	-	5,820.43	1,227.39	7,047.82
Amortisation charge for the period	-	614.63	106.46	721.09
Exchange differences on translation of foreign operations	-	(12.55)	50.21	37.66
Balance as at 31 March 2021	-	6,422.51	1,384.06	7,806.57
Carrying amount (net)				
Balance as at 31 March 2020	2,868.32	1,036.82	512.13	1,548.95
Balance as at 31 March 2021	2,868.32	1,389.12	447.05	1,836.17

During the year, there has been no impairment loss recognised on goodwill generated on acquisition of VGL Retails Ventures Limited, Mauritius 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 acquisition of VGL Retail Ventures Limited, Mauritius. 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 categorized 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 2021	31 March 2020
Discount rate	9.30%	14.62%
Terminal value rate	5.00%	5.00%
Budgeted EBITDA growth rate	9.00% 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.

5B. Intangible asset under development

Particulars	31 March 2021	31 March 2020
Opening balance	493.40	139.39
Additions during the year	2,503.12	731.94
Capitalisation during the year	(834.83)	(377.93)
Closing balance	2,161.69	493.40

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6. Financial assets - investments

Particulars	31 March 2021	31 March 2020
A. Non-current investments		
Unquoted investment		
Investment in equity instruments at FVTPL		
1,000 (31 March 2020: -1,000) equity shares of Yen 50 each Asahi Shinkin Bank Stock	0.33	0.35
3,60,000 (31 March 2020: 3,60,000) 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 non current investments	**0.33**	**0.35**
B Current investments		
Unquoted Investments at FVTPL		
Investment in liquid mutual funds:		
WF Heritage Sel 3801- 1,59,26,924.48 units (31 March 2020 - Nil units)	11,721.63	-
JPMorgan Prime MM C3605 - 89,92,805.75 units (31 March 2020 - Nil units)	6,590.68	-
Goldman FS MM Inst 474 - 59,97,001.50 units (31 March 2020 - Nil units)	4,393.79	-
Goldman FS Tr Ob Ins 46 - 30,01,560.50 units (31 March 2020 - Nil units)	2,198.04	-
Wells Fargo Treasury Plus Money Market Fund - Nil units (31 March 2020 - 1,02,42,367.97)	-	7,655.49
SBI Short Term Debt Fund - Regular Plan Growth - Nil units (31 March 2020 - 21,89,007.679 units)	-	510.42
Aditya Birla Sun Life Arbitrage Fund - Direct Growth - Nil units (31 March 2020 - 35,397.768 units)	-	7.12
Investment in corporate bonds:		
Bharat Petrol SR unsec regs 4.625% - 12,00,000 units (31 March 2020 - Nil units)	940.61	-
NTPC LTD FGN 3.75%- 10,00,000 units (31 March 2020 - Nil units)	785.84	-
Bharat Petrol SR unsec regs 4.625% - 10,00,000 units (31 March 2020 - Nil units)	785.72	-
ICICI Bank Dubai 3.25% - 7,75,000 units (31 March 2020 - Nil units)	591.63	-
Total current investment at FVTPL	**28,007.94**	**8,173.03**
Note:		
Aggregate amount of unquoted investments	28,008.27	8,173.38
Aggregate amount of impairment in value of investments	52.07	52.07

7. Financial assets - others

Particulars	31 March 2021	31 March 2020
Non- Current		
Balance with bank to the extent held as security *	76.75	78.66
Security deposits, unsecured, considered good	670.94	675.61
	747.69	**754.27**
Current		
Interest accrued on bank deposits	120.18	178.15
	120.18	**178.15**

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

8. Non-current tax assets(net)

Particulars	31 March 2021	31 March 2020
Deposits with tax authorities	745.05	1,227.04
	745.05	**1,227.04**

9. Other non- current assets

Particulars	31 March 2021	31 March 2020
Capital advances	35.63	112.91
	35.63	**112.91**

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10. Inventories*

Particulars	31 March 2021	31 March 2020
Raw materials (including gemstone inventory of ₹ 8,535.07 lacs (31 March 2020: ₹ 7,400.53 lacs)	9,883.89	9,164.84
Semi finished goods	341.01	120.72
Finished goods	34,228.84	32,583.55
Stores and consumables	142.11	148.25
Total inventories at the lower of cost and net realisable value	**44,595.85**	**42,017.36**

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

11. Financial assets - trade receivables*

Particulars	31 March 2021	31 March 2020
Unsecured, considered good	16,710.94	13,479.77
Trade receivables - credit impaired	1,338.23	695.78
Loss allowance	(1,338.23)	(695.78)
	-	-
Net trade receivables	**16,710.94**	**13,479.77**

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

The movement in change in allowance for expected credit loss and credit impairment:

Particulars	31 March 2021	31 March 2020
Balance at the beginning of the year	695.78	767.74
Movement in allowance for expected credit loss and credit impairment	642.45	(71.96)
Balance at the end of the year	**1,338.23**	**695.78**

12. Financial assets - cash and cash equivalents*

Particulars	31 March 2021	31 March 2020
A Cash and cash equivalents		
(i) Balances with banks:		
Balances with banks - current accounts **	7,155.50	6,836.64
Bank deposits with original maturity of less than 3 months	-	115.50
	7,155.50	**6,952.14**
(ii) Cash on hand	51.25	30.79
(iii) Funds-in-transit	-	75.36
	7,206.75	**7,058.29**
B Bank balances other than above		
(i) Unpaid dividend account ***	7.49	6.73
(ii) Bank deposits (due for realisation within 12 months of the reporting date)	11,618.92	10,479.75
	11,626.41	**10,486.48**

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

** includes restricted cash balance of ₹ 782.05 lacs (previous year: ₹ 637.47 lacs) for balances with banks in Vaibhav Global Employee Stock Option Welfare Trust

*** Does not include any amount payable to Investor Education and Protection Fund.

13. Financial assets - loans*

Particulars	31 March 2021	31 March 2020
Current		
Other receivables	135.11	206.00
	135.11	**206.00**

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

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14. Other current assets *

Particulars	31 March 2021	31 March 2020
Unsecured, considered good		
Advances other than capital advances		
Advance to suppliers	4,052.24	2,770.75
Others		
Balances with government authorities	926.26	1,367.98
Prepaid expenses	2,164.12	1,726.91
Forward contracts receivable	16.16	-
Other receivables	1,299.91	1,169.98
	8,458.69	7,035.62

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

15A. Equity share capital

Particulars	31 March 2021	31 March 2020
Authorized shares		
4,10,00,000 (31 March 2020: 4,10,00,000) equity shares of ₹ 10 each	4,100.00	4,100.00
45,00,000 (31 March 2020: 45,00,000) 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		
3,25,36,798 (31 March 2020: 3,22,75,073) equity shares of ₹ 10 each	3,253.67	3,227.50
Total issued, subscribed and fully paid-up share capital	3,253.67	3,227.50

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

Equity shares of ₹ 10 each issued, subscribed and fully paid	31 March 2021		31 March 2020	
	No. of shares	Amount	No. of shares	Amount
Balance at the beginning of the year	3,22,75,073	3,227.50	3,26,62,384	3,266.24
Shares issued to employee benefit trust	2,63,079	26.31	5,17,637	51.76
	3,25,38,152	3,253.81	3,31,80,021	3,318.00
Less: Shares bought back (refer note 15A(f))	-	-	8,65,675	86.57
Less: Treasury shares (refer note 33)	1,354	0.14	39,273	3.93
Balance at the end of the year	3,25,36,798	3,253.67	3,22,75,073	3,227.50

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 33 regarding share-based payments.

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

Name of the shareholder	31 March 2021		31 March 2020	
	% of Holding	No. of shares	% of Holding	No. of shares
Brett Enterprises Private Limited*	55.85%	1,81,72,764	56.01%	1,80,77,764
Nalanda India Fund Limited	10.33%	33,59,713	10.41%	33,59,713
Motilal Oswal Multicap 35 Fund	7.38%	24,02,104	7.67%	24,75,833
Malabar India Fund Limited	5.64%	18,36,723	6.77%	21,84,818

* Ultimate holding company (also refer note 40)

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e) Shares reserved for issue under options

	31 March 2021		31 March 2020	
	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 ₹ 752.62 per share (previous ₹ 625.75 per share) (refer note 33)	12,68,022	126.80	12,08,714	120.87

f) Equity shares movement during the five years preceding 31 March 2021:

The Company bought back 8,65,675 equity shares at an average buyback price of ₹ 831.72 per equity share, comprising 2.63% of the pre-buyback paid-up equity share capital of the Company for an aggregate amount of ₹ 7,199.99 lacs. The buyback of equity shares through the stock exchange commenced on 20 August 2019 and was completed on 25 November 2019.

g) On 22 March 2021, the Board of directors approved, subject to approval of shareholders, the sub-division of equity shares of ₹ 10 each (fully paid up) into five equity shares of ₹ 2 each (fully paid up). Subsequent to year end, the shareholders have approved the sub-division of equity shares through postal ballot resolution dated 24 April 2021. The record date for sub-division was 10 May 2021.

15B. Other equity

Particulars	31 March 2021	31 March 2020
a) Reserves and Surplus		
Capital reserve:		
Opening balance	954.76	954.76
Movement during the year	-	-
Closing balance	954.76	954.76
Capital redemption reserve:		
Opening balance	4,486.57	4,400.00
Amount transferred from securities premium reserve upon buyback	-	86.57
Closing balance	4,486.57	4,486.57
Securities premium reserve:		
Opening balance	28,886.73	33,221.23
Security premium received on share issue	1,559.57	2,386.62
Transfer from share based payment reserve on allotment	612.36	775.39
Buyback of equity shares	-	(7,113.42)
Amount transferred to capital redemption reserve upon buyback	-	(86.57)
Transaction cost relating to buyback	-	(75.95)
Treasury shares	(9.14)	(220.57)
Closing balance	31,049.52	28,886.73
Share based payment reserve:		
Opening balance	1,612.45	1,874.09
Expenses for the year	666.51	513.75
Transfer to securities premium reserve on allotment	(612.36)	(775.39)
Closing balance	1,666.60	1,612.45
General reserve:		
Opening balance	1,296.47	1,296.47
Movement during the year	-	-
Closing balance	1,296.47	1,296.47
Retained earnings:		
Opening balance	32,950.05	25,293.11
Transition impact of Ind AS 116	-	(463.33)
Net profit for the year	27,178.20	19,025.73
Other comprehensive income for the year	(34.04)	19.89
Final dividend for the year ended 31 March 2020	(2,266.20)	-
Interim dividends for the year ended 31 March 2021	(5,682.37)	-
Final dividend for the year ended 31 March 2019	-	(1,641.07)
Interim dividend for the year ended 31 March 2020	-	(2,256.61)
Special interim dividend for the year ended 31 March 2020	-	(6,378.85)
Dividend distribution tax	-	(648.82)
Closing balance	52,145.64	32,950.05

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Particulars	31 March 2021	31 March 2020
b) Items of other comprehensive income (net of tax)		
Foreign Currency Translation Reserve		
Opening balance	1,716.67	(638.30)
Movement during the year	(186.61)	2,354.97
Closing balance	1,530.06	1,716.67
Total (a+b)	93,129.62	71,903.70

15C. Non-controlling Interest

Particulars	Amount
Balance as at 01 April 2020	-
Pursuant to acquisition during the year	1.25
Loss for the year	(2.86)
Balance as at 31 March 2021	**(1.61)**

15D. 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**
Share based payment reserve is used to recognize the grant date fair value of options issued to employees under the Employees Stock Option Schemes. Refer to note 33 for further details of the plan.

e. **General reserve**
The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to Statement of Profit and Loss.

f. **Foreign currency translation reserve**
This reserve is created due to changes in historic rates and closing rates of assets and liabilities of foreign subsidiary entities.

g. **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 2021	Year ended 31 March 2020
₹ 7 per equity share final dividend for the year ended 31 March 2020	2,266.19	-
₹ 5 per equity share interim dividend for the year ended 31 March 2021	1,619.44	-
₹ 5 per equity share special interim dividend for the year ended 31 March 2021	1,623.85	-
₹ 7.5 per equity share special interim dividend - II for the year ended 31 March 2021	2,439.08	-
₹ 5 per equity share final dividend for the year ended 31 March 2019	-	1,641.07
Dividend distribution tax (DDT) on final dividend to equity shareholders	-	648.82
₹ 7 per equity share interim dividend for the year ended 31 March 2020	-	2,256.61
₹ 19.74 per equity share special interim dividend for the year ended 31 March 2020	-	6,378.85
	7,948.57	10,925.35

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

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
₹ 1.5 per equity share having face value of ₹ 2/- each (post sub - division of equity shares) (31 March 2020: ₹ 7 per equity share having face value of ₹ 10/- each)*	2440.36	2,262.00

*calculated on the basis number of shares outstanding (including treasury shares) as on 31 March 2021 i.e. 16,26,90,760 shares (face value of ₹ 2/- per share) (post sub - division of equity shares) (31 March 2020: 3,23,14,346 shares (face value of ₹ 10/- per share).

16. Provisions

Particulars	Non-Current		Current	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
Provision for employee benefits (refer note 32)				
Provision for gratuity	283.01	235.44	126.25	30.72
Provision for compensated absences	200.35	139.02	54.56	41.22
Other provision				
Provision for expected sales returns	-	-	4,924.99	1,885.68
	483.36	374.46	5,105.80	1,957.62

17. Borrowings

Particulars	31 March 2021	31 March 2020
Loan repayable on demand from banks:		
Pre-shipment credit (secured)	4,434.31	5,684.26
Post-shipment credit (secured)	1,212.06	758.97
Term loan from bank:		
Bank loan	3,525.54	-
Total current borrowings	9,171.91	6,443.23

Notes

a) Nature of security for pre-shipment and post-shipment credit:

(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., USA

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

(v) Pledge of 1,25,76,633 equity shares of US $ 1 each of VGL Retail Ventures Limited, Mauritius (formerly Genoa Jewelers Limited)

(vi) Personal guarantee of Mr. Sunil Agrawal, Managing Director of the Company. (refer note 40)

b) Bank loan:
During the year, Shop LC Global Inc. (USA) had availed USD 48.07 lacs (₹ 3,525.54 lacs) at 1% interest under Paycheck Protection Program ('PPP') of US Small Business Administration (SBA) under CARES Act of USA. Under SBA guidelines, this can be forgiven subject to conditions, pending which it is classified as borrowings.

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

18. Trade payables

Particulars	31 March 2021	31 March 2020
Trade payables		
- Total outstanding dues of micro enterprises and small enterprises (refer note 34)	71.28	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises	16,000.02	14,314.13
	16,071.30	**14,314.13**

19. Other financial liabilities

Particulars	31 March 2021	31 March 2020
Employee benefit payables	417.42	314.65
Capital creditors	72.98	-
Unclaimed dividend	7.49	6.73
Interest accrued but not due on borrowing	4.53	-
Other payables	42.71	48.49
	545.13	**369.87**

20. Other current liabilities

Particulars	31 March 2021	31 March 2020
Statutory dues payable	2,318.50	2,456.50
Advance received from customers	983.11	812.87
Other liabilities	2,858.29	1,974.53
	6,159.90	**5,243.90**

21. Revenue from operations

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Sale of products	2,53,716.12	1,98,480.34
Other operating revenues	290.90	166.64
	2,54,007.02	**1,98,646.98**

22. Other income

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Interest income on bank deposits	322.17	576.15
Dividend received from non - current investment	0.01	0.01
Gain on sale of current investments (including change in fair value) (net)	7.27	141.91
Gain on sale of property plant and equipment (net)	-	1.26
Liabilities no longer required written back	95.95	0.55
Miscellaneous income *	1,344.58	733.39
	1,769.98	**1,453.27**

* includes foreign exchange gain (net)

23. Cost of material consumed

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Opening stock of raw material	9,164.84	8,814.04
Add: Purchases during the year	27,937.00	27,930.64
	37,101.84	**36,744.68**
Less: Closing stock of raw material	(9,883.89)	(9,164.84)
	27,217.95	**27,579.84**

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

24. Purchases of stock-in-trade

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Purchases of stock-in-trade	64,503.04	42,331.34
	64,503.04	**42,331.34**

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

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Inventory at the beginning of the period		
Work in progress	120.72	27.54
Finished goods *	32,583.55	30,595.88
Inventory at the end of the period		
Work in progress	341.01	120.72
Finished goods *	34,229.26	32,583.55
Loss on translation of stock at average rate	**412.97**	**1,864.72**
	(1,453.03)	**(216.13)**

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

26. Employee benefits expense

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Salaries and wages	37,183.45	29,931.46
Contribution to provident and other funds	3,231.62	2,726.01
Share based payments to employees	667.74	513.77
Staff welfare expenses	2,521.76	2,677.39
	43,604.57	**35,848.63**

27. Finance costs

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Interest on debts and borrowings	137.94	147.36
Interest on lease liabilities	179.77	165.25
Exchange differences regarded as an adjustment to borrowing costs	-	431.10
Other borrowing costs	145.23	121.12
	462.94	**864.83**

28. Depreciation and amortisation expense

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Depreciataion of property, plant and equipment	1,813.11	1,450.06
Depreciation of right-of-use assets	1,379.62	920.62
Amortisation of intangible assets	721.09	765.53
	3,913.82	**3,136.21**

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

29. Other expenses

a) Manufacturing and direct expenses

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Job work charges	4,166.98	4,473.99
Stores and consumables	423.61	471.13
Power and fuel	396.73	436.34
Repairs and maintenance - machinery	61.27	82.79
Other manufacturing and direct expenses	402.51	1,036.41
	5,451.10	**6,500.66**

b) Administrative and selling expenses

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Rent	483.03	820.21
Rates and taxes	717.73	789.03
Insurance	443.81	456.11
Travelling and conveyance	374.61	1,418.40
Legal and professional fees (refer note 29A)	1,844.15	892.65
Repairs and maintenance - building and others	456.67	362.29
Advertising and sales promotion	3,995.52	2,274.07
Packing and forwarding	3,863.80	2,025.50
Postage and telephone	599.66	495.18
Printing and stationery	150.59	158.59
Security expenses	365.22	567.81
Directors' remuneration	124.55	106.19
Directors' sitting fees	46.78	36.46
Charitable expenses (refer note 29B)	676.56	473.89
Allowances for doubtful debts and advances (including written off) (net)	1,404.78	1,868.99
Loss on sale/write off of property, plant and equipments	17.70	9.48
Content and broadcasting	24,639.94	21,628.46
Call handling and collection charges	9,764.34	8,284.06
Packing and distribution charges	24,329.61	15,214.41
Information technology expenses	1,811.50	1,369.88
Miscellaneous expenses	1,549.79	1,169.05
	77,660.34	**60,420.71**
	83,111.44	**66,921.37**

29A. Payment to auditors

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Statutory audit	71.48	67.41
Limited review	51.00	48.33
Other services	5.00	9.40
Reimbursement of expenses	30.12	28.86
	157.60	**154.00**

29B. CSR and donation

As required by the Companies Act, 2013, the gross amount required to be spent by the Company on CSR activities is ₹ 139.88 lacs (31 March 2020: ₹ 70.19 lacs) and the amount spent by the Company during the year is ₹ 164.59 lacs (31 March 2020: ₹ 129.76 lacs).

Further, ₹ 503.30 lacs (31 March 2020: ₹ 344.13 lacs) has been spent by overseas group subsidiaries on charities and donations.

Notes to the Consolidated Financial Statements
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30. Tax expense

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

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Current tax	7,080.01	5,328.33
Deferred tax attributable to original and reversal of temporary differences	160.92	(719.90)
	7,240.93	**4,608.43**

(b) Income tax charged to other comprehensive income

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Remeasurement of the net defined benefit liability	18.28	(10.69)

(c) Reconciliation of effective tax rate

Particulars	Year ended 31 March 2021		Year ended 31 March 2020	
	%	Amount	%	Amount
Profit before tax		34,416.27		23,634.16
Tax expense as per statutory income tax rate	34.94%	12,026.42	34.94%	8,258.71
Differences in tax rates in foreign jurisdictions	-13.03%	(4,484.41)	-13.49%	(3,187.63)
Net tax impact on deduction/ disallowances in ascertaining taxable income as per Income Tax Act 1961	0.13%	43.71	0.05%	12.65
Net of timing difference reversed within tax exemption period and prior period deferred taxation	0.19%	64.98	0.09%	21.09
Less: Exempted tax as per provisions for section 10AA of income tax exemption	-0.72%	(247.23)	-2.07%	(488.47)
Non-deductable expenses	-0.47%	(162.54)	-0.03%	(7.92)
Income tax reported in statement of profit and loss and effective tax rate	**21.04%**	**7,240.93**	**19.50%**	**4,608.43**

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 1 April 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 are not available to units commencing operations on or after 1 April 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 2035.

(d) MAT credit entitlement

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Opening balance	416.54	329.61
Add: MAT credit entitlement/(utilised) for current year	(56.31)	86.93
	360.23	**416.54**

(e) Recognised deferred tax assets/(liabilities)

Deferred tax assets and liabilities are attributable to the following:

Particulars	31 March 2021	31 March 2020
Property, plant and equipment	(215.41)	(200.25)
Provision for employee benefits	166.70	134.78
MAT credit entitlement	360.23	416.54
Tax losses carried forward	162.46	162.78
Other items	1,460.68	1,581.74
	1,934.66	**2,095.59**

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(f) Movement in temporary differences

Particulars	Property, plant and equipment	Provision-employee benefits	Other items	MAT credit entitlement and tax losses carried forward	Total
Balance as at 01 April 2019	**(226.86)**	**158.74**	**751.10**	**366.36**	**1,049.34**
Recognised in profit and loss during the year	26.61	(23.96)	830.85	-	833.50
Recognised in OCI during the year	-	-	(0.21)	-	(0.21)
MAT credit entitlement during the year	-	-	-	212.96	212.96
Balance as at 31 March 2020	**(200.25)**	**134.78**	**1,581.74**	**579.32**	**2,095.59**
Recognised in profit and loss during the year	(15.16)	31.92	(150.03)	(0.32)	(133.59)
Recognised in OCI during the year	-	-	28.97	-	28.97
MAT credit entitlement during the year	-	-	-	(56.31)	(56.31)
Balance as at 31 March 2021	**(215.41)**	**166.70**	**1,460.68**	**522.69**	**1,934.66**

31. Earnings per share

	Particulars	Year ended 31 March 2021	Year ended 31 March 2020
A	**Basic earnings per share**		
	The calculation of profit attributable to equity shareholders and weighted average numbers of equity shares outstanding for purpose of basic earnings per share calculation are as folllows:		
i.	Profit for the year, attributable to equity holders	27,178.20	19,025.73
ii.	Weighted average number of equity shares for basic EPS		
	Opening balance*	3,22,75,073	3,26,62,384
	Effect of share options excercised	1,32,448	2,01,026
	Effect of buyback of equity share	-	(4,21,455)
	Weighted average number of equity shares*	**3,24,07,521**	**3,24,41,955**
iii.	**Basic earnings per share**	**83.86**	**58.65**
B	**Diluted earnings 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	27,178.20	19,025.73
ii.	Weighted average number of equity shares for diluted EPS		
	Opening balance*	3,22,75,073	3,26,62,384
	Effect of share options excercised	1,32,448	2,01,026
	Effect of buyback of equity share	-	(4,21,455)
	Dilution of equity	9,02,135	4,07,923
	Weighted average number of equity shares (diluted) for the year*	**3,33,09,656**	**3,28,49,878**
iii.	**Diluted earnings per share**	**81.59**	**57.92**

*Excludes treasury shares (refer note 33)

32. Employee benefit obligation

A) Defined contribution plan

The Company has recognized the following amount in the Statement of Profit and Loss:

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Employer's contribution to Employee's Provident Fund	228.04	236.12
Employer's contribution to Employee's State Insurance	39.60	47.33
Employer's contribution to National Pension Scheme	10.84	16.80
	278.48	**300.25**

The Group has contributed ₹1,343.46 lacs (31 March 2020: ₹ 1,044.13 lacs) towards defined contribution plans of subsidiaries companies.

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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 consolidated 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 and loss

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Current service cost	117.83	89.70
Interest cost on benefit obligation	12.59	17.26
Net benefit expenses	**130.42**	**106.96**

(b) Position of the assets and obligation

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Fair value of plan assets	(883.95)	522.54
Defined benefit obligation	571.42	(716.29)
Assets/(liability) recognised in balance sheet	**(312.53)**	**(193.75)**

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 2021		
	Defined benefit obligation	Fair value of plan assets	Benefit liability/(assets)
Opening balance	716.29	522.54	193.75
Gratuity cost charged to profit or loss			
Service cost	117.83	-	117.83
Net interest expense	46.53	33.94	12.59
Benefits paid	(43.76)	(43.76)	-
Remeasurement gains/(losses) in other comprehensive income			
Return on plan assets (excluding amounts included in net interest expense)	-	(5.26)	5.26
Actuarial changes arising from changes in demographic assumptions	5.18	-	5.18
Actuarial changes arising from changes in financial assumptions	20.30	-	20.30
Experience adjustments	21.58	-	21.58
Contributions by employer	-	63.96	(63.96)
	883.95	**571.42**	**312.53**

Particulars	Year ended 31 March 2020		
	Defined benefit obligation	Fair value of plan assets	Benefit liability/(assets)
Opening balance	702.96	472.77	230.19
Gratuity cost charged to profit or loss			
Service cost	89.70	-	89.70
Net interest expense	52.72	35.46	17.26
Benefits paid	(71.50)	(55.85)	(15.65)
Remeasurement gains/(losses) in other comprehensive income			
Return on plan assets (excluding amounts included in net interest expense)	-	(27.01)	27.01
Actuarial changes arising from changes in demographic assumptions	3.67	-	3.67
Actuarial changes arising from changes in financial assumptions	(49.64)	-	(49.64)
Experience adjustments	(11.62)	-	(11.62)
Contributions by employer	-	97.17	(97.17)
	716.29	**522.54**	**193.75**

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

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
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 2021	Year ended 31 March 2020
Discount rate	6.10%	6.50%
Future salary increases	7.67%	7.67%
Retirement age (years)	60.00	60.00
Mortality rates inclusive of provision for disability (2006 - 08)	100% of IALM	100% of IALM
Employee turnover Withdrawal Rate (%)		
All ages	14.21%	15.46%

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 assumption as at 31 March 2021 and 31 March 2020 are shown as below:

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Impact on defined benefit obligation		
Discount rate		
Increase by 1%	(52.92)	(37.62)
Decrease by 1%	59.34	41.87
Future salary		
Increase by 1%	55.42	39.22
Decrease by 1%	(51.10)	(36.38)

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 recognized in the balance sheet.

(g) **Defined benefit liability and employer contribution**

Expected contributions to defined benefit obligation for the year ending 31 March 2022 are ₹ 450.76 lacs. The expected maturity analysis of defined benefit plan is as follows:

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Year		
- Within the next 12 months (next annual reporting period)	126.25	97.44
- Above 1 to 5 years	420.21	294.33
- More than 5 years	851.29	324.52
Total expected payments	**1,397.75**	**716.29**

The average duration of the defined benefit plan obligation at the end of the reporting period is 6 years (31 March 2020: 8 years).

(ii) **Leave obligations**

The amount of the provision of ₹ 254.91 lacs (31 March 2020: ₹ 180.24 lacs) is presented as current and non current. The Company has provided for the liability on the basis of actuarial valuation.

Notes to the Consolidated Financial Statements
for the year ended 31 March 2021

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

33. 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, unless otherwise determined by the Board/Committee. 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 previous financial year, the shareholders have 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. Subsquent to the year end, the Nomination and Remuneration Committee has granted 2,45,297 RSU on 10 May 2021.

c) **Vaibhav Global Limited Employee Stock Options Plan - 2021**

During the current financial year, the shareholders have approved the Vaibhav Global Limited Employee Stock Option Plan – 2021 (herein referred as 'ESOP Plan 2021') through postal ballot resolution dated 21 March 2021. According to ESOP Plan 2021, the Nomination and Remuneration Committee (hereinafter referred as "Committee") decides upon the employees who qualify under the ESOP Plan 2021 and the number of stock options to be issued to such employees. The exercise price of the stock options shall be determined by the Committee/Board of Directors from time to time as on the date of grant, which shall not be less than the face value of the equity share and not more than the market price. Out of ESOP granted, vesting period shall be determined by the Committee/Board of Directors at the time of grant of stock options ranging between one to three years from the date of grant of option. The Company has constituted " Vaibhav Global Employee Stock Option Welfare Trust" to administer and implement the plans. The fair value of the stock option will be estimated at the grant date using a Black-Scholes pricing model taking into account the terms and conditions upon which the stock 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 such stock option will be 7 years from the date of respective vesting. Stock options under the ESOP Plan 2021 are yet to be issued.

d) **Vaibhav Global Limited Management Stock Options Plan - 2021**

During the current financial year, the shareholders have approved the Vaibhav Global Limited Management Stock Option Plan – 2021 (herein referred as 'MSOP Plan') through postal ballot resolution dated 21 March 2021. According to MSOP Plan, the Nomination and Remuneration Committee (hereinafter referred as "Committee") decides upon the employees who qualify under the MSOP Plan and the number of stock options to be issued to such employees. The exercise price of the such stock optionns shall be the face value of the equity shares as on date of exercise. For stock options granted, the vesting period shall be determined by the Committee/Board of Directors at the time of grant of stock option ranging between one to three years from the date of grant of options. The Company has constituted "Vaibhav Global Employee Stock Option Welfare Trust" to administer and implement MSOP Plan. The fair value of the stock options will be estimated at the grant date using a Black-Scholes pricing model taking into account the terms and conditions upon which the stock 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 such stock options will be 7 years from the date of respective vesting. Subsquent to the year end, the Nomination and Remuneration Committee has granted 23,187 stock options on 10 May 2021.

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e) 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:

Particulars	Year ended 31 March 2021		Year ended 31 March 2020	
	Number	WAEP	Number	WAEP
Outstanding at beginning of the year	12,08,714	625.75	13,83,529	541.77
Granted during the year	4,05,900	1,021.88	4,57,700	712.92
Forfeited during the year	(84,867)	698.59	(1,54,151)	636.56
Exercised during the year *	(2,61,725)	601.76	(4,78,364)	462.80
Outstanding at the end of the year	**12,68,022**	**752.62**	**12,08,714**	**625.75**
Exercisable at 31 March	5,03,180	564.56	4,84,210	526.05

* The weighted average share price at the date of exercise of these options was ₹ 1,913.62 (previous year: ₹ 899.12)

The weighted average remaining contractual life for the share options outstanding as at 31 March 2021 was 6.82 years (31 March 2020: 6.92 years)

The weighted average fair value of options granted during the year was ₹ 423.00 (31 March 2020: ₹ 293.31).

The range of exercise prices for options outstanding at the end of the year was ₹ 45.30 to ₹ 3,806.91 (31 March 2020: ₹ 45.30 to ₹ 1,059.45)

The following tables list the inputs to the models used for the plans for the years ended 31 March 2021:

Series	31 March 2021				
	AC	AD	AE	AF	AG
Stock price of option as on grant date	1,007.20	1,335.10	4,013.70	4,013.70	4,013.70
Exercise price of option	944.75	1,317.82	1,970.00	2,644.36	3,806.91
Risk free rate	4.90% to 5.59%	4.75% to 5.37%	5.81% to 6.48%	5.81% to 6.48%	5.81% to 6.48%
Volatility	39.7% to 42.2%	39.3% to 41.1%	41.0% to 43.1%	41.0% to 43.1%	41.0% to 43.1%

The following tables list the inputs to the models used for the plans for the years ended 31 March 2020:

Series	31 March 2020				
	X	Y	Z	AA	AB
Stock price of option as on grant date	768.70	866.65	816.50	999.20	1,175.45
Exercise price of option	680.40	852.84	812.94	901.06	1,059.45
Risk free rate	7.82% to 8.00%	7.82% to 8.00%	5.76% to 6.41%	5.41% to 5.80%	5.41% to 5.79%
Volatility	31.17% to 39.01%	31.13% to 38.65%	28.51% to 35.96%	27.11% to 34.93%	27.63% to 35.21%

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

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Expense arising from equity-settled share-based payment transactions	667.74	513.77

There were no cancellations or modifications to the awards in 31 March 2021 or 31 March 2020

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

Particulars	Number of shares	Amount
Opening balance as on 01 April 2019	**36,852**	**3.69**
Add: Shares allotted by Company	4,80,785	48.08
Less: Shares exercised by employee	(4,78,364)	(47.84)
Closing balance as on 31 March 2020	**39,273**	**3.93**
Add: Shares allotted by Company	2,23,806	22.38
Less: Shares exercised by employee	(2,61,725)	(26.17)
Closing balance as on 31 March 2021	**1,354**	**0.14**

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34. 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 Group.

S. No.	Particulars	31 March 2021	31 March 2020
i)	The principal amount and the interest due thereon remaining unpaid to any supplier at the end of accounting year;		
	- Principal amount	71.28	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

35. Contingent liabilities and Commitments

a) Contingent liabilities:

Particulars	31 March 2021	31 March 2020
(a) Demand/show cause notices received from government authorities		
(i) Demand/show cause notice received under Income Tax Act	200.77	185.66
(b) Guarantees provided by the Company		
(i) Guarantee given by the bank on behalf of the Company	580.60	569.79
(c) Claims against the Company, not acknowledged as debt	Not quantifiable	Not quantifiable

A. The Company had received a notice from the Income Tax Department under Section 148 of the Income Tax Act, 1961 for Assessment Year 2012 - 13. Honorable High Court had granted stay order on the Company's petition. Based upon the nature and external expert opinion obtained by the Company, the management does not expect any liability to arise out of it. Amount is not quantifiable at this point in time.

B The Company has received notices from the Income Tax Department under Section 148 of the Income Tax Act, 1961 for Assessment Year 2013 - 14 to Assessment Year 2015 - 16. The Company has inquired with Income Tax Department for reasons behind issuing such notices and responded as per the required procedures. Management has no further information in this regards.

C During the previous financial year, pursuant to the shareholder's approval, the Company has bought back and extinguished a total of 8,65,675 equity shares at an average buyback price of ₹ 831.72 per equity share. Basis external opinion obtained by the Company, the Company believes that provisions of Section 115QA of Income Tax Act 1961 is not applicable to the Company.

D The Holding Company and its various subsidiaries are required to comply with the local transfer pricing regulations, which are contemporaneous in nature. The Group appoints independent consultants annually for conducting transfer pricing studies to determine whether transactions with associate enterprises undertaken during the financial year, are on an arm's length basis. Adjustments, if any, arising from the transfer pricing studies in the respective jurisdictions will be accounted for when the study is completed for the current financial year. The management is of the opinion that its transactions with associates are at arm's length so that the outcome of the studies to corroborate compliance with legislation will not have any material adverse impact on the financial statements.

b) Commitments:

Particulars	31 March 2021	31 March 2020
Estimated amount of contracts remaining to be executed on capital account and not provided for	3,151.34	70.21

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36. Assets hypothecated as security

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Current assets	27,668.08	28,717.53
Non- current		
Property, plant and equipment	4,364.83	3,794.65
Right-of-use assets	363.58	363.58
Investment in subsidiaries		
- 200 common shares with no par value of STS Jewels Inc., USA	7,980.32	7,980.32
- 87,500 Ordinary shares of HK $100 each of STS Gems Limited, Hong Kong	1,575.00	1,575.00
- 1,25,76,633 equity shares of US $ 1 each of equity investment of VGL Retail Ventures Limited, Mauritius (formerly Genoa Jewelers Limited)	6,135.39	6,135.39
Other financial assets - bank deposits	76.75	78.66
Total non-current assets hypothecated as security	**20,495.87**	**19,927.60**
Total assets hypothecated as security	**48,163.95**	**48,645.13**

37. Segment reporting

An operating segment is a component of an entity that engages in business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance for which discrete financial information is available.

The Group is engaged in manufacturing/ trading and retail of "Fashion and lifestyle products' which is the primary business segment based on the nature of products manufactured/ traded and sold. In view of same, the Group has only one reportable segment viz 'retail of fashion and lifestyle products' as required by Ind AS 108 on 'Operating Segments'.

The Group sales its product majorly in four geographies: America (including Canada), United Kingdom (including some parts of Europe), Hong Kong, India and others.

Segment revenue from customers by geographic area based on location of the customer is as follows:

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
United States of America (USA)	1,73,850.97	1,38,897.67
United Kingdom (UK)	77,575.47	54,819.84
India	2,004.72	3,945.03
Others	575.86	984.44
Total	**2,54,007.02**	**1,98,646.98**

38. 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 less cash and cash equivalents. Adjusted equity comprises of all components of equity.

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The Group's adjusted net debt to equity ratio as at 31 March 2021 is as follows:

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Borrowings (refer note 17)	9,171.91	6,443.23
Cash and cash equivalents (refer note 12A)	(7,206.75)	(7,058.29)
Bank balances other than above (refer note 12B and note 7)	(11,703.16)	(10,565.14)
Net debt	**(9,738.00)**	**(11,180.20)**
Equity share capital (refer note 15A)	3,253.67	3,227.50
Other equity (refer note 15B)	93,129.62	71,903.70
Total equity	**96,383.29**	**75,131.20**
Net debt to equity ratio	-10.10%	-14.87%

39. 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 2021.

40. Related party transactions

A. List of related parties :

Ultimate Holding Company

Brett Enterprises Private Limited

Key Management Personnel (KMP)

1. Mr. Sunil Agrawal - Managing Director
2 Mr. Vineet Ganeriwala - Group CFO (w.e.f. 21 February 2020)
3 Mr. Puru Aggarwal - Group CFO (upto 21 February 2020)
4 Mr. Rahimullah - Whole Time Director (upto 12 October 2019)
5 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
4 Mr. Sanjeev Agrawal (w.e.f. 29 October 2020)

Non-Executive and Independent Directors

1 Mr. Harsh Bahadur - Chairman
2 Mr. Sunil Goyal
3 Mr. Santiago Roces
4 Mr. James Patrick Clarke
5 Mr. Purushottam Agarwal (upto 14 May 2019)
6 Ms. Monica Justice (w.e.f. 6 September 2019)

Relatives of key management personnel

1 Mr. Hursh Agrawal (son of Mr. Sunil Agrawal)
2 Mrs. Deepti Agrawal (wife of Mr. Sunil Agrawal)
3 Master Neil Agrawal (son of Mr. Sunil Agrawal)
4 Mrs. Renu Raniwala (sister of Mr. Sunil Agrawal)
5 Mr. Sanjeev Agrawal (brother of Mr. Sunil Agrawal)
6 Mrs. Kusum Bardiya (wife of Mr. Nirmal Kumar Bardiya)

Others (significant influence)

1 VGL Softech Limited

Employee benefit trust

1 Vaibhav Global Limited Employees' Gratuity Fund

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B. Details of related party transactions

Type of transaction	Ultimate Holding Company	Others		Key Managerial Persons and their relatives					
	Brett Enterprises Private Limited	Vaibhav Global Limited Employees' Gratuity Fund	VGL Softech Limited	Mr. Sunil Agrawal	Mr. Rahimullah	Mr. Puru Aggarwal	Mr. Vineet Ganeriwala	Mr. Sushil Sharma	Other Directors
Transaction during the year ending :									
Remuneration									
- 31 March 2021	-	-	-	426.11	-	-	107.67	30.20	124.55
- 31 March 2020	-	-	-	356.56	17.50	152.98	33.44	19.25	106.19
Share based payment to KMP **									
- 31 March 2021	-	-	-	-	-	-	24.78	3.37	-
- 31 March 2020	-	-	-	-	-	32.82	2.55	3.01	-
Dividend paid									
- 31 March 2021	4,429.05	-	-	6.89	-	-	0.33	-	56.68
- 31 March 2020	5,737.88	-	-	8.93	5.00	1.25	0.24	-	82.04
Dividend paid to relatives of KMP									
- 31 March 2021	-	-	-	107.21	-	-	-	0.00	40.48
- 31 March 2020	-	-	-	86.03	-	1.10	-	0.02	52.44
Directors commission/sitting fees									
- 31 March 2021	-	-	-	-	-	-	-	-	32.20
- 31 March 2020	-	-	-	-	-	-	-	-	35.40
Balance as at year end:									
- 31 March 2021	-	571.42	52.07	-	-	-	-	-	27.74
- 31 March 2020	-	522.54	52.07	-	-	-	-	-	23.47
Less: Impairment loss recognised									
- 31 March 2021	-	-	(52.07)	-	-	-	-	-	-
- 31 March 2020	-	-	(52.07)	-	-	-	-	-	-

** Refer note 3(g)(ii)

Note: The working capital borrowings of the Company are secured by the personal guarantee of Mr. Sunil Agrawal, Managing Director of the Company. (Refer note 17)

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41. Fair value measurements

(i) Financial assets and liabilities:

The accounting classification of each category of financial instruments, and their carrying amounts are set out below:

As on 31 March 2021	Note No.	FVTPL	FVTOCI	Amortised cost	Total carrying value
Financial assets					
Cash and cash equivalents	12A	-	-	7,206.75	7,206.75
Bank balance other than above	12B	-	-	11,626.41	11,626.41
Loans- current	13	-	-	135.11	135.11
Trade receivables	11	-	-	16,710.94	16,710.94
Investments	6A and 6B	28,008.27	-	-	28,008.27
Other non current financial asset	7	-	-	747.69	747.69
Other current financial asset	7	-	-	120.18	120.18
	-	**28,008.27**	-	**36,547.08**	**64,555.35**
Financial liabilities					
Borrowings	17	-	-	9,171.91	9,171.91
Trade payables	18	-	-	16,071.30	16,071.30
Other financials liabilities	19	-	-	545.13	545.13
	-	-	-	**25,788.34**	**25,788.34**

As on 31 March 2020	Note No.	FVTPL	FVTOCI	Amortised cost	Total carrying value
Financial assets					
Cash and cash equivalents	12A	-	-	7,058.29	7,058.29
Bank balance other than above	12B	-	-	10,486.48	10,486.48
Loans - current	13	-	-	206.00	206.00
Trade receivables	11	-	-	13,479.77	13,479.77
Investments	6A and 6B	8,173.38	-	-	8,173.38
Other non current financial asset	7	-	-	754.27	754.27
Other current financial asset	7	-	-	178.15	178.15
	-	**8,173.38**	-	**32,162.96**	**40,336.34**
Financial liabilities					
Borrowings	17	-	-	6,443.23	6,443.23
Trade payables	18	-	-	14,314.13	14,314.13
Other financials liabilities	19	-	-	369.87	369.87
	-	-	-	**21,127.23**	**21,127.23**

(ii) Fair value hierarchy

The table shown below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined below:

a) **Level 1:**
Level 1 hierarchy includes financial instrument measured using quoted prices. This includes listed equity instruments that have a quoted price. The fair value of all equity instruments which are traded in the stock exchanges is valued using the closing price as at the reporting period end.

b) **Level 2:**
If inputs required to fair value an instrument other than quoted prices included within Level 1 are observable, either directly (i.e., as prices) or indirectly (i.e., derived from prices), the instruments are included in Level 2.

c) **Level 3:**
If one or more of the significant inputs is not based on observable market data, the instruments is included in level 3.

Financial assets and liabilities measured at fair value- recurring fair value measurements :

Financial instruments	As at 31 March 2021		
	Level 1	Level 2	Level 3
Financial assets			
Investments (unquoted)	-	28,007.94	0.33
Total	-	**28,007.94**	**0.33**

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Financial instruments	As at 31 March 2020		
	Level 1	Level 2	Level 3
Financial assets	-	8,173.03	0.35
	-	8,173.03	0.35

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:

- 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.

42. Financial risk management objective and policies

This section gives an overview of the significance of financial instruments for the Group and provides additional information on the balance sheet. Details of significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in Note 6, 7, 11, 12, 13, 17, 18 and 19.

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.

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 raw 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.

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Financial risk

The Holding Company'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 Holding company 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 2021			
	< 1 year	1-3 Years	> 3 Years	Total
Current borrowings	9,171.91	-	-	9,171.91
Trade and other payables	16,071.30	-	-	16,071.30
Other financials liabilities	545.13	-	-	545.13
Total	**25,788.34**	**-**	**-**	**25,788.34**

Financial liabilities	As at 31 March 2020			
	< 1 year	1-3 Years	> 3 Years	Total
Current borrowings	6,443.23	-	-	6,443.23
Trade and other payables	14,314.13	-	-	14,314.13
Other financials liabilities	369.87	-	-	369.87
Total	**21,127.23**	**-**	**-**	**21,127.23**

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 Great British Pound. 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 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 2021	31 March 2020
HKD to USD	218.61	3,195.80
INR to USD	324.66	2,171.62
INR to GBP	0.34	1,641.31
GBP to USD	-	27.48
THB to USD	188.08	-
Others	2.98	-

Particulars	Financial liabilities	
	31 March 2021	31 March 2020
INR to USD	1,152.46	81.38
HKD to USD	-	57.40
GBP to EURO	11.60	-
Others	0.34	-

Notes to the Consolidated Financial Statements

for the year ended 31 March 2021

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

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 increase/decrease in the Group's profit and equity for the fiscal year 2021 and 2020 by ₹ 21.49 lacs and ₹ 829.70 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 denominated in US dollars, Indian Rupee and GBP with floating and fixed rates of interest. The debt is of floating rates linked to LIBOR for foreign currency denominated loans and Repo Rate for Indian Rupee denominated loans. 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 2021	31 March 2020
Floating rate financial liabilities	9,171.91	6,443.23

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.

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 2021	Year ended 31 March 2020
0.50%	45.86	32.22
1.00%	91.72	64.43
1.50%	137.58	96.65

(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 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. The calculation is based on historical experience/ current facts available in relation to default and delays in collection thereof.

The management historical experience of collecting receivables is that credit risk is low. Hence, trade receivables are considered to be a single class of financial assets. Refer note 11 for exposure to trade receivables and note 3 for accounting policy on financial instruments.

Financial assets other than trade receivables

With regards to other financial assets with contractual cash flows other than trade receivable, 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 2021 is ₹ 28,934.50 lacs; 31 March 2020 is ₹ 9,233.14 lacs.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2021

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

Derivative financial instruments

The Group 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 and Great Britain Pount forecasted cash flows is governed by the Holding Company's strategy, which provides principles on the use of such forward contracts consistent with the Holding 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 Holding Company has entered into a series of foreign exchange forward contracts that are designated as fair value hedges. The Holding Company does not use forward covers and currency options for speculative purposes.

During the current year, the Holding Company has earned profits on acount of cash flow hedging derivatives amounting to ₹ 16.16 lacs. The above profit is included in foreign exchange gain (net) in the Statement of Profit and Loss. All the foreign exchange forward contracts designated as fair value flow hedges along with related forecasted transactions will be matured within the next financial year.

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

Particulars	31 March 2021		31 March 2020	
	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	16.16	-	-	-
Net assets/ liability	**16.16**	**-**	**-**	**-**

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.

Notes to the Consolidated Financial Statements
for the year ended 31 March 2021

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

43. Statutory group information

Additional information pursuant to paragraph 2 of Division II of schedule III to the Companies Act 2013:

For the year ended 31 March 2021:

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	Amount	As % of consolidated net profit	Amount	As % of consolidated OCI	Amount
Parent						
Vaibhav Global Limited	35.12%	52,938.37	13.98%	4,683.11	100.00%	(34.04)
Subsidiaries						
STS Jewels Inc., USA	1.59%	2,401.37	1.32%	442.02	-	-
STS Gems Thai Limited, Thailand	1.07%	1,619.27	1.37%	459.80	-	-
STS Gems Limited, Hong Kong	3.23%	4,864.72	-2.70%	(905.70)	-	-
STS Gems Japan Limited, Japan	0.00%	(6.57)	0.00%	(0.45)	-	-
VGL Retail Ventures Limited, Mauritius	14.53%	21,892.65	10.69%	3,582.15	-	-
Vaibhav Vistar Limited, India	0.00%	(2.05)	-0.01%	(4.19)	-	-
Vaibhav Lifestyle Limited, India	0.00%	(4.84)	-0.03%	(11.45)	-	-
Minority interest in Vaibhav Lifestyle Limited	0.00%	(1.61)	-0.01%	(2.86)	-	-
Step down subsidiaries						
Pt. STS Bali, Indonesia	0.79%	1,186.07	1.02%	343.16	-	-
Shop TJC Limited, UK	18.23%	27,482.16	26.34%	8,826.00	-	-
Shop LC Global Inc., USA	24.66%	37,165.24	44.99%	15,075.70	-	-
STS (Guangzhou) Trading Limited, China	0.86%	1,292.77	3.44%	1,151.19	-	-
Shop LC GmbH, Germany	-0.07%	(106.77)	-0.38%	(128.97)	-	-
Sub total	**100.00%**	**1,50,720.78**	**100.00%**	**33,509.51**	**100.00%**	**(34.04)**
Less: Adjustments on acccount of consolidation		(54,339.10)		(6,334.17)		(186.61)
Net of adjustments		**96,381.68**		**27,175.34**		**(220.65)**

Notes to the Consolidated Financial Statements
for the year ended 31 March 2021

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

For the year ended 31 March 2020:

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	Amount	As % of consolidated net profit	Amount	As % of consolidated OCI	Amount
Parent						
Vaibhav Global Limited	41.53%	53,994.09	28.38%	12,736.92	100.00%	19.89
Subsidiaries						
STS Jewels Inc., USA	1.54%	2,004.68	-1.20%	(537.20)	-	-
STS Gems Thai Limited, Thailand	0.88%	1,139.33	0.71%	319.37	-	-
STS Gems Limited, Hong Kong	4.53%	5,888.49	1.36%	608.23	-	-
STS Gems Japan Limited, Japan	0.00%	(6.43)	0.00%	(0.37)	-	-
VGL Retail Ventures Limited, Mauritius	17.02%	22,125.88	22.78%	10,226.07	-	-
Step down subsidiaries						
Pt. STS Bali, Indonesia	0.59%	770.37	0.67%	299.00	-	-
Shop TJC Limited, UK	16.36%	21,274.10	23.58%	10,582.67	-	-
Shop LC Global Inc., USA	17.47%	22,710.96	23.56%	10,573.80	-	-
STS (Guangzhou) Trading Limited, China	0.08%	109.94	0.17%	75.71	-	-
Sub total	100.00%	1,30,011.41	100.00%	44,884.20	100.00%	19.89
Less: Adjustments on acccount of consolidation		(54,880.21)		(25,858.47)		2,354.97
Net of adjustments		**75,131.20**		**19,025.73**		**2,374.86**

Note:
Indian rupee equivalents of the figures given in foreign currencies in the accounts of the subsidiary companies are based on the exchange rates for respective subsidiary.

As per our attached report of even date

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

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

Rajiv Goyal
Partner
Membership No. : 094549
Place: Gurugram
Date: 12 May 2021

Sunil Agrawal
Managing Director
DIN: 00061142
Place: Austin
Date: 12 May 2021

Nirmal Kumar Bardiya
Non-Executive Director
DIN: 00044624
Place: Jaipur
Date: 12 May 2021

Vineet Ganeriwala
Group CFO
Place: Jaipur
Date: 12 May 2021

Sushil Sharma
Company Secretary
ICSI Membership No: F6535
Place: Jaipur
Date: 12 May 2021

Notes

Corporate Information

Board of Directors

Harsh Bahadur *(Chairman)*

Sunil Agrawal *(Managing Director)*

Nirmal Kumar Bardiya

Sheela Agarwal

Sanjeev Agrawal

Pulak Chandan Prasad

Santiago Roces

James Patrick Clarke

Sunil Goyal

Monica Justice

Chief Financial Officer
Vineet Ganeriwala

Company Secretary
Sushil Sharma

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

Secretarial Auditor
M/s Vinod Kothari & Company

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: +91-141-2770648,
+91-141-2771975

Principal Bankers
Punjab National Bank, Jaipur
State Bank of India, Jaipur
HDFC Bank Ltd., Jaipur
Yes Bank Ltd., Jaipur

Registrar & Share Transfer Agent
M/s KFin Technologies Pvt. Ltd.
(Unit: Vaibhav Global Limited)
Selenium Tower B, Plot 31-32,
Gachibowli Financial District, Nanakramguda,
Serlingampally, Hyderabad - 500 032
Toll Free No. 1800 309 4001

Stock Exchanges where Company's Securities are listed
BSE Limited
National Stock Exchange of India Limited

Corporate Identity Number
L36911RJ1989PLC004945

Website
www.vaibhavglobal.com

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