VAIBHAV GLOBAL LIMITED

Ref: VGL/CS/2022/65

Date: 11th July, 2022

National Stock Exchange of India Limited (NSE)
Exchange Plaza, C-1, Block G,
Bandra Kurla Complex,
Bandra, Mumbai – 400 051
Symbol: VAIBHAVGBL

BSE Limited
Phiroze JeejeeBhoy Towers,
Dalal Street,
Mumbai – 400 001
Scrip Code: 532156

Subject: Integrated Annual Report for the FY 2021-22 and Notice convening the 33rd Annual General Meeting

Dear Sir/Madam,

Pursuant to SEBI (LODR) Regulations, 2015, please find enclosed herewith Integrated Annual Report for the financial year 2021-22 containing the Notice of the 33rd Annual General Meeting (AGM) of the Company, the same is available on the website of the Company i.e. www.vaibhavglobal.com.

The Schedule of 33rd AGM of the company is as under:

Event	Date	Time (IST)
Cut-off date to determine eligible members for voting on AGM Resolution(s)	Tuesday, 26th July, 2022	NA
Commencement of E-Voting	Friday, 29th July 2022	10:00 A.M.
End of E-voting	Monday, 01st August, 2022	5:00 P.M.
Annual General Meeting	Tuesday 02nd August, 2022	9:00 A.M.

This is for your information and record.

Thanking you,

Yours Truly,

For Vaibhav Global Limited

VAIBHAV GLOBAL LIMITED JAIPUR

Sushil Sharma
Company Secretary

VAIBHAV GLOBAL LIMITED

1st Integrated Report 2021-22

33rd Annual Report 2021-22

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COMMITTED TO OUR PURPOSE. CREATING CONSISTENT VALUE.

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 might be a 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 FY22.

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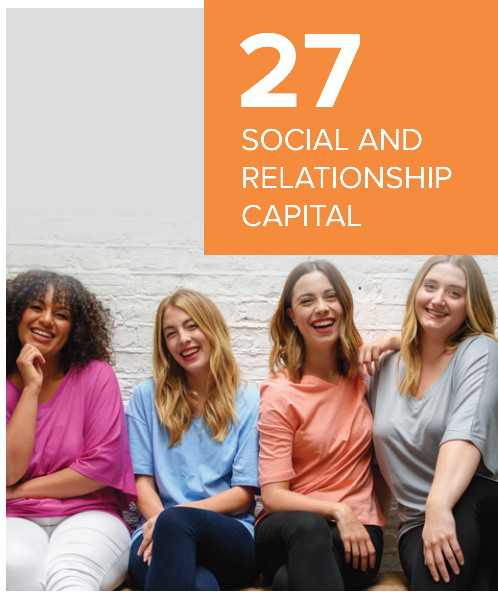

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SOCIAL AND RELATIONSHIP CAPITAL

COMMITTED TO OUR PURPOSE. CREATING CONSISTENT VALUE.

At Vaibhav Global Limited, with well-defined strategy, aligned purpose, vision, mission and core values, we are committed towards creating, delivering and sustaining value for all our stakeholders. We reinforce our drive for long-term value creation by focusing on business expansion, process improvement, people engagement, innovation and most importantly, corporate governance. We maintain a constant focus on our operational efficiency, optimal allocation of capital and assets. Strong relationship with our customers and effective governance framework have been the key to our organisation. An effective organisational culture, socially responsible business practices further help deliver long-term sustainable value for all our stakeholders.

Over these four decades of operations, we are continually scaling up our product portfolio, adding adjacent categories and venturing into new geographies. Our resilient business model and a vertically integrated manufacturing and sourcing base facilitates us in providing consistent returns to shareholders.

Offering our value-conscious customers with an assortment of fashion jewellery, gemstones & lifestyle products, we have been able to drive repeat purchases, strengthen volumes and enhance customer life-time value over these years. Our omni-channel model fosters a greater level of engagement with our customers. With more than 40 years of value creation journey, today the number of our unique customers stands at half a million.

We are determined to continuously find new opportunities within our portfolio and investing to scale our teams, technology, and partnerships to support our growth ambitions. We believe seeding these long-term investments are necessary to build on significant opportunities for the future.

Today, we have reached a level of business where we are self-reliant, very well-entrenched through omni-channel distribution and serving with widest possible product portfolio. From our current standing, we look forward to expanding ourselves by building greater scale and strength. We are continuously exploring ways to establish new channels of growth and value creation and will progress forward with conviction and determination.

Vaibhav Global Limited – By the Numbers

0.5 Million
No. of Unique Customers

~20,000-25,000
No. of SKUs

~14,000
new Jewellery Designs introduced every year

Deals in
250+
gemstones, including rare gemstones

~US$ 29
Average ticket size

253 K
New customer acquisition in FY22 (Adjusting for essentials, growth rate would be 16% over FY21 and 60% over FY20)

40%
Customer retention rate

8
No. of Manufacturing Facilities

30
No. of countries sourcing from

8.4%
YoY increase in Revenue (25 years CAGR: 19.4%)

27
Average pieces purchased per customer

100%
Power requirement for 2 manufacturing locations in India and US met through renewable source

63 Million
Meals provided to school children in India, US and UK since inception of our flagship one-for-one meal initiative *'Your Purchase Feeds..'*

25 YEARS OF PUBLIC LISTING

An end-to-end digital retailer

Listed in 1996-97 on Indian stock exchanges, Vaibhav Global Limited (VGL) is an end-to-end electronic deep discount electronic retailer of fashion jewellery, gemstones and lifestyle products in United States, United Kingdom, Germany and Canada.

How we create value

Today's customers seek convenient shopping experience. We are available to the customers via our proprietary TV Shopping channels (Shop LC in US & Germany and Shop TJC in UK) and other digital medium which includes website, mobile apps, Over-The-Top platforms (OTT's), social-media and third-party marketplaces. Thus, today VGL reaches out to almost 124 million households across US, UK and Germany. As digitisation increases, online retail is expected to grow & mature, our portfolio & omni-channel strategy will accordingly evolve alongside.

Our journey of transformation

Headquartered in Jaipur (India), VGL initially began operations as a B2B player reaching the patrons via intermediaries like Walmart, Sear, and Macy's, among others. Since 2005, the Company started to expand the customer funnel by venturing into the B2C business model, wherein it opened physical retail stores in major international tourist destinations, such as Alaska, Mexico and the Caribbean Islands, and opened 19 such stores till 2007. In parallel, the Company moved more closer to consumers through proprietary TV channels in the US, UK and Germany. The above measures were a part of bigger plans to become a prominent player in the teleshopping industry.

However, the opportunity of growth was confronted with the challenge of the global financial crisis in 2008. To address the lower discretionary spending by customers, VGL started liquidating its inventory at low prices. This discovery of liquidation model turned out to be a blessing in disguise. The Company further consolidated its operations and exited the German market and closed its physical retail stores. This led to changing our long-term strategy to focus on the 'Deep-Discounted' business model and this marked another phase of evolution for the VGL Group.

Also, our moat of being a vertically integrated business model further supported the successful assimilation of our new strategy and replacement of our old high-end fine jewellery business model. We also started to expand the distribution channel and adopted the 'omni-channel' strategy for product sale through web-based electronic media. In 2013, leveraging the immense potential of digital retail, we also introduced several low-priced non-jewellery products, such as handbags, scarves, beauty products, and mobile accessories, thereby expanding to lifestyle accessories. With this, we marked our foray into lifestyle accessories. The Company then changed its name to Vaibhav Global Limited.

Further, in 2015, we strengthened the non-jewellery offering and added new products like Home Décor, Beauty Care and Hair Care products. 2017 onwards, we started to strengthen our TV network reach through Over-The-Air (OTA) platforms, and also augmented our digital sales network through mobile applications, Over-the-Top (OTT) platforms, Marketplaces, and the Social Media.

Today, we have transformed ourselves into a full-fledged deep discount digital retailer.

Reaching our customers

The TV shopping channels reach out to customers directly 24X7 on almost all major cables, satellite, DTH platforms, YouTube, OTT platforms and the social media. Our e-Commerce websites in United States (www.shoplc.com), UK (www.tjc.co.uk) and Germany (www.shoplc.de) along with mobile applications complement our TV coverage, diversify customer engagement, and aid our customer lifetime value.

OUR VISION

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

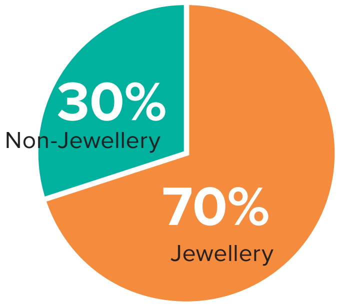
OUR MISSION

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

OUR CORE VALUES

TEAM WORK
HONESTY
COMMITMENT
PASSION
POSITIVE ATTITUDE

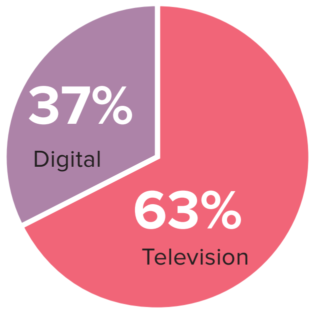
Revenue break-up



Digital platforms

Proprietary Website	Mobile Applications	Social Media	Third-Party Marketplaces	Over-The-Top Platform
www.shoplc.com, www.tjc.co.uk, www.shoplc.de	Google Play, App Store	YouTube, facebook	amazon fba, Walmart	Roku TV, DIRECTV stream

Revenue by Format



Growing further through the 4R Strategy

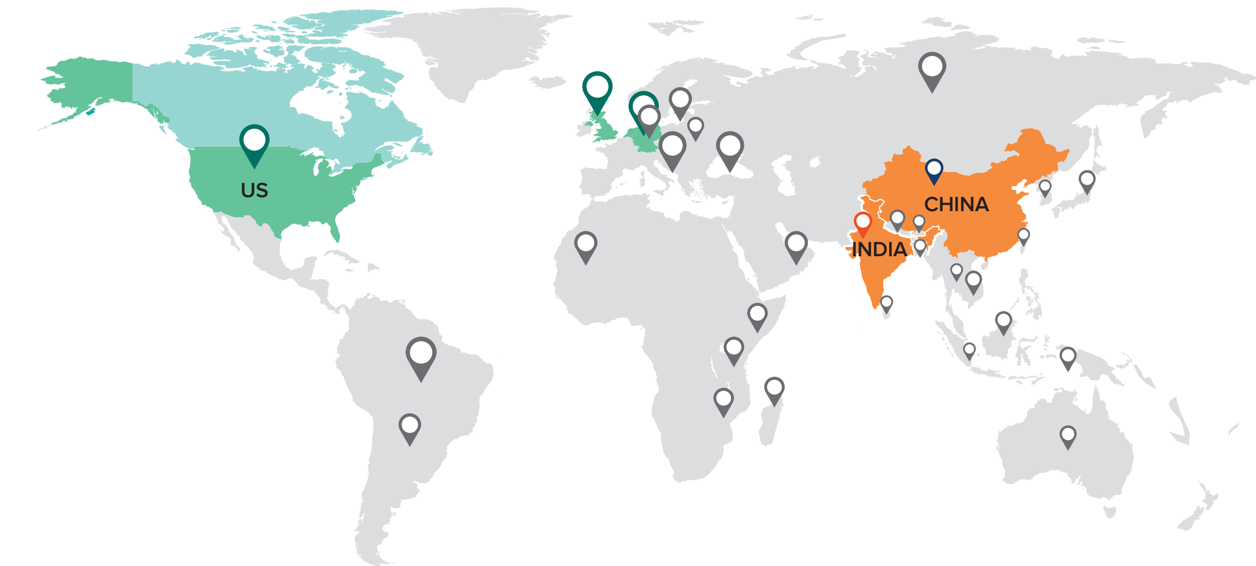
1 Reach
2 Registration
3 Retention
4 Repeat

WHAT SETS US APART

- Low average ticket size: Serving affluent but value-conscious customers in western developed markets
- Vertically Integrated Supply Chain (spanning across 30 countries)
- Inhouse Manufacturing
- Industry Leading Highest Gross Margins
- Strong focus on Innovation
- Proprietary TV Channels serving as Mother Brands, namely, Shop LC and Shop TJC

OUR GLOBAL FOOTPRINT

We cater to the highly engaged customers in three of the world's largest and advanced retail markets of US, UK and Germany. We also operate through marketplaces in Canada. Given our deep value proposition, we have established a wide presence across mediums, with a robust customer connect.



- Retail Markets
- Manufacturing Countries
- Sourcing Countries

Map not to scale. For illustrative purposes only

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. Madagascar
9. Bolivia
10. Kenya
11. South Korea
12. Vietnam
13. Brazil
14. Sri Lanka
15. USA
16. UK
17. Mozambique
18. Germany
19. Italy
20. Turkey
21. Poland
22. Singapore
23. UAE
24. Japan
25. Bangladesh
26. Philippines
27. Czech Republic
28. Nepal
29. Taiwan
30. Australia

Retail markets and geographies where we operate:

USA | UK | Germany | Canada (Through Marketplaces)

OUR PRESENCE ACROSS PLATFORMS

We are an omni-channel player, selling via TV (including OTA) and digital medium which includes Over-The-Top (OTT), websites, mobile applications and all kinds of social media and marketplace platforms. This unique positioning gives an engaging shopping experience to our customers and a high recall value, besides the value positioning we command.

TV PLATFORMS

US | UK | Germany

Proprietary TV

Shop LC
TJC
TJC Beauty
Shop LC

Live TV

Shop LC livestream on
- Shoplc.com
- YouTube
- Facebook
- Amazon Live

TJC livestream on
- Tjc.co.uk
- YouTube
- Facebook

Shop LC Livestream on
- Shoplc.de
- YouTube

DIGITAL PLATFORMS

Proprietary web platform

shoplc.com
tjc.co.uk
shoplc.de

Mobile app on App store and Google Play

Shop LC
TJC

OTT platforms

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

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

- Magenta
- YouTube

Marketplaces

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

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

- Amazon

Social media retailing of targeted products

- Instagram
- Facebook
- Pinterest
- YouTube
- Snapchat

- Instagram
- Facebook
- Pinterest

- Facebook
- YouTube
- Instagram
- Pinterest

OUR REGION-WISE PERFORMANCE – A REVIEW

Being an omni-channel player, we grew our unique customer base across the markets we are present in. We are aiming at growth by continuously gaining market share in US and UK, and recently have increased our geographical presence by venturing into German market.

Our business model is capable to operate in all kinds of economic cycles. We have been expanding our customer base leveraging product portfolio and omni-channel presence and have been gaining good traction. With a robust business model, healthy balance sheet, stable cashflows and experienced management, we are well positioned to explore high return on investments and tap future opportunities.

UNITED STATES

Key highlights of FY22

United States is our largest market and delivers the highest revenue share. The contribution of this region to our consolidated revenue stands at 68%.

US$ 246.2 Million

Revenue

Up 5% YoY (Up 28% over FY20)

68%

Contribution to Group Revenue

57%

New Customers registered digitally

During the year, in constant currency, Shop LC (US) grew by 4.8% YoY. However, when compared on a two-year scale, the growth is even more encouraging at 28.1%. With economy opening post COVID-19 and people moving to in-person shopping after a sharp jump towards the digital medium in FY21, we faced macro headwinds after tailwinds of the last year. We perceive this as a temporary aberration in the ever-increasing digital transition. At the same time, we are taking strategic steps to utilise this opportunity to serve customers with an expanded value proposition and filling the product gaps.

During the year, our customers were successfully migrated to Sales Force Commerce Cloud. The platform is also being utilised in targeted campaigns based on customer segmentation (dormancy duration, product category purchase, and purchase source). Besides this, we also launched our proprietary Mobile App 3.0 and enhanced our investment on OTT (Over-The-Top) platforms in US in a bid to expand our customer funnel and tap future growth opportunities. Within OTT, traction has been encouraging with our revenue and unique customers trebling. Our presence on prominent OTT players like Roku, Amazon Fire TV, Direct TV Stream is expected to provide us with long-term growth opportunities. Apart from digital, we also enhanced our TV affiliates and improved our association with customers through customer segmentation and personalisation.

We also launched two D2C brands, namely, Rachel Galley and TAMSY in US and UK. TAMSY is a female apparel brand which has been created, incubated and launched in-house by targeting customers above 40 years with an increased focus on fit and value. On the other hand, Rachel Galley is a contemporary jewellery brand of UK, whose worldwide digital brand rights were acquired by us. It offers exceptional jewellery at affordable prices, thus aligning well with our focus on 'value conscious' offerings.

Repeat Purchase

Up 7.5%

over FY21

Net Promoter Score

Up 3%

over FY21

Customer Satisfaction

Up 3.2%

over FY21

Besides, we also implemented GEEK+ warehouse robotic automation at our warehouses in US and UK. GEEK+ are advanced robotic systems that provide customisable solutions in picking material in a time-efficient manner, making warehousing management affordable, efficient, flexible, and safer. GEEK+ is expected to improve the picking productivity by almost thrice vis-à-vis conventional manual picking, while reducing the error rates.

For financial year 2022-23, we are targeting to expand our OTT reach to new platforms and VOD (Video on Demand). We also intend to increase reach of cable and OTA by 10 million additional households in FY23. On the digital side, our efforts will be to improve salesforce marketing cloud as well as web and mobile app performance, improve customer review mechanism, scale digital marketing for Google and Facebook, expand influencer marketing program, acquire more customers and enhance customer lifetime metrics.

UNITED KINGDOM

Key highlights of FY22

Shop TJC (UK) is another important territory of VGL Group which roughly contributes 1/3rd to the Group's total revenues. In local currency terms, UK grew by 1% YoY. But in comparison with FY20 (being a normal operative year), the UK business grew by a robust rate of 32%. Due to the macro headwinds which globally impacted the digital retail industry, UK was impacted the most amongst all our addressable markets. Having firm belief in our strong business model and considering long-term growth prospects, we made significant investments in technology and digital platforms, and expanded digital footprint during the year.

GBP 80.6 Million

Revenue
Up 1% YoY (Up 32% over FY20)

31%

Contribution to Consolidated Revenues

77%

New Customers registered digitally

With engaging content and popular influencers elevating consumer experience, TJC experienced consistent growth in new customer acquisition which grew by 9.7% YoY. In UK too, significant investments have been made in technology and digital platforms. We launched two D2C brands (TAMSY and Rachel Galley), upgraded technology infrastructure in the form of salesforce commerce cloud; and upgraded Mobile App 3.0 and OTT applications.

These investments will aid in developing digital capabilities, enhancing and personalising customer experience and improving product information through infographics and PIM (Product Information Management).

A key development of the year has been the improvement in our channel positioning on Freeview broadcasting – from Channel 50 to Channel 22. Our new broadcasting right is expected to strengthen our visibility and enhance viewership, leading to a corresponding increase in our market share. With 27 million households, this upward channel revision is expected to facilitate customer acquisition too.

We embarked on our journey on digital and automated operations in UK, with 77% of our new customer registrations happening digitally today. In terms of product offerings, we are leveraging our omni-channel network and wider procurement base to offer more varieties under 'non-jewellery segment', which today contributes ~43% of overall revenue in UK.

TJC Beauty's reach was expanded further by being launched on SKY Network, UK's largest Pay-TV broadcaster, being aligned with the channel's philosophy of 'Beauty is for Everyone'. With this arrangement, it will now be airing for 8 hours. Going forward, we see good potential in this segment and will continue to expand its reach.

GERMANY

Trends and challenges

The German market offers vast and robust growth opportunities not only in television, but also in the e-Commerce market, which has approximately increased the total addressable market for VGL Group by 20%. In Germany, teleshopping market alone is more than Euro 2 billion. We are confident of replicating the success of US and UK business model in Germany too. Being a Greenfield market for us, we are carefully deploying our capital and talent to offer good quality products to customers and enhance their shopping experience.

KEY HIGHLIGHTS OF FY22

We forayed into Germany during the year and also serving Austria from there. Having registered Shop LC GmbH, we launched retail operations and have already reached 27 Million households through live programming on TV (including 2 million households in Austria). Besides satellite, we are also present on IPTV and many other cable operators. We continue to leverage our value-driven model and focusing on customers looking for value and quality products. We have gained loyal and repeat customers and have been seeking to convert them into omni-channel customers. We are taking efforts to acquire pure digital customers and utilising social media platforms to acquire further new customers.

4 Million Euro

Revenue

~10 times

Average pieces purchased per customer

1%

Contribution to Consolidation Revenue

~21,000

New customers

314 Euro

Spend per customer

~63%

Customers Satisfaction Score

MESSAGE FROM THE CHAIRMAN

> We have consistently believed that value creation and sustainable business practices are complementary goals. We are on the right course, in the right direction and the Company would continue with its tireless efforts to improve returns for its shareholders, delivering quality products, and taking customer centricity to the next level. We are also proud to be a company with the highest level of corporate governance and transparency.

Dear Shareholders,

I am happy to present to you the 1st Integrated Report and 33rd Annual Report of Vaibhav Global Limited for the financial year 2021-22. The year was characterised by global macro challenges of volatility, cost inflation and pandemic-led aberrations. Our commitment to grow responsibly, and strategy of maintaining a diversified product portfolio, enabled us to deliver stable performance and emerge resilient. We remain focused on investing in future capabilities. Our business model, underpinned by a robust strategic approach, can adapt to any environment.

Differentiated value proposition

We are an electronic retailer of fashion jewellery, gemstones, lifestyle products and accessories in US, UK, and Germany, with access to approx. 124 million households through our TV home shopping networks and digital platforms. The Group has reported a track record of consistent growth in digital retailing of jewellery, gemstones, and lifestyle products over the years. We take pride in being a value player by offering compelling values to customers enabled by our direct sourcing and an asset-light business model. Our focus on expanding our channel footprint along with widening the product portfolio has broad-based market share gains across US and UK over the years and we are confident of continuing this momentum.

What helps sustain margins

A fully integrated supply chain is our moat, and we manufacture majority of our jewellery products which allows bulk sourcing and better price negotiations. Apart from, we also ventured into manufacturing apparels. Besides, China, India, Thailand and Indonesia, we have a strong sourcing arrangement from several countries. This strong supply chain mechanism allows a strong value proposition to the customers and sustains gross margins above 60%. Our vertically integrated supply chain has worked favourably for us till date. Even during the recent period when the freight prices went up sharply along with air freight capacity constraints, we were able to tide over these challenges with relatively reduced impact. Besides costs, our vertical model also help reduced delivery time and better control over the quality of products.

Expanding non-jewellery categories

We understand the potential of being an omni-channel retailer with cross-category selling potential. With the intent of deepening our customer engagement, we continue to introduce new non-jewellery products regularly. TJC Beauty, our dedicated beauty channel, expanded its reach in UK by launching on SKY - UK's largest pay-TV broadcaster. Non-Jewellery products provides synergistic adjacency to its fashion jewellery portfolio at similar price points, allowing us to target a larger wallet share of customers. This also helps us improve retention and repeat purchase by customers.

Brand: Deep Discounting Focused Retailing

Our key focus of the year has also been to consolidate our branded products to enhance customer trust and loyalty. Today, our in-house brands contribute 25-30% of Group revenue. Further, during the year, we acquired global online brand rights of 'Rachel Galley', a UK-based jewellery designer brand. It is a multiple award-winning brand which focusses on the principle of 'exceptional jewellery at affordable prices'. Also, we launched 'TAMSY', a new female fashion apparel brand targeting customers above 40 years of age. We believe that wider brands presence across multiple sales channels allows higher recall, therefore, better customer retention and repeat sales opportunities.

Innovation facilitating business efficiencies

At Vaibhav Global Limited, we constantly nurture a culture of innovation across products as well as processes. In product innovation, we have created multiple programmes such as 'Innov8' for employees and family members, 'Draw a Design' for college students, 'SPARK' for entrepreneurs, 'Idea Labs' for customers, 'Catapult' for outside Innovators. We are proud to share the fact that revenue from our innovation products contributes ~5% to our global revenue. Similarly, on the processes front, we encourage our employees to share their process ideas. During the year, we received more than 2,000 innovative process ideas, out of them 246 ideas have already been implemented. Process innovation is expected to provide operational synergies and cost optimisation across the organisation.

Committed to sustainability

We have consistently believed that value creation and sustainable business practices are complementary goals. Renewable energy is a key focus area in VGL's strategy for mitigating climate change risks. As the world races towards Net-Zero, we have set a target to become carbon neutral in Scope 1 & 2 emissions by 2031. We remain committed to using responsibly sourced material. Our solar power capacity of 3.23 MW is addressing 100% of our energy requirements in Jaipur. Our two office buildings in the US are also using 100% renewable energy. During the year, we developed 2 Miyawaki forests in India across 2 acres of land and planted ~26,000 saplings there. We compost all our biodegradable waste and safely disposed of our plastic and e-waste in our India units. Efforts are already underway to follow the same at other Group units too. Under our flagship one-for-one meals initiative '*Your Purchase Feeds..*', we served 13 million meals to school children in India, US and UK during FY22. With this, we have served 63 million meals till date.

Moving forward

Our differentiated value proposition through the deep discounting model presents an opportunity to grow faster organically (US and UK) and through our foray into the new territory of Germany. We are on the right course, in the right direction and the Company would continue with its tireless efforts to improve returns for its shareholders, delivering quality products, and taking customer centricity to the next level. We are also proud to be a company with highest level of corporate governance and transparency.

As we look ahead, on behalf of the Board of Directors, I take this opportunity to express my sincere appreciation to our Customers, Partners, Employees and Shareholders for your support and trust. I seek your continued support to grow and progress our Company to greater heights.

Best wishes,

Harsh Bahadur
Chairman

MESSAGE FROM THE MANAGING DIRECTOR

Our business model revolves around customer centricity with a wide range of product, engaging content and deep value proposition supported by a vertically integrated supply chain.

Assessment of year gone by

The year depicted a significant landmark as Vaibhav Global Limited accomplished milestone of completing 25 years of being a publicly listed company in India. We take this opportunity to thank our shareholders who shared this journey with us and contributed to our success. This has been a great journey with consistent healthy returns since listing. We are grateful to all stakeholders for their continued trust, confidence and support in the past years. All these years, our deep discount value positioning worked well in various kinds of economic cycles.

FY 2021-22, being a challenging year, was well navigated owing to our strengths, strategic initiatives and the perseverance of our team. While facing short-term headwinds of cost inflation and pandemic, we were able to achieve 8.4% of revenue growth on an unusually higher base of last year. Our performance over the past many years have remained consistent with healthy double-digit growth across business parameters. We continue to gain market share in our addressable markets of US & UK and our endeavour is to sustain this market leading growth in future also.

The year gone by comprised a series of macro events which had direct impact on consumer sentiments and digital retail industry. We believe that the revenue pressure, which industry faced in FY22 was transient. Our business continues to be driven by value proposition at an expanding range of innovative products and deep customer engagement. The underlying long-term business prospects are promising, and our long-term ambition is to sustain growth whilst building operating leverage.

It is also pertinent to note that FY22 was a 'year of investments' for us whence we created future growth levers. During the year, we ventured into new geography of Germany, thereby expanded our addressable electronic retail market. We made significant investment on digital front through various initiatives. We are expanding our sales points across channels – Cable TV, Over the Air (OTA), websites, mobile apps, OTT, social-media, and third-party marketplaces.

On Region-wise performance

Today, we have a strong base of half a million unique customers with healthy repeat purchase across our addressable markets. Our primary markets of US and UK started the year on a strong note. However, post first quarter, as vaccination in both US & UK reached pivotal levels, economy started to open up. Consequently, consumer went out en-masse in a phenomenon called revenge outing & revenge buying. Global macro headwinds in the form of geo-political tensions and inflation also impacted consumer sentiments in second half of the year.

Owing to our robust business model, we delivered stable performance. In full year FY22, in constant currency terms, Shop LC (US) grew by 4.8% YoY, and 28.1% over FY20. While UK grew 1% YoY, against FY20 it grew by a strong 32.3%.

In US, which is our largest market, we finished upgrading our tech infrastructure on Salesforce Commerce Cloud for the website and mobile applications. This would enable elevated customer experience in coming periods. Besides this, we also invested on acquiring more OTA homes. We also purchased land in Texas to build new integrated headquarters of Shop LC (US) which is expected to bring operational synergies and cost savings.

In UK, digital investments on technology infrastructure and customer experience were made similar to US. In addition to those, Shop TJC (UK) upgraded its Freeview channel position to 22 from erstwhile number 50. This investment is expected to provide long-term growth opportunities and increased market share. During the year, TJC UK's dedicated beauty channel ('TJC Beauty') widened its reach by launching itself on 'SKY' – UK's largest pay-TV broadcaster. We see good potential in this segment and will continue to expand its reach going forward.

German operations are faring well, and its performance has been as per our plans. We are already present on prominent TV networks, digital platforms like Website, marketplaces, OTT and social media. Today, we have coverage in approx. 27 million households in Germany and are continuously expanding our presence there. We expect to breakeven in Germany by H2 of FY24.

There are multiple levers for future growth available to us and we continue to remain alert and agile to capitalise on upcoming opportunities. We are adopting pragmatic approach to continue to gain further market share.

On Operational Efficiencies

We are proud to be the fastest growing digital retailer driving efficiency in our business model and having a well-established cost-effective supply chain. Several key steps were adopted to achieve operational efficiencies in our business operations during the year. The call centre in India became operational. This has helped us in achieving excellent CSAT (Customer Satisfaction) scores of 95% for both US and UK. Presently, ~50-60% volume of US & UK is being catered by Indian call centre. We acquired one apparel manufacturing unit thereby expanding our lifestyle products category. The acquisition is likely to give flexibility in terms of procurement, better control over quality and cost arbitrage. Further, commissioning of GEEK+ robots at our warehouses in US and UK have been completed which is expected to improve the picking productivity by almost 3 times vis-à-vis conventional manual picking, while reducing error rates. We also acquired majority stake in a packaging company in Sri City. This investment is already enabling us to cut our packaging box costs in US and UK.

On Key Focus Areas in FY23

Our business model revolves around customer centricity with a wide range of product, engaging content and deep value proposition supported by a vertically integrated supply chain. In FY23, our key focus area will be to further strengthen our omni-channel presence enabling cross-selling potential and resultant improved customer lifetime value. We also intend to increase our TV reach by increasing the number of households we broadcast to. We will continue to invest in strengthening our 'Digital' capabilities. We will work on further improving shopping experience of customers by improving various customer touchpoints, while maintaining overall profitability.

The recent challenges related to inflationary trends and recession fears might affect consumer sentiments in the short term. However, with focused strategic pillars in place which are 'broadening our omni-channel reach', 'expanding customer base through compelling content and promotions', 'increase retention by improving customer experience' and 'increase repeat purchase through varied product offering', we expect continued and sustainable growth in the medium and long term.

Towards the end, I would like to say, that we are confident to continue our growth trajectory with healthy margins, as our current investments will help build on significant opportunities in the medium and long term.

Best wishes,

Sunil Agrawal
Managing Director

MESSAGE FROM THE CHIEF FINANCIAL OFFICER

> At Vaibhav Global, looking back on the last year, our financial discipline, constant focus on innovation and other significant investments made to scale further, will enable us to continue to grow our market share.

Dear Shareholders,

I am honoured to present the first Integrated Annual Report of your Company for FY 2021-22. During the year, your Company managed to register a decent revenue growth of 8.4% with sustainable gross margins amidst current macro environment setup. Despite all this, with focused execution our business stayed firm and achieved a market leading growth.

This year, we have also completed our 25 years of public listing and it gives us pleasure to share the fact that during this period, VGL Group delivered top decile shareholder returns consistently.

The year gone by was also a year of investments for us wherein we invested on creating strategic building blocks for future growth. Emphasis was laid on further expanding our customer reach digitally and upgrading our business processes. I am sure that these initiatives would complement our path of sustainable growth and value creation.

FY22 Report Card

For the year under review, we faced macro headwinds after tailwinds of FY21, initially with economies opening and people moving to in-person shopping after a sharp jump towards digital medium a year ago. During later part of the year, digital retail industry was further impacted by Omicron and inflationary pressures in our addressable markets. But we believe this is a temporary aberration in the ever-expanding digital retail market and at the same time we are taking strategic initiatives to utilise the opportunity to serve customers with expanded value proposition and filing product gaps.

During the year under review, our B2C revenues grew by 6.8% YoY, however, on over FY20, the growth is even more robust at 40.0%. TV Revenues grew 5.8% YoY (32.3% over FY20), while Digital Revenues grew relatively stronger at 8.5% (55.8% over FY20). At ₹67 crore, B2B revenue registered a growth of 162.7%. This was on account of cautious yet focused B2B approach. Also, we have started to directly serve our B2B customers from our existing supply chain in Asia and that seems to result in better ROIs for the Group.

In terms of products, the Jewellery segment reported a rise of 8.8% during the year (25.3% over FY20), whereas the non-Jewellery segment increased 2.4% (93.1% over FY20). In terms of geography, for full year FY22, in constant currency, Shop LC (US) grew by 4.8% YoY, and by 28.1% over FY20. While UK grew 1% YoY, for FY20 it grew strongly by 32.3% in constant currency terms. Germany, the virgin territory explored during the year, contributed 1% to Group's revenues.

Our Gross Margins stood at 62.3% of net revenue which is at par with FY21. EBITDA registered a 5-year CAGR of 24.3%. EBITDA margin at 11.0% of net revenue is down by 4.3% YoY which reflects short-term impact of planned investments on digital marketing, marketplaces, increased airtime for OTA platforms and our initial setup cost of Germany. Adjusted for losses in Germany, EBITDA margins are healthier at 12.7%. We have undertaken a cost optimisation program in the recent times and are expecting annualised visible saving of US$ 6 million to US$ 7 million through these cost efficiency initiatives. Going forward, with expanding operations in Germany and losses to decline substantially, easing of supply chain constraints, improved productivity and cost optimisations, this could lead the way to recovery in profitability.

Profit after tax for the year is ₹ 237 crore versus ₹ 272 crore YoY, owing to increase in investments and macro headwinds. Adjusted for loss in Germany and exceptional item, PAT for the year would have been ₹ 258 crore. Operating cash flow of ₹ 86 crore in March '22 reflects the impact of higher transit inventory, because of port congestion and lack of air-freight capacity. Negative free cash flow of ₹ 214 crore are on account of planned CAPEX towards technology infra upgrade, warehouse automation, free view channel upgrade in UK, new headquarter in US and initial setup cost of Germany.

However, despite these investments on TTM basis, our ROCE and ROE continue to be strong at 31% and 23% respectively. And this reflects our short-term impact of conscious business investments, though they are still at par with normal pre-COVID years.

Earnings Per Share was ₹ 14.56, compared to ₹ 16.77 in the earlier year. I am delighted to share that our Board has recommended total dividends of ₹ 6.00 per equity share (including interim dividend payouts of ₹ 4.50 per share). Through this, our dividend payout ratio is 41%, implying healthier shareholder returns.

FY22 - A Year of Investments

The year was marked with several planned capital investments and increased operating expenses to enable a significant leap in our operations. To sustain a growing business in size and complexity, we made strategic investments considering future growth potential. We kickstarted our German operations wherein initial response is encouraging with expanding customer base and coverage reaching ~27 million households within 1 year of operations.

We also stepped-up investment in digital and broadcasting space. In the digital tech space, we made investments in digital marketing through channels to make our presence felt across all mediums – social media, OTT and OTA.

Our warehouse automation project was another significant investment of the year. This refers to GEEK+ robotic automation and is set to deliver huge benefits on operational efficiencies. We expect that nearly 55-60% of the picking will be done through robots in future. IT-related projects on technological infrastructure upgradation were another key investment of the year. Besides, we also purchased land in the United States to move our headquarters from rental premises, this investment is expected to provide synergy in terms of cost optimisation and functional integration.

Further, we also started two D2C brands – TAMSY and Rachel Galley – which strengthened our brand portfolio. TAMSY is an in-house brand-incubated and launched internally. It is a female apparel brand targeting customers above 40 years of age with higher focus on fit and value. Rachel Galley is a multiple award-winning contemporary jewellery brand of UK, and we acquired its online brand rights globally. Further, we acquired a 60% stake in Sri City-based Encase Packaging, which specialises in manufacturing and trading of various types of packaging materials. This will enhance our supply chain network by providing required flexibility and cost advantage. It will consolidate our existing integrated supply chain, offer substantial savings in the packaging cost of jewellery products and strengthen our efforts on sustainable packaging. Apart from above, in terms of operating expenses, we substantially increased our investments on affiliate costs and digital marketing costs to build future growth levers.

We are of the firm belief that the benefits of above investments will be accrued over the next couple of years in the form of future growth, customer acquisition and profitability.

Delivering value to shareholders

Through our product quality, comprehensive portfolio and value positioning and an asset-light business model, our foremost objective is to generate value for our shareholders on a sustainable basis. Our margins continue to be strong owing to our vertically integrated supply chain. To illustrate, the new market of Germany, that we forayed into during the year, delivered 60%+ margins within few months of kick-starting operations. With this level of margins, we expect our Germany business to break even by H2 of FY24.

Moving forward

At Vaibhav Global, looking back on the last year, our financial discipline, constant focus on innovation and other significant investments made to scale further, will enable to continue to grow our market share. From hereon, we believe our growth will be sustainable as it is predicate on the strengths of our organisation – an able and competent leadership, deep customer relationships, ability to innovate and develop new products, globally competitive manufacturing capabilities, and an efficient supply chain and distribution infrastructure.

Today, we are able to take advantage of market dynamics through our diversified portfolio and credibility among the customers and thus remain confident of robust growth in future and building market share gains.

In conclusion

I would like to express my deep gratitude and appreciation for all our stakeholders – our customers, vendors, suppliers, employees and our shareholders. We are ready for a promising future with the multiple business drivers that will enable us to achieve our goals.

Let me assure you that we endeavour to build on to the momentum and create further value for all our stakeholders.

Best Regards,

Vineet Ganeriwala
Group Chief Financial Officer

OUR VALUE-CREATION AND BUSINESS MODEL

INPUTS

Financial Capital
Total Equity ₹1,128 Cr
Cash & Liquid Investments ₹92 Cr (Net of Debt)
Capital Expenditure ₹301 Cr

Manufactured Capital
Manufacturing Units 8
Gross Block Value ₹697 Cr

Intellectual Capital
No. of new product ideas generated 11,500+
No. of Ideators 1,200
No. of Process Ideas Received 2,086+

Human Capital
Total number of employees 4,047
Training hours 59,249
Total no. of training hours (per full time employee) 46
Diversity Aspect
Male 73% Female27%

Social and Relationship Capital
No. of households we cater 124 Mn
CSR Spend ₹8.21 Cr

Natural Capital
Solar plants capacity 3.23 MW
2 units in India & US: Meeting 100% of power requirements through renewable energy sources
Tree plantation
Waste disposal
Rainwater harvested and recycled

VALUE-CREATION PROCESS

VISION AND VALUES

OUR VALUE CREATION PROCESS

Relationships
- Customers
- Vendors
- Employees
- Regulatory Authorities

4Rs of Customer Engagement
- Reach (124 million households in US, UK and Germany)
- Registration (320 K)
- Repeat (27 times)
- Retention (40%)

Vertically Integrated Supply Chain
- In-house manufacturing
- Wider Procurement Base across the Globe
- Low-cost manufacturing
- Efficient outbound logistics

Governance
- Purpose
- Vision
- Mission
- Core Values
- Board of Directors and Committees
- Robust Internal Control Mechanism
- Code of Conduct
- Whistle Blower Policy

Core Elements
- Vertically integrated value chain
- Omni-channel presence
- Manufacturing facilities
- Product and Process Innovation
- Corporate Social Responsibility

Support Functions
- Human Resource Management
- Information Technology
- Finance and Accounts
- Legal and Secretarial
- Internal Audit
- Administration
- Innovation
- Corporate Communication

Key Aspects
- Strategy and Capital Allocations
- Stakeholder Engagement
- Risks and Opportunities

OUTPUT & OUTCOMES

Financial Capital
Turnover ₹2,752 Cr
EBITDA ₹303 Cr
PAT ₹237 Cr
Dividend Payout Ratio 41%

Return on Equity 23%
Market Capitalisation (as on 31st March 2022) ₹6,125 Cr

Manufactured Capital
No. of Product Categories 2
- Fashion Jewellery & Gemstones
- Lifestyle Products

No. of SKUs 20,000 to 25,000

Intellectual Capital
No. of new innovative products launched in markets 860+

Revenue contribution from new innovative products ~5%
Innovative Process Ideas Implemented 246

Human Capital
Training hours achieved vs planned 124%

% of employees covered in training vs planned 88%
No. of fatalities 0

Social and Relationship Capital
No. of meals served 13 Mn
Customer Retention rate 40%

Repeat Purchases 27
Net Promoter Score US & UK: 95%

Natural Capital
Solar Energy generated 40.39 kWh
Plastic Waste Recycled ~1,400 kg
E-waste Recycled ~1,300 kg
Rainwater harvested 6,100 KL per annum
Water recycled 17,500 KL per annum

No. of saplings/ trees planted
31,600 saplings planted till date:
a) 26,000 saplings planted in 2 Miyawaki forests
b) 5,600 additional saplings planted in other areas

FINANCIAL CAPITAL

During the year, we made long-term investments towards expanding our multi-platform presence and strengthening our digital capabilities. These focused investments are expected to support our objectives and help create a business model where our purpose and profits are aligned. The collective strength of our balance sheet, judicious risk management and focus on cash conservation is enabling us to deliver strong returns.

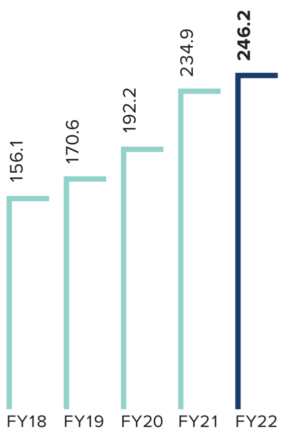
FY22 was also a particularly significant year – not just financially, but also for some significant milestones we achieved. During the year, we kickstarted our German operations and stepped-up investments in digital and broadcasting. During the year, having faith in our business model, we invested in upgraded technology adoption and digital platform expansion. We continue to gain and widen our customer base through these investments. While the year gone by also faced several macro challenges in the form of inflationary pressures, temporary surge in in-person shopping, elevated sea freight etc., we perceive these to be transient phenomenon and remain confident of our business drivers with robust growth outlook in the medium to long run.

	Total Revenue	Revenue from TV	Revenue from Digital	Revenue from B2B
FY21	₹2,540 Crore	₹1,606 Crore	₹909 Crore	₹25 Crore
FY22	₹2,752 Crore	₹1,699 Crore	₹986 Crore	₹67 Crore

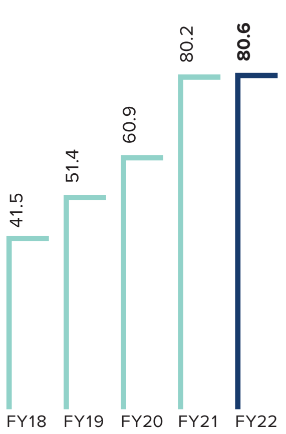
	B2C Volumes		B2C Average Selling Price	
FY21	7,837 ('000)	5,409 ('000)	27.7 ('000)	22.7 ('000)
FY22	6,998 ('000)	5,477 ('000)	32.6 ('000)	24.2 ('000)

■ TV Volumes ■ Digital Volumes ■ TV ASP (US$) ■ Digital ASP (US$)

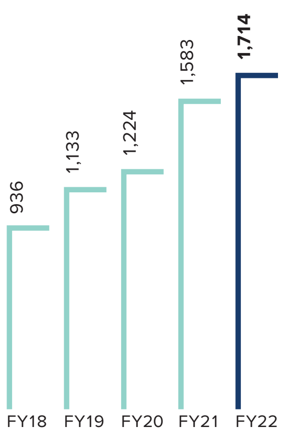
**Revenue – Shop LC (US)
(US$ Million)**



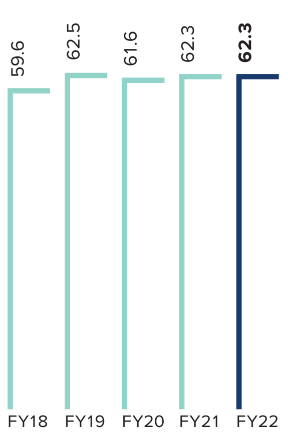
**Revenue – Shop LC (UK)
(GBP Million)**



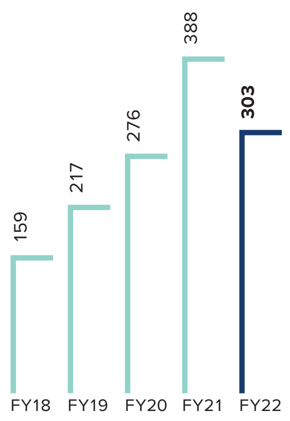
**Gross Profit
(₹ Crore)**



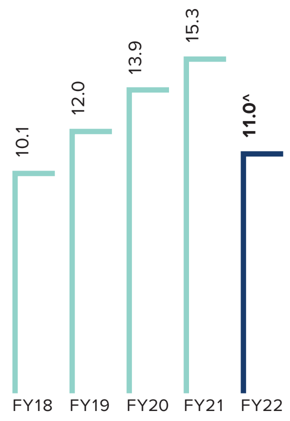
**Gross Profit Margin
(%)**



**EBITDA
(₹ Crore)**

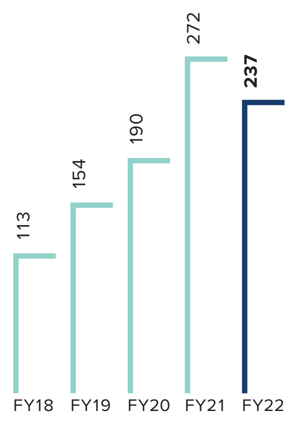


**EBITDA Margin
(%)**

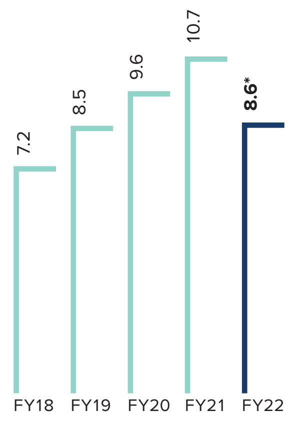


^Excluding Germany 12.7%

**PAT
(₹ Crore)**

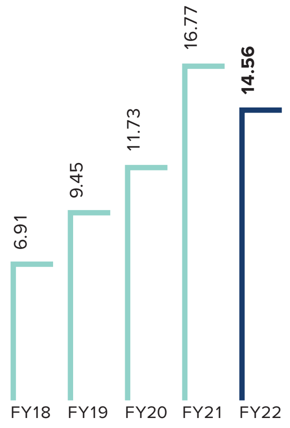


**PAT Margin
(%)**

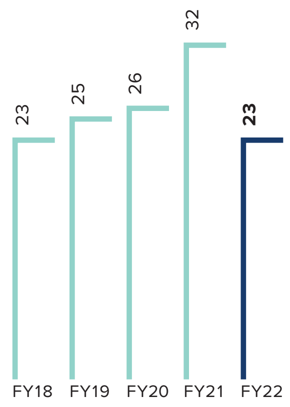


*Excluding Germany 9.4%

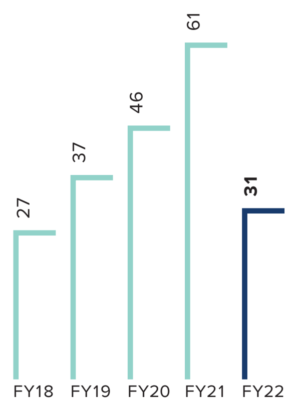
**Earnings Per Share (₹)
(Adjusted for share split)**



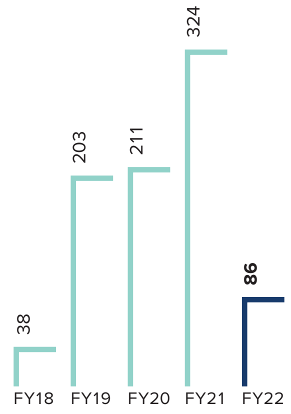
**Return on Equity
(%)**



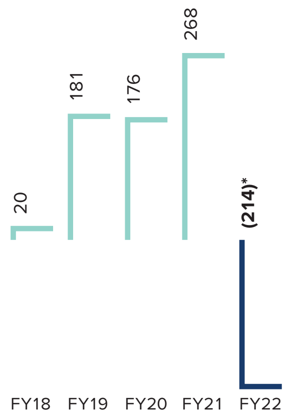
**Return on Capital
Employed (%)**



**Operating Cash Flows
(₹ Crore)**



**Free Cash Flows
(₹ Crore)**



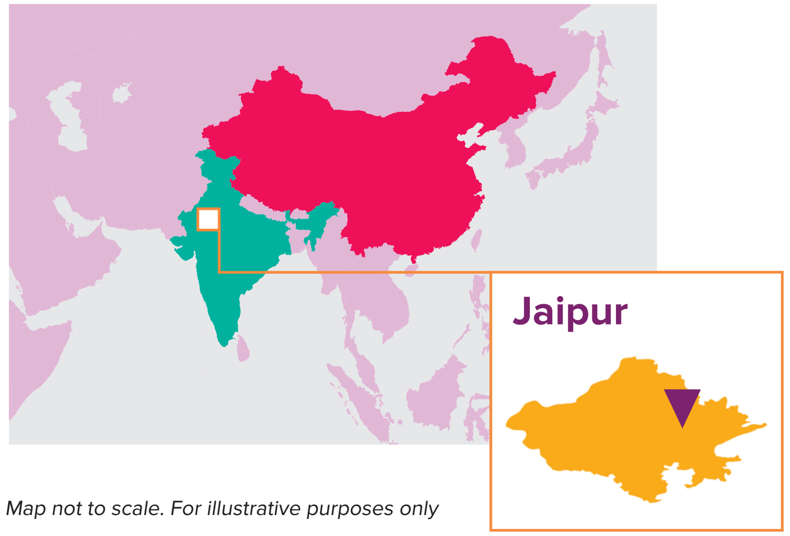
*This is owing to the impact of planned capex carried out towards upgradation of technological infrastructure, automation of warehouses, enhancing of freeview channel position in UK, cost for setting up new head-quarters in US and the initial cost for setting up German operations.

Core Investments in FY22

- Kickstarted German operations and stepped investment in digital marketing across social media, OTT and OTA
- Undertook warehouse automation with GEEK+, which is expected to improve the picking productivity by almost 3 times vis-à-vis conventional manual picking
- Upgraded technology infrastructure on Salesforce Commerce Cloud
- Updated Mobile App 3.0 and OTT Apps in US and UK
- Launched direct-to-consumer brands TAMSY and Rachel Galley to strengthen brand portfolio
- Purchased land in Texas to build new integrated headquarters of Shop LC (US). To bring operational synergies and substantial cost savings
- Acquired 60% stake in Encase Packaging to consolidate existing supply chain and gain substantial savings in packaging of jewellery products. This will also strengthen our efforts towards developing a sustainable packaging for our products.

MANUFACTURED CAPITAL

Our sustainable and tech-enabled manufacturing locations contribute to our operational efficiency and help provide products to our customers. Today, we manufacture majority of our jewellery in-house, allowing us to have better control over costs, maintaining profitability and offer good quality products. The efficient use of our manufacturing capacities enables us to be agile and innovative while maintaining quality standards.



Map not to scale. For illustrative purposes only

OUR MANUFACTURING PROFICIENCIES

Seven Manufacturing Units in **India** and One Unit in **China** (Including 1 recently acquired apparels manufacturing unit in Jaipur)

IN-HOUSE MANUFACTURING – OUR KEY COMPETITIVE ADVANTAGE

We are a firm believer of 'Make-in-India' and have been contributing to national production over the past many years and strengthening our manufacturing base. Around 70% of our jewellery products are manufactured inhouse. We have our manufacturing facilities in India and China. During the year, we acquired one apparel manufacturing unit at Jaipur. With a staff of 250-300 people, it manufactures fashion apparels.

Inhouse manufacturing enables us to have control over our supply chain and product quality. We are capitalising on advantage of having a low-cost Asian base for manufacturing. This cost arbitrage facilitates us in serving customers at relatively low average ticket price and providing value-proposition to customers.

CERTIFICATION

SEZ building in Jaipur is the only manufacturing unit in Rajasthan having LEED Platinum Certification

JEWELLERY MANUFACTURING UNITS AT JAIPUR

- Spread over 1,69,000 Sq. Ft area
- Employed 2,000 highly-skilled workers and staff of 1,000
- Annual Capacity of more than 4 million of jewellery pieces
- Manufacturing covers wide range of metals
- Portfolio includes Casted, Handmade, Diamond Cut and Beads Jewellery

TECHNOLOGIES INSTALLED IN FY22

- Laser engraving and cutting machine for personalised jewellery manufacturing
- Koras Electro Polish Machine for gold jewellery polishing, which reduce 50% manual polishing efforts and decreases loss of gold
- Mechanical finishing, plating and enamelling to further enhance look of jewellery
- Stone engraving machine for engraving different designs on gemstones

INTELLECTUAL CAPITAL

The cumulative value of our intellectual capital encompasses our innovation and design capabilities. Based on evolving business strategies, we are constantly strengthening the capital by inculcating business innovations, supporting development of 'PRODUCTS' and 'PROCESSES'.

Process Innovation

At Vaibhav Global, we aim to tap the hidden potential of the organisation by giving our employees a platform to showcase their ideas. Employees are encouraged to share their business ideas which could lead to operational synergies and cost optimisation. During FY22, there was an overwhelming response in terms of employees' participation. In total, 2,086 ideas were received, out of them 330 ideas got approval and 246 of them have already been implemented.

'We aim to further increase the employees participation through 'Process Innovation' in future. We expect that this initiative would unleash the huge scope of business processes improvisation which would enhance overall organisational efficacy'- Unnat Gautam (Process Innovation Head)

Product Innovation

(INNOV8: Delivering Joy Through Continued Innovation)

As Innovation is about creative collaboration, our innovation approach is widely based on our Open-Source mindset. We have created multiple programmes such as 'Innov8' for employees and family members, 'Draw a Design' for college students, 'SPARK' for entrepreneurs, 'Idea Labs' for customers, 'Catapult' for outside Innovators to crowdsource the ideas from various resources.

INNOV8

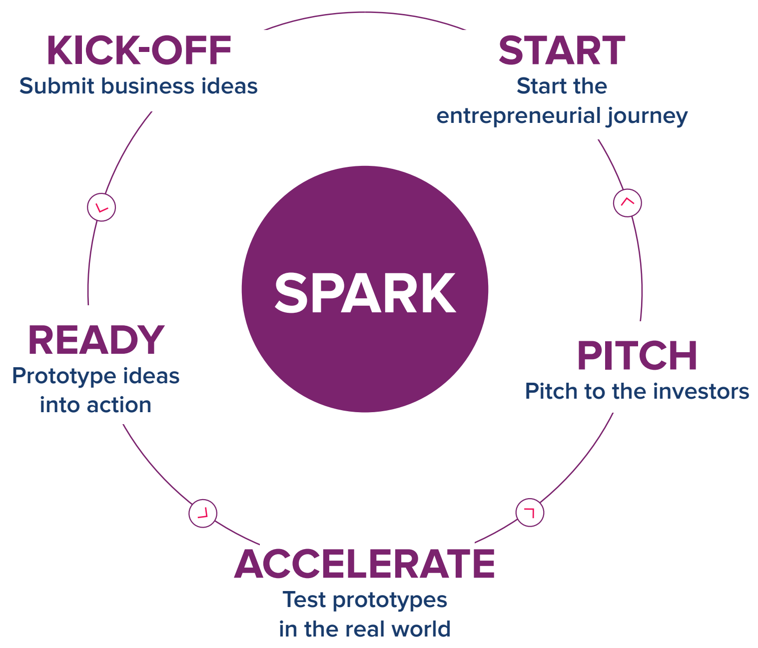
Innov8 is a global product innovation and search programme of VGL Group. During FY22, 11,500+ ideas were received globally, out of them 860+ products were finally shortlisted and went live on our channels. Through this platform, our employees not only received recognition but were also empowered to get their ideas converted into saleable products. We identify trends to gain customer insights and make new designs based on changing customer preferences.

CATAPULT

During the year, we launched our global initiative Catapult to find product creators, innovators and entrepreneurs with exciting products which will then be launched on TV channels of Shop LC in US & Germany and Shop TJC in UK in a timely manner. This fast-track product launch scheme is aimed at accelerating speed-to-market, while its interactive approach aims to bring brands to life through their special stories. Under Catapult initiative, 1,200+ ideas were received from 38 countries. Out of those ideas, 11 product ideas were selected, and 4 products have already gone live on our channels.

SPARK

'SPARK' is an incubator program to foster entrepreneurship within the organisation. The programme also provides start-ups with requisite support to develop and grow. So far 63 ideas have been received, out of them 5 of them have been shortlisted for incubation.



Overall Ideas Summary:

Ideas		Ideators		Total Sales (US$ Million)	
10,500+	17,000+	900+	1,200+	3.5 (~1% of Group's revenue)	17 (~5% of Group's revenue)

■ March 2021 ■ March 2022

Shungite Water Bottle

Soul Smart Watch

The innovative Arthritis Ring: A Case Study

The seed for the innovative arthritis ring project was initially sown by a problem statement which we discovered on our 'Idea Labs' page. As we commenced research, we realised that in the United States alone, 24% of all the adults or 58.5 million people suffer from arthritis in multiple forms. Designing a jewellery for them, which can fit them perfectly without causing any pain, soon became our mission.

At VGL, our purpose is to deliver joy to every single customer. The Innovation team took on the task to design rings that can easily fit on the fingers of those suffering from Arthritis. As the team challenged themselves to figure out a solution for this problem, they brainstormed multiple solutions and exercised various innovative tools to get a perfect solution, and finally came up with a solution. A simple innovation transformed into an effective mechanism, which would allow the rings to slide on the fingers with a single click.

Taking the motivation further ahead, we decided that every new design that we bring to our customers, we will simultaneously make rings with the innovative mechanism for those suffering from arthritis. With this, we make sure to bring a smile on every beautiful face. Also, to protect the effective intellectual property (IP) of VGL, we applied for a design patent application (No. 29824622) for the new mechanism.

"We continuously work to understand the customer's pain points and try to deliver innovative products that solves them. Fostering entrepreneurship and investing in bottom-up initiatives is key for us. Our advantage is our vertical integration. Apart from the ability to launch ready products on to our channels, we can also offer our manufacturing capabilities, eliminating months from the standard production timelines. We want to do this keeping in mind our customers – to whom we can reach with newer products with quick speed to market."

Kulathendral
Head of Innovation

GEEK+ Warehouse Robotic Automation System

Technology-related initiatives

GEEK+ Warehouse Robotics Automation

During the year, advance robotic systems, GEEK+ Robots, were installed in our warehouses in US and UK to provide customisable solutions for picking material in a time-efficient manner. This is aimed at making warehousing management affordable, efficient, flexible and safer. This investment demonstrates our commitment towards leveraging the latest technologies for optimising day-to-day business operations.

Key benefits of GEEK+ Robots

- Better customer experience due to faster shipping time
- Reduced delivery days by ~30% and fewer lost orders
- Reduced operational costs with a smaller ~2.5-3 years payback period

GEEK+ Robots to improve picking productivity by 3 times vis-à-vis conventional manual picking

SOCIAL AND RELATIONSHIP CAPITAL —

Being a customer-centric company, our constant endeavour is to maximise our social impact through responsive and focussed approach. We strive to maintain enduring relationships with all our stakeholders, understanding their needs and serving them with full potential. The vision of our leadership is to enrich these relationships on the basis of mutual trust and shared value creation.

Customers

Being a B2C company, our focus is to enhance customer centricity and better serve our customers. During the year, our call centre in India became operational, as a part of our strategic focus of enhancing customer order experience and cost rationalisation. Today, we are successfully managing call centre for Shop LC (US), Shop TJC (UK) & Shop LC (Germany) from India also which is supported by a robust talent pool. This has helped us in achieving excellent CSAT (Customer Satisfaction) scores of 95% for both US and UK. Presently, ~50-60% volume of US & UK is being catered by Indian call centre. We are focused to further increase India's share and expand its scope of work too in future. In terms of digital processes of call centre, namely, emails and chats, 100% of the same are being handled by Indian call centre today. For Germany, we are expanding our scope of work in India and expect it to perform similarly in times to come. These initiatives have enabled business synergies and significant cost savings for the entire group.

Strong Customer Satisfaction (CSAT) Score of 95% in both US & UK

Customer engagement initiatives

- Focus group and Rediscover 'Shop LC' calls
- Shop LC workshops
- Targeted campaigns on customer segmentation
- Dormant Best Customers survey
- Giveaway events and Sweepstakes/Contests
- Advance marketing calendar planning
- Support expansion in new markets
- Expanding scope of catalogues
- Retaining new customers acquired through paid channels

Marketing events for customers

Christmas IS COMING
HALLOWEEN TREAT
AUSTIN FASHION WEEK
REDISCOVER SHOP LC
CLEARANCE REWARDS
POT OF GOLD SAVINGS
INTERNATIONAL WOMEN'S DAY CELEBRATION

Suppliers

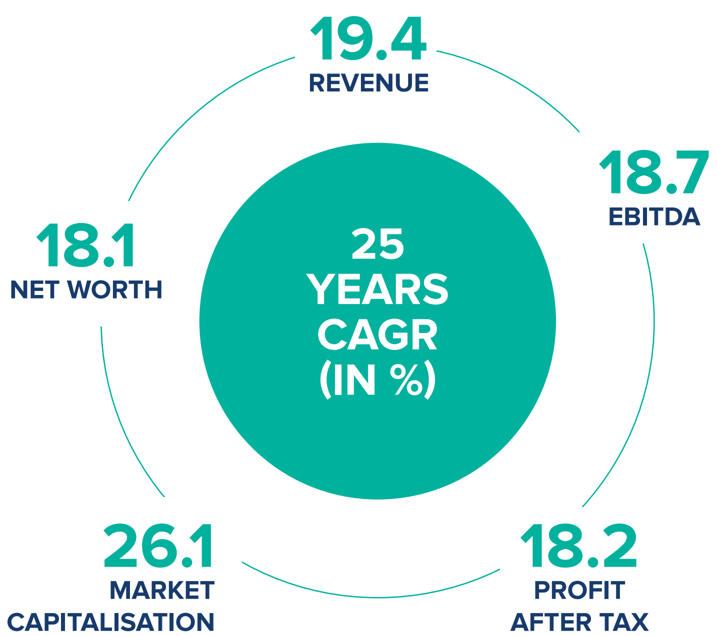
We leverage our well-integrated, dynamic, and extensive supply chain network spread over 30 countries. A widening and robust supply chain management aids in bottom price sourcing from key destinations including India, China, Thailand, Hong Kong and Indonesia. An agile and efficient supply chain and inventory management system enables us to tide over supply side challenges, better address customer needs and improve efficiencies. During the year, we further enabled backward integration through the incorporation of Vaibhav Lifestyle Limited to manufacture female apparels.

COUNTRIES WE SOURCE FROM

India	South Korea	Poland
China	Vietnam	Singapore
Thailand	Brazil	UAE
Indonesia	Sri Lanka	Japan
Tanzania	USA	Bangladesh
Russia	UK	Philippines
Morocco	Mozambique	Czech Republic
Madagascar	Germany	Nepal
Bolivia	Italy	Taiwan
Kenya	Turkey	Australia

Shareholders

During these 25 years of our operations as a public listed company, our endeavour has always been to serve our shareholders and generate consistent returns by managing our operations optimally and efficiently. We also make regular dividend pay-outs to them, thus enhancing their returns. The market capitalisation has recorded a CAGR of 26.1% (excluding dividend), an increase of 331 times since our IPO in May 1997.



Communities

At Vaibhav Global, we assume a fundamental responsibility to serve the communities we operate within and making a positive difference in their lives. Being a socially responsible corporate citizen, we continue to create social impact with a keen focus on education, healthcare and poverty alleviation.

Our flagship CSR initiative 'Your Purchase Feeds.' is targeted at benefiting the under-privileged children. In this one-for-one programme, for every product sold at our retail channels, one child receives a meal. Since its inception, the Group has donated 63 million meals till date to these under-privileged children. Our mission through this is to not only provide a meal to children, but to also help them build a better future. During the year gone by, we delivered 13 million meals to school children. Under this flagship initiative, we have set an ambitious yet achievable target to deliver 1 million meals per day by FY31.

Donated
63 Million
meals till date

Donated
~59,000 meals
every single school day

Aim to serve
1 Million
meals/day by FY31

NATURAL CAPITAL

Being committed to the natural environment has been core to the way we conduct our business operations. We realise the significant role we play in promoting sustainable and environment focussed business practices. Our endeavour has always been to efficiently deploy energy and water resources.

Sustainability in Products
Our vertical integration model helps incorporate environmental and social integrity in sourcing, processing and crafting our products. We are dependent on our suppliers for adhering to acceptable global standards. At present, we are overseeing sourcing till the first stage of procurement i.e., till our first supplier. We also remain committed to reducing the environmental impacts, respecting human rights and contributing to the well-being of local communities we operate within. For suppliers who are not RJC members, we monitor their on-going compliance to the Supplier Code of Conduct by conducting knowledge sharing sessions and physical visits. We encourage them to adopt industry best practices and encourages them to ask their supply chain partners also to adopt the Supplier Code of Conduct or applicable laws. In future, we plan to conduct third-party planned and unannounced audits at the Supplier sites to ensure accountability and compliance.

We are also bringing in sustainability in our brands through our manufacturing units and by meticulously engaging in sustainable business practices.

Rhapsody Brand: A Case Study

SUSTAINABLE MANUFACTURING
Most Rhapsody designs are manufactured in our Platinum LEED certified factory, where energy requirement is fulfilled through solar power. The energy saved is enough to keep 30 refrigerators running for an entire month.

WATER RECYCLING
We use recycled water for manufacturing Rhapsody product to reduce freshwater usage. Freshwater conserved each month equals 18 days of water consumption by a Texas resident.

ZERO HUNGER
Every purchase of a Rhapsody product supplies a meal to an under-privileged child through *Your Purchase Feeds* program. We aim to end childhood hunger by providing 1 million meals per day by FY31.

A few of our Sustainability Focused Brands

ILLIANA
saves freshwater enough to run a shower for 7 hours

LUXURO
saves 1,500 pounds of carbon emission equal to a car running 3,500 miles

MARIGOLD AND LOTUS
save marine life by using toxin-free ingredients and being 100% natural

LUSTRO STELLA
helps biodiversity by creating and maintaining a mini forest

CHAOS
upcycles leather waste and harmful landfills with every handbag

KARIS
donates one meal with every one item sold through *Your Purchase Feeds*

Environment protection

Energy management
Non-conventional energy sources will play an important role in mitigating environmental challenges. Our energy requirements at Jaipur operations are fully met through renewable energy (3.23 MW solar plant), making us self-sufficient in meeting energy requirements through 100% renewable energy.

Water management
With our manufacturing facility at Jaipur being a water-scarce location, we are implementing sustainable solutions to ensure water availability for manufacturing operations and for nearby communities.

Bio-diversity
Accelerated efforts are being taken to enhance green coverage within our surroundings. During the year, we planted 1,600 trees, taking our cumulative plantation to over 5,600 trees. In addition to this, we developed 2 Miyawaki forests in India across 2 acres of land and planted ~26,000 saplings there. The effects of the Miyawaki technique are far-reaching. It helps in maintaining water level and reducing sound and dust pollution by over 30 times. The Miyawaki method of plantation is a multi-layer plantation which uses full vertical space. Here, the soil is shielded from direct sunlight resulting in very less evaporation. As a result, a robust fungible network is developed over these forests, which play an instrumental part in augmenting the forest cover.

Waste management
Our waste management practices were aligned with our overarching 4-R Policy of Reduce, Recycle, Reuse and Reclaim. Key initiatives include:

MANAGING WATER RESOURCES: A MULTI-PRONGED APPROACH

Installed rainwater harvesting structures, enabling 6,100 KL of rainwater harvesting per annum	Set up Effluent Treatment Plant (ETP) and Sewage Treatment Plant (STP) at the premises to ensure maximum recycling and reuse of water. We recycled 48 KL water per day, equivalent to 17,500 KL per annum	Enabled use of low LPM faucets at one of the premises to save 7 KL water per day; plan to install these across all locations in India

- 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
- Installing wet scrubbers to reduce toxicity of fumes generated during jewellery manufacture
- During the year, ~1,300 Kg of E-waste and ~1,400 Kg of plastic waste has been recycled

IGBC Excellence Award
The manufacturing unit at the Special SEZ unit in Jaipur has been conferred 'Excellence Award' in 'IGBC Performance Challenge 2021 for Green Built Environment' under 'Factory Category' by Indian Green Building Council (IGBC).

Out of 1,000 nationwide green certified projects, only 18 projects were awarded under various categories. VGL is one of the 3 distinguished company in India under 'Factory Category' to be recognised with this 'Excellence Award' and is the only jewellery manufacturing plant in India to achieve this milestone.

E-Bikes purchased
We distributed 84 electric vehicles (2-wheelers) to our employees free of cost, as a part of our environmental initiatives. The charging infrastructure will be provided in the office premises. The EVs will minimise our carbon footprint, integrate ESG with business practices and facilitate in our long-term goal to become a carbon neutral company in Scope 1 & 2 emissions by 2031.

EVs to reduce carbon emission value equivalent to
30-32 tonnes
per annum

To eliminate
5 buses
from our fleet currently, and reduce further in future

For further details on our environmental initiatives, kindly refer our ESG Report which can be accessed from https://www.vaibhavglobal.com/reports

HUMAN CAPITAL

We realise the importance of motivated employees in helping achieve organisational goals. Our constant endeavour is to create an enabling work environment – one that nurtures a healthy organisation, encourages continuous learning and ensures a healthy and safe workplace.

Our HR initiatives in FY22

Developing future leaders
We are targeting employees with skills for future leadership and for growth and evolution. Primarily, we prefer in acquiring leadership talent from within the current workforce thereafter we scout for talent from outside the organisation.

Empowering employees
We understand that leaders who feel empowered within the workplace will be more effective at influencing each other and gaining their trust. Consequently, we encourage this to make employees feel a greater sense of autonomy, value and oneness.

Boosting workplace engagement
Regular training and development can prevent workplace idleness. We try to bring about a positive influence in Company's culture by instilling an emphasis on work-life balance and employee engagement activities.

Practices to achieve our HR Goals:

Forming and implementing Micro Enterprises (ME's) (Further details on ME's can be referred from Humanocracy concept which is discussed below under the heading 'Other Key Initiatives').	Delegating decision-making
Seeking regular feedback on product innovation and process improvement	Celebrating failures, and providing rewards and recognition for success
Making it safe for people to voice dissenting views	Bottom-up experimentation

Steps to maintain healthy retention

Empowering HIPO (High Potential) Employees
HIPO is an exercise where we identify High Potential employees. Through this, we offer benefits like good career pathing and Rewards & Recognition. During the year, we identified 313 HIPOs across all locations.

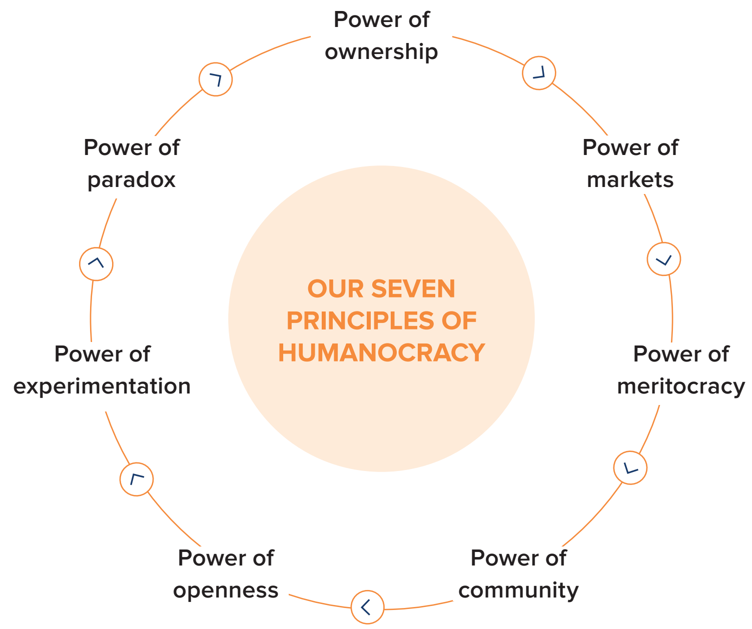
ESOP & Restricted Stock Unit
Employee recognition schemes in the form of ESOPs and RSU (Restricted Stock Unit) options have also been introduced as successful tools in acknowledging employees' contribution and making them partners in the wealth creation journey of VGL Group.

Employee strength and demographic profile

Units	Staff Count	Female %
Bangkok & Bali	64	90%
US	510	63%
Germany	70	43%
China	79	76%
UK	263	52%
India	3,061	16%
Grand Total	4,047	27%

Other Key Initiatives

Humanocracy
At Vaibhav Global, our objective is to make the organisation more entrepreneurial, agile and innovative. For this purpose, we have also created 47 Micro Enterprises (ME's), a micro-organisation responsible for operational efficiency. Based on targets, the ME members are incentivised based on targets being achieved. In future, we plan to employ more principles of 'Humanocracy' across the organisation. For instance, 'Experimentation' and 'Authority Delegation' are one of those principles which will be implemented in the coming months.



Training & Development
We initiated several training programmes during FY22 which covered Leaders, Managers and Shop Floor employees. These trainings included World of Business Forum on Negotiation Skills by George Kohlrieser, Goal Setting, Humanocracy: Creating Organisations as Amazing as the People Inside Them, etc. Several safety measures have been taken for employees at ground level, which included:

- **Effective Training programs:** We conducted a lot of trainings related to shop floor at our manufacturing locations. Fire Safety, Road Safety, Chemical Hazard Safety trainings were a few of these.
- **Developing Reciprocal Communication Channels:** Employees should feel they are continually engaged in the process and their recommendations are heard. Workers are safe and more productive when they realise that they can approach supervisors with concerns that will be heeded and accounted for in decision-making. Suggestion schemes, reward and recognition are given to the deserving employees.

Identify Emerging Safety Issues Via Audits
An organisation's shop floor safety must be verifiable through internal and external audits. The philosophy behind these audits should be applicable not only to shop floor control, but across the wider enterprise as part of an effort to embed safety and quality into the overall culture.

Periodic shop floor safety audits include scheduled reviews of equipment and machinery to make sure they meet applicable standards, can be operated safely, and are classified in the correct category (to ensure the right tool is used for the right job). With regular audits, it is easier for us to:

- Evaluate the effectiveness of safety plans
- Determine that established procedures are being followed accurately
- Double-check process accuracy

Status of trainings in FY22

1,282 Employees covered	**1,132** Employees actually completing the trainings
47,960 Target Hours	**59,249** Hours completed
46 Hours/Employee	

OUR STRATEGIC OBJECTIVES

Our Strategic Objectives

We have defined 4 strategic objectives and continue to work towards them

SO1 REACH

- Currently, we serve ~124 million households in US, UK and Germany
- We are widening our reach through continued investments in strengthening our omni-channel presence and through geographical expansion (Germany)
- We offer widest possible portfolio of products which includes fashion jewellery, gemstones, apparels and life-style products
- Constantly reimagining the growth by regularly introducing new SKU's across verticals. For instance, revenue from new gemstones constitutes ~3-4% of Group revenue

SO2 REGISTRATION

- Focus on expanding customer funnel through diverse product offerings
- Deep value proposition enabling value buying opportunity to customers
- Engaging content to create pull factor
- Optimising airtime by managing highest selling SKU's
- Promoting omni-channel platform. **64% of our customers were acquired digitally in FY22 vs 56% in FY21**

SO3 RETENTION

- Retaining customers through enduring relationships
- Leveraging in-house sales data analytics
- Convenience through personalised shopping service
- Utilising technology towards better inventory availability

SO4 REPEAT

- Focus on multi-product offering
- Cross-selling on omni-channel platforms
- Using digital tools (for instance, Salesforce Marketing Cloud) and data analytics to judge demand prediction efficiently
- Personal shoppers

ENGAGING WITH OUR STAKEHOLDERS

Besides improving our functional expertise and demonstrating our comprehensive strength, it is necessary for us to collaborate more with our stakeholders and have a regular dialogue with them. We understand what matters to each of them to be able to work with them and create shared value and positively contribute to a sustainable society.

Stakeholder Group	Method of Engagement	What matters to them
CUSTOMERS	Customer satisfaction surveys, e-meets with customers, company website, brochures, mailers, social media, trade fairs, advertisement campaigns, feedback forms, customer care service to address queries	Quality, Timely delivery, Grievances redressal, feedbacks, Easy return policies
EMPLOYEES	Surveys, Townhalls, Department Meetings, Awards, Trainings and Workshops	Career growth, Employee benefits, Performance management system, Internal job postings, transparent evaluation
VENDORS AND BUSINESS PARTNERS	Supplier surveys, enquires via telephone and e-mail, periodic partner meets, Transparent onboarding process	Timely payments, Repeat orders, Adherence to SOP's
SHAREHOLDERS	Quarterly earnings conference calls, Investor conferences, Investor & Analysts Day, Roadshows with Investors, AGM, Company Website, Press & Social Media Releases and Other Statutory Disclosures	Company's financial performance, Improved return ratios, Fair business practices, Effective risk controls and adequate disclosures
GOVERNMENT AUTHORITIES	Cooperating with all queries, participating in Industry Associations, Regular contribution to exchequer through tax payments, zero tolerance for non-compliances, etc.	Compliance with applicable regulations, CSR activities, transparent communication
COMMUNITIES	Engaging through CSR initiatives, Community development, Engaging with local authorities for social cause	Contributing for upliftment of needy, responsible business practices like clean water, rainwater harvesting, safe disposal of wastes and their recycling, assisting in mid-day meals in schools to motivate children to go to school, improving living standards, developing community infrastructure

■ Stakeholder Group ■ Method of Engagement ■ What matters to them

RISK MANAGEMENT

We recognise that every business has risks. We consider activities at all levels in our risk management framework. All these components are inter-related and drive the enterprise-wide risk management, with a focus on three key elements – risk assessment, risk management and risk monitoring.

Risk Assessment

Risks are analysed, considering likelihood and impact, as a basis for determining how they should be managed. This consists of a detailed study of threats and vulnerability and resultant exposure to various risks. To meet the stated objectives, effective strategies for utilising opportunities are to be evolved, and as a part of this, key risks are identified and plans for managing the same are laid out.

Risk Management and Risk Monitoring

In the management of risk, the probability of risk assumption is estimated with available data and information and appropriate risk treatments worked out in the following areas:

Risk	Impact	Mitigation measures
Price risks	Our procurement prices are a function of fluctuation in commodity prices. Any volatility may impact margins.	▪ Wide variety of product portfolio spanning across price points ▪ Flexible sourcing of majority of products ▪ Close watch on market trends enable us to devise a strong procurement policy in line with current pricing trends
Foreign exchange risks	Sharp movement in foreign exchange rates may have a significant impact on margins.	▪ Widespread global operations provide natural hedge to business operations to a certain extent ▪ Adequate foreign exchange derivative contracts are used for active hedging as per perceived risk
Liquidity risks	Inadequate liquidity may lead to exhaustion of borrowing limits and lead to financial solvency and liquidity risks and problems in day-to-day cash management.	▪ Proper financial planning with detailed annual business plans is discussed at all appropriate levels in the organisation ▪ Annual and quarterly budgets are prepared and put up to management for detailed discussion ▪ Senior management keeps a close eye on cash flows and working capital reports ▪ Controls built in system for credit card collections in UK, US and daily reconciliation performed
Pandemic and geopolitical disruption	Geopolitical tensions and pandemic-related disruption impact business growth due to direct bearing on supply chain and customer behaviour.	▪ As per government guidelines, we undertake all appropriate safety measures to ensure all our employees and their families are well protected and healthy ▪ We promptly adopted to distant working measures ensuring zero downturn on critical systems ▪ Our global supplier network is diverse and strong enabling us to conduct unhindered business operations

Risk	Impact	Mitigation measures
High competitive intensity	Lucrative and high growth potential of the industry attracts high competition from existing and new players	▪ Creating a wide range of product offering which spans across price points ▪ Strong focus on innovation and customer-centric business approach ▪ Robust supply chain enabling deep value sourcing ▪ USP of offering lowest ASP for superior quality products across multiple platforms
Technological obsolescence	It is imperative to keep pace with ever-evolving technology advancements in the business to remain relevant	Continuous evaluation and upgradation of IT infrastructure ▪ Strong technology management vertical ensures timely digitisation of processes
People risk	Unavailability or lack of a skilled team may impact profitability	▪ Strong HR policies ensures high retention and appropriate talent acquisition ▪ Regular learning and development opportunities ▪ Timely rewards and recognition ▪ Open work culture with strong management ethos
Data privacy risk related to General Data Protection Regulation (GDPR)	With high level of business digitisation, data control and prevention are imperative	▪ GDPR and other legislations with strict implications ensure strict compliance ▪ We have in place strong data protection and privacy policy
Sustainability Risk (Environment, Social and Governance)	Environmental, social and governance (ESG) are three central factors in measuring the sustainability and ethical impact of a company. ESG factors, though non-financial, have a material impact on the long-term risk and return of investments. Responsible investors evaluate companies using ESG criteria as a framework to screen investments or to assess risks in investment decision-making.	**Environmental aspects:** ▪ Focus on sustainability through a dedicated team ▪ Installation of water treatment plants, use of renewable energy, tree plantation and setting up of rainwater harvesting at various facilities ▪ Focus on efficient operations of environment protection system, collaborating with LEED for Green Building Certification ▪ Reduction of Carbon footprint by various modes ▪ Exploring suitable sustainable packaging. Till date, VGL was largely dependent on sourcing packaging material from China for its jewellery products. Hence, this acquisition will further strengthen our supply chain network providing requisite flexibility and cost advantage **Social aspects:** ▪ Transparency in vendor/manpower selection, equality and opportunity to all ▪ Well-defined policies and procedures to avoid unethical practices and having proper compliances i.e. no child labour, no gift policy, Anti Bribery & Corruption Policy, supplier code of conduct, whistle blower policy, POSH Policy etc. ▪ Giving back to Community, i.e. *Your Purchase Feeds...*, scholarship to needy children of employees etc. ▪ Best practices for employees welfare, care, safety and security, skill & development program, opportunity to grow ▪ Dealing matters empathetically and resolving issues with mutual consent **Governance aspects:** ▪ Timely compliance of all applicable laws with zero tolerance policy ▪ Adequate and transparent disclosures with regular review by the Board ▪ Diversified and Professional Board ▪ Separation of MD and Chairman position ▪ Constant Dividend Payouts ▪ Marquee Investor Base ▪ One of the best Credit Ratings in the industry

BOARD OF DIRECTORS

Non-Executive - Independent Director, Chairman

Mr. Harsh Bahadur

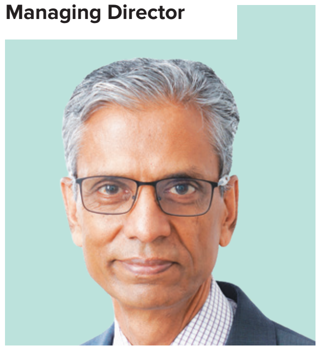
Appointment: 26th September 2015

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

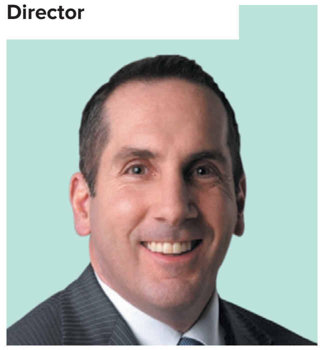
Mr. Santiago Roces

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 program

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 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. Stephanie Renee Spong

Appointment: 6th September 2021

Ms. Stephanie Spong is a venture capitalist with over three decades of professional experience in strategy, operations, and finance, working with both start-ups and established companies in the U.S., Japan, Hong Kong, and Mexico. She brings seasoned business judgement and financial skills, and as Managing Director of Razorfish's Los Angeles office, she gained valuable operating experience and immersion in the digital media space. Her previous experience includes Goldman Sachs, McKinsey, Citibank, EPIC Ventures, and Monitor Group. She is currently a partner with Royal Street Ventures, an early-stage venture capital fund, serving on the boards of U.S.-based portfolio companies Trelora and Art and Craft Entertainment. For over a decade, Ms. Spong has supported fast-growth start-ups in tech-enabled industries as a board member and board observer/adviser. Ms. Spong is a graduate of Brigham Young University and earned her MBA from Harvard Business School.

Expertise: Strategy, Operations and Finance

Non-Executive Non-Independent Director

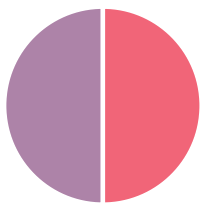
Mr. Sanjeev Agrawal

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.

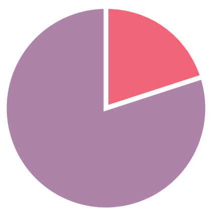
Expertise: Business management and leadership and product insight

Board Diversity



50%
Independent Directors

50%
Non-Independent Directors



20%
Female

80%
Male

Professional Board with varied experience and background

Leadership Team

Group CFO

Mr. Vineet Ganeriwala

Mr. Vineet Ganeriwala is a qualified Chartered Accountant and has done Executive Programme in Business Management from IIM Kolkata and International Programme on Development of Management Perspectives from IIM Kolkata. Mr. Ganeriwala is a finance leader with 21 years of experience across diverse industries (listed Indian companies and multinational corporations) and multiple geographies. He has been proficient at providing strategic direction, engaging with stakeholders and Board members. He has successfully led various transformation initiatives resulting in process improvements, cost efficiencies, improved margins, leading to sustainable growth.

Prior to the current assignment, Mr. Ganeriwala has worked with Vodafone Group as Country Finance Controller for Italy and Germany. He has also served as Finance Controller at Astra Zeneca Pharma India Ltd. (listed Company) and Head of finance for Rajasthan circle at Aircel Ltd.

Vice President, Commercial, Shop LC (US)

Mr. Ankur Sogani

Mr. Ankur Sogani has over 20 years of experience in retail as a senior leader driving merchandising and innovation strategy across different channels. He holds an MBA in Marketing & Finance from the University of Rajasthan. He draws on his passion for jewellery, gemstones, and creating innovative techniques that makes him an expert in the gemstone and jewellery trade. His strong ability to recognise trends has influenced several million dollars brands under his management. He is known for having a close relationship with technology teams, leading to strong product roadmaps and solid execution. He has also established procurement facilities across China, Bali, India, Bangkok, and Philippines, instituting low-price point multichannel merchandising strategies to achieve the lowest return rate and highest gross profit rate in the industry.

Vice President, Owned Brands, Shop LC (US)

Mr. Deepak Sharma

Mr. Deepak Sharma holds significant experience in the retail world. He is a commerce graduate with an MBA. He began his career in 2006 as a merchandiser with clothing exporter and manufacturer Pratibha Syntex Pvt Ltd. In 2008, he joined Vaibhav Gems Ltd, as an Assistant Manager and has been a part of the organisation's growth and success since the past 14 years. In 2015, he was offered the role of GMM for Lifestyle Buying & Merchandising in Shop LC,. During this period, he along with his team elevated GMM's revenue substantially. Thereafter, he was appointed as the Senior Director and Vice President of owned brands in 2021-22.

A strong focus on positive customer experience has helped him to successfully navigate a complex retail environment and stay ahead of the trends for business and improve customer retention. He has served on the COVID task force team at Shop LC, wherein he implemented safe mitigation practices to protect employees and their families. His hobbies include spending time with his family, listening to music, and engagement in social activities.

Managing Director, Shop TJC (UK)

Mr. Srikant Jha

Mr. Srikant Jha joined VGL Group straight out of his MBA school in 2007. After spending two years as a Management Trainee, learning the manufacturing and sourcing side of the business, Srikant spent the last ten years at Shop LC (Austin, Texas) and has been instrumental in its growth since then. Mr. Jha, with his great analytical skills and proven leadership qualities, has been able to excel in fast-paced, high-pressure environments while maintaining an upbeat, positive attitude. He has been a key member of Shop LC and has witnessed the company grow from a team of 58 employees in 2009 to a highly profitable business with a team of nearly 500 employees as of today. In his recent role as VP of Sales and Marketing at Shop LC, Mr. Jha was managing major business areas, including marketing, sales, eCommerce, content, planning, etc., and has built a solid team to drive the business forward. In his journey at VGL, in July 2019, he was appointed Managing Director, TJC, UK. His passion, sense of humour, and high energy have always made him popular among his colleagues, family, and friends.

Managing Director, Shop LC (Germany)

Mr. Deepak Mishra

A Managing Director, Shop LC (Germany) with 14 years' experience in the TV Home Shopping industry with a proven track record of achieving sales and profit growth. Skilled in Team Leadership, Multi-channel Retail, E-commerce, Trend Analysis, Strategy Building and Developing New Categories. Cross category experience, including Jewellery, Accessories, Fashion, and Home. Led the creation of new strategies to rejuvenate the Jewellery category which was in decline, achieving double digit turnover growth within 2 years and increasing the overall profitability.

Vice President, Supply Chain, VGL Group

Mr. Raj Singh

Mr. Raj Singh is a graduate in Chemistry and trained in Mechanical Maintenance. He began his career with Shrenuj & Company Ltd. In his career of 21 years; he has gone from strength to strength, improving and innovating businesses. His current stint with VGL Group appears to be a crescendo of an ever-climbing career. At VGL, he is instrumental in turning strategy into operational & financial success. Like Gems Studded Stainless Steel Jewellery, Ion Plating, etc., his initiatives are ground-breaking in the Jewellery industry. For an industry that is typecast as labour-intensive, Mr. Singh has led many automation drives and successfully grinding out cost efficiencies. His relentlessness is not limited to saving costs and improving product quality, as his versatility is reflected in the construction of VGL's SEZ Factory in record time. He affirms that the SEZ factory is one of the most environment-friendly buildings in the country. It helps that Raj has a huge appetite for work while being able to relax outside of it.

Vice President, HR, VGL Group

Mr. Pushpendra Singh

Mr. Pushpendra Singh started his career with NTPC as a Management Trainee immediately after completing his postgraduation in management. His keen sense of human behaviour dynamics had him win the approval of not just his managers but his peers early on. He rose rapidly in ranks as his prowess in HR was prodigious. At Reliance Communication, he was widely acknowledged for his strategic thinking, solution orientation, and logical aptitude. He has thrived in roles that demand quick thought and action. His vast and versatile experience, coupled with an undying urge to challenge himself, got him moving again. He joined VGL Group in 2011 and is credited with restructuring and re-visioning HR to make HR an effective Business Partner. Currently, he is dedicated to making VGL a Great Place to Work. His efforts have led to accelerated employee engagement for productivity gains at VGL. He was awarded "20 Most Talented HR Leaders in Industry" by World HRD Congress in 2013.

Vice President, Global IT

Mr. Ashish Dawra

Mr. Ashish Dawra is a highly experienced IT leader and technology strategist with extensive experience of presiding over global teams. He holds an M.Sc. in computer science and is passionate about accelerating digital business through technology and has been with VGL for almost 2 decades now. He has delivered technology platforms for TV shopping, website, mobile apps, Smart TV, contact centres, logistics & ERP domains for retail business. He is a technically sophisticated Practice Manager with a career reflecting over 20+ years of experience in Planning, Analysing, Designing/Architecting & Leadership qualifications, coupled with a hands-on management style.

AWARDS & RECOGNITION

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

Great Place To Work® Certified MAR 2022 - MAR 2023 INDIA

Vaibhav Global Limited has been adjudged with **'Commitment to Being a Great Place To Work'** award: This recognition is awarded to those organisations that have leveraged the GPTW framework to assess and improve their workplace culture over the years.

We were conferred with **'Best Workplace in Manufacturing'** by **Great Place to Work** ® and were featured in the top 30 companies in India

Mr. Sunil Agrawal, MD, has been awarded for being **"One of India's best leaders in times of crisis 2021"** by Great Place to Work

Conferred with IGJ Award for being **'Highest Export of Silver Jewellery category for FY 2019-20'.** This was the sixth consecutive year that VGL has been conferred with this award.

Received **'RAJASTHAN STATE BEST EMPLOYER AWARD – 2021'.** The award has been given for best aligned HR practices in business, cultivating competencies for the future, talent management, performance-oriented culture and having an outstanding employee engagement strategy.

VGL's SEZ Unit has been conferred with **'Excellence Award' for 'IGBC Performance Challenge 2021 for Green Built Environment'.**

Great Place To Work®

Recently, Shop TJC (UK) received its Great Place to Work ® certification, wherein our GPTW ® Trust Index score improved by 5 points YoY. Similarly, our India unit also received the GPTW® certification.

CORPORATE INFORMATION

Board of Directors

Harsh Bahadur (Chairman)
Sunil Agrawal (Managing Director)
NIrmal Kumar Bardlya
Sheela Agarwal
Sanjeev Agrawal
Pulak Chandan Prasad
Santiago Roces
James Patrick Clarke
Sunil Goyal
Stephanie Renee Spong

Group 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 Ltd.
(Unit Vaibhav Global Limited)
Selenium Tower B, Plot 31-32,
Gachlbowll 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

Investors Helpdesk

investor_relations@vaibhavglobal.com
dividend@vaibhavglobal.com

Management Discussion & Analysis

INDUSTRY OVERVIEW

1.1 Digital Retail

The global e-commerce market has, over the last two years, undergone revolutionary change with consumers becoming accustomed to buying items from the comfort of their own home. This shift in consumer behaviour has propelled the e-commerce industry forward by at least five years. Good portion of this shift in shopping behaviour looks likely to be permanent and not transitory.

The global e-commerce market reached USD 4.94 trillion in sales in 2021, representing 16.3 growth over 2020. This growth is, however, down from the stellar pandemic induced 26% increase experienced by the market in 2020. Sustained double-digit growth is expected in the coming three years, representing a tremendous opportunity for businesses with exposure in digital online sale channels.

Growth Drivers

- Increasing internet penetration and usage of devices, such as smartphones, laptops, and tablets to access digital retail portals
- Unhindered availability of internet led by robust fibre optic infrastructure and latest technology led internet network has made e-commerce a more dependable option than before
- Easy and continuous access to internet, multiple and safe online payment options has led to a shift in consumer behaviour, with preference for online shopping at convenience of home
- IoT-combined AI resulting in AIoT, enables businesses in understanding consumer behaviour, data analytics, maintaining an efficient inventory without losing sales, chatbots, bundled pricing, predictive recommendations based on browsing history, smooth delivery through real-time tracking, etc.
- Omni-channel retailing, keeping customers involved and reducing downtime by combining IoT, big data, and digital solutions to have a fully integrated supply chain systems helps improve efficiency and effectiveness

We, at VGL, have made significant investment on digital front through various initiatives. We are expanding our customer touchpoints by leveraging digital as an enabler across channels – TV, OTA, website, mobile apps, OTT, social-media, and third-party marketplaces. A business model which is nimble and innovative can respond swiftly to customer's ever-changing demand behaviours. Hence, we have further strengthened our outbound logistics through GEEK+ robotic automation at our warehouses in USA and UK. GEEK+ are advanced robotic systems that provide customisable solution in picking material in a time-efficient manner making warehousing management affordable, efficient, flexible, and safer. GEEK+ are expected to improve the picking productivity by almost 3 times vis-à-vis conventional manual picking, while reducing error rates. Retail is rapidly moving digital, and we perceive that today's savvy shoppers want to feel digitally empowered online shopping experience, hence we recently finished upgrading our tech infrastructure on Salesforce Commerce Cloud and Shopify. We are also utilising technology in marketing automation through Salesforce Marketing Cloud for paid & organic marketing and customer retention such as email automation, SMS automation and chatbots, etc. The platform is also being utilised in targeted campaigns based on customer segmentation (dormancy duration, product category purchase, and purchase source). A strong IT team is catering to all our dynamic business requirements, wherein we are also developing internal talent for longer term whilst partnering with system integrators for short-term needs.

https://www.insiderintelligence.com/content/global-ecommerce-forecast-2022#page-report

https://infomineo.com/global-e-commerce-and-the-impact-of-covid-19/

1.2 Teleshopping

The global teleshopping market size is projected to reach USD 49 billion by 2027, from USD 45 billion in 2020, at a 1.3% CAGR. This can be attributed to the increasing number of television viewers, improving standard of living, safer online payment options, lucrative demonstrations, promotional offers and changing consumer's interest and preference from the traditional way of shopping to new and innovative forms.

Pay-TV viewership in Western world is declining owing to rise in alternative medium of live & local TV content. In our target audience of Gen X (45+ age) and Baby Boomers (65+), in TV households, the subscribers have reduced to 77% in 2021 vs 86% in 2016 in US. This decline in TV viewership is being absorbed by Over-The-Air (OTA) adoption to some extent. Today, OTAs in US have a coverage in ~22 million HH and this number could reach 50 million HH by 2025.

VGL has kept pace with this trend and we have expanded our presence in OTA households in addition to serving our loyal pay-TV subscribers. As a part of our omni-channel offering, we cater to 19.4 million OTA households through Shop LC US and 18 million OTA households through Shop TJC UK.

Source: Global Teleshopping Market Size & Share 2021:Industry (globenewswire.com);

https://www.leichtmanresearch.com/wp-content/uploads/2021/10/LRG-Press-Release-10-26-2021.pdf

https://www.tvtechnology.com/opinion/free-tv-once-again-relevant-and-vibrant-in-the-self-bundling-era

1.3 Over-the-Top (OTT)

Cord cutting has been a concern for teleshopping companies, but with a switch to omni-channel, focus of industry is now shifted to more on consumer than a product. OTT is changing the dynamics of our industry in an unprecedented pace. For instance, with 40% of US homes already using a smart device to stream content, the percentage of smart TV penetration has significantly gone up. The increasing pull of OTT led content reflects the immense opportunity this category offers for the industry. VGL has been investing towards OTT platforms in a planned but conscious manner. Traction so far on OTT platforms has been encouraging with revenue and customer count being tripled YoY.

Source: https://www.mordorintelligence.com/industry-reports/united-states-ott-market

1.4 Social Commerce

The global social commerce market size is anticipated to reach US$ 6.2 trillion by CY2030, growing at a 30.8% CAGR from 2022 to 2030 led by growing ease of online buying. Combining entertainment with immediate purchasing, social commerce is providing brands, retailers, and digital platforms a new medium with enormous scope for creating value. Easy availability of high-speed affordable internet services for customers, offers marketers a new channel to reach out to target audiences, providing boost to influencer marketing practices. VGL is following multi-faceted approach and is leveraging social marketing via various tools, like influencer marketing platforms, targeted campaign management, customer experience management, etc.

Source: Social Commerce Market Worth $6.2 Trillion By 2030 (grandviewresearch.com)

1.5 Proprietary Web Platforms

Proprietary Web Platforms offers the flexibility to easily edit the content on your website which is built on a proprietary platform that your Company owns. These are in line with the latest trend of omni-channel presence that Companies are trying to strengthen. Majority of the big retailers are investing huge sums in ecommerce platforms and advanced technologies like AI and Virtual Reality. VGL have been seeding necessary strategic levers to consolidate its website-based business. During the year, the Company strengthened and upgraded its tech platform with latest packages. The said investments are expected to provide required synergies towards our growth aspirations and would compliment our other channels as well.

1.6 Marketplaces

Marketplaces are online shopping platforms, similar to virtual shopping malls, that facilitate commerce between sellers and buyers, offering convenience to consumers. Consumers can easily shop and compare options between many different brands in an instant on a marketplace. These platforms typically offer express checkout features to make the payment process seamless. The global reach of ecommerce marketplaces enables opportunity to test and penetrate into vacant geographies quickly and easily. As part of its omni-channel strategy, VGL have been investing in marketplaces as well having reached the patrons already via prominent platforms like Amazon, Walmart, EBay etc.

Source: Global Marketplaces in 2022: The Top Global Online Marketplaces (shopify.com)

MARKET TRENDS

2.1 Increased competitive intensity

The lucrative growth of ecommerce space in the backdrop of pandemic-related lockdowns have attracted several players. Ecommerce companies have started exploring new and unsaturated marketing channels like Snapchat and TikTok. As the competition is increasing, having an omni-channel presence has become critical. With an omni-channel presence, a business can target customers across various platforms, like websites, mobile apps, social media, etc. The increased competitive intensity has led to significant increase in ad spends. For example, advertising on Facebook, costs 47% more than the year before. Apple privacy updates in iOS 14.5, prohibits cross-app data-sharing unless the user chooses to opt in. This has had significant ramifications leading to less effective advertising across Facebook and Instagram.

2.2 More ecommerce businesses go global

As businesses reach their growth limits in the domestic environment, the world will see more e-commerce brands expand into the global stage. The go-global movement is echoed by consumers. A recent survey revealed that 76% of online shoppers have made purchases on a site outside their own countries. Though this helps in growing the total addressable market, several challenges like competition and talent acquisition in an unfamiliar market, cross-border supply chain management, etc. pose risks.

2.3 Voice search becoming commonplace

With the prevalence of digital assistants like Alexa, Siri, Google Home, as well as the use of voice assistants in smart TVs and mobile devices, it has become increasingly important for eCommerce businesses to change the way they serve content. Voice searches are inherently faster and easier. More than 65% of the users between 25 and 49 years of age use at least one voice assistant daily.

2.4 Product visualisation with AR technology

Augmented reality (AR) technology on eCommerce sites allows the consumers to see the new products in real action. For instance, customers buying a couch can take a photo or video of their room and see how the couch looks without first ordering it. The same is applicable for numerous other products or items, like clothing, jewellery, artwork, flooring, etc. Over 35% of US consumers are already using this technology for product visualisation.

2.5 Prevalence of subscription-based products and services

The introduction of subscription-based services and products into eCommerce helps in retaining customers for the long term. Using this model, a business can make customers habitual to repeat purchase of the same product. The primary benefits include a higher customer retention ratio, greater business predictability, and opportunities to upsell and cross-sell relevant products. For example, a customer is buying a cosmetic product that lasts for one month. With a subscription model, eCommerce businesses can allow the customer to buy that product with a subscription, so that the product gets automatically delivered every month. This makes the customers retained, which could possibly buy that product from another platform. As per McKinsey & Company research, subscription commerce is witnessing exponential growth with over 15% of the online shoppers opting for at least one subscription on eCommerce sites in 2021.

2.6 AI-powered growth opportunities with upselling & cross-selling

AI and machine learning help in predicting the habits of online buyers on the basis of their history of shopping and browsing. AI enables a website or online store to be customised uniquely for every customer. Several Ecommerce companies are already using it to personalise the products shown to every customer. It not only improves customer experience, but also brings new opportunities for businesses to upsell and cross-sell.

2.7 Modern websites with rich UI/UX and optimisation

In the growing eCommerce market, having a rich user interface (UI) and user experience (UX) has become a necessity to grab the attention of customers. Modern web technologies enable businesses to implement two versions of the entire site or specific pages to understand and analyse the performance. For instance, you can deploy multiple versions of a product page to the A-B test, which can bring the highest conversion rate. The variations in pages can be in terms of fonts, layouts, colors, UI, or any other metrics. Another important UI aspect is the thumb-friendly navigation on mobile devices. Players ensure to keep menus, navigation bars, and other crucial buttons well within reach of the users' thumb.

2.8 Rise of social and Video Commerce

Video commerce, virtual trial rooms, and three-dimensional animations have disrupted the current online shopping experience. Video and social commerce are majorly driven by influencers. For example, one e-commerce player the Digital Studio that brings together influencers and general customers. People can share their photos and videos on the platform the way they do on social media. It is not only fun and entertaining but also boosting the engagement rate. Over 35% online shoppers in the US make at least one purchase through social commerce. Online businesses are thus increasing their budget on social commerce and revamping their existing social media strategy.

2.9 AI, big data and safer online payments increasing convenience

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 are 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.

E-Commerce Trends 2022: What The Future Holds (forbes.com)

10 Latest eCommerce Trends in 2022 Shaping The World of Online Shopping (octalsoftware.com)

BUSINESS OVERVIEW

3.1 Overview

With over three decades of experience, Vaibhav Global Limited (the Company) has emerged as a vertically integrated fashion retailer, with multi-channel presence across well-integrated platforms, comprising 24x7 proprietary TV home-shopping channels, e-commerce websites, mobile apps, smart TV, OTT platforms, social media platforms, influence marketing, third-party marketplaces, and other digital means. We have a widespread global presence in the retail space with supply chain spread over 30 countries and significant operations in the US, the UK and very recently we also have ventured in Germany.

Our product assortment includes different lifestyle products including home, beauty, fashion and accessories. Major part of revenue pie is dominated by fashion jewellery, amounting to up to 70% with remaining revenue accruing from lifestyle products. The share of lifestyle products in revenue mix is constantly increasing as we continue to enrich our product mix and enhance customer engagement. We are respected for a superior customer value proposition delivered through deep value, low-cost manufacturing, and quality products.

We have three highly reputed retail platforms, Shop LC (US), Shop TJC (UK) and Shop LC (Germany), which are well-known in the value segment having direct access to ~124 million households serving through our proprietary TV, Websites, OTA and digital platforms, including marketplaces, social media platforms and mobile apps. In an environment where sales channel boundaries are overlapping, VGL's omni-channel presence drives and deepens customer engagement providing a huge opportunity for the future.

Our USP lies in being a vertically integrated retailer. We manufacture our own fashion jewellery and have also commenced manufacturing apparels. For our non-jewellery portfolio, we depend on third-party manufacturing, which enables us to remain agile, scalable and flexible while catering to customer needs with a wide range of product assortment. We have deep sourcing capabilities as we source from over

30 countries, including India, China, Thailand and Indonesia. This extensive network coupled with backward integration capabilities, growing omni-channel B2C retail presence, enables us to provide low Average Selling Prices (ASPs) and deep discounts to customers while maintaining high gross margins. We have built a strong brand equity as a deep value fashion retailer. During the year, VGL acquired majority stake of 60% in Encase Packaging, a packaging company engaged in the business of manufacturing and trading of all kinds of packaging material. Prior to this, VGL was largely dependent on sourcing packaging material from China for its jewellery products. Hence, this acquisition will further strengthen our supply chain network providing requisite flexibility and cost advantage.

We started the year on a very strong note with growth emanating across product verticals, channels, and geographies. However, post first quarter, with the vaccination drives reaching pivotal levels, our addressable markets in US and UK started to open-up. This triggered a phenomenon of revenge outing and buying with people opting for in-person shopping. This contracted the e-commerce/digital industry's growth all across the US and the UK. The e-com industry's share to overall retail sales also witnessed decline in US and UK. The muted growth during last 9 months were also on backdrop of higher base of preceding year with unprecedented growth enabled by COVID-19. During the last quarter, the world also witnessed twin shocks of geo-political tensions and its resultant impact on economic slowdown. In US, inflation reached its 40 years peak level and UK it broke 30 years of record inflation rate.

The year gone by, did not deter us in making long-term business investments and we seeded various initiatives keeping in mind the growth levers we need in the long term.

In UK, with our freeview channel shifting to #22 from erstwhile position of #50, we are getting positive traction in terms of new customer acquisition and viewership. The benefits of channel swap provide us with immense opportunities and will allow us to strengthen our visibility in the long term. Similarly, Shop LC (USA) has decided to move its headquarters to an owned premise whose construction is expected to be completed by September 2024. This move is expected to bring operational synergies and substantial savings in future. We have also acquired 60% stake in Encase Packaging Private Limited India. This acquisition will further consolidate our existing integrated supply chain and give substantial saving in packaging costs. We perceive that these investments might impact return ratios in the short term, but it provides huge growth opportunities for our future. Germany has been faring well and its performance has been as per our plans. We are expanding our customer funnel through continuous onboarding on new and prominent transponders, OTT, OTA and other digital platforms.

We provide hassle-free shopping experience with our Budget Pay service, allowing customers to make purchases on EMI basis. Since its launch in FY16, the service has been gaining good traction and presently it is contributing ~39% of retail sales. To further strengthen customer trust and loyalty, we offer easy return policy.

Currently, digital sales mix to overall retail sales is 37% which includes our proprietary websites, shopping apps, OTT platforms, marketplaces, and social commerce. This omni-channel offering promote and encourage customers to transact on both TV and digital platforms, which gives them a unique shopping experience. And such omni-channel customer tends to be sticky and have a significantly higher lifetime value than customers who buy only on TV or only on digital. Omni-channel also provides opportunity of cross-selling over platforms. In addition, we stepped up our digital marketing investments on OTA channels and OTT platforms. These investments are generating desired results. New customer acquisition on TTM basis stands at 2.3 lakh in FY22, adjusted for essentials, it is higher by 16% over FY21 and 60% up over FY20. Similarly, new registrations on TTM basis are 3.2 lakh which is slightly lower YoY. However, the numbers are significantly higher by 79% over FY20

Over the last many years, share of non-jewellery has increased multifold, indicating our ability to take higher wallet share out of the same household. Through our robust vertically integrated supply chain, we were able to manage supply headwinds, which grappled the entire industry and maintained our gross margins at a very healthy level above 60%.

Customer-centricity is at the heart of our operations. We follow a 4R strategy, focusing on enhancing Reach, Registrations, Retention and Repeat Purchase. This not only enhances customer retention and engagement but also gives the business an objective assessment framework. We keep ourselves abreast with the evolving customer needs through constant interaction and customer feedbacks.

3.2 Expansion

During the year, we continued to focus on improving our connect with the customer and keep pace with evolving trends.

Retail operations

- **Germany**

Our recent expansion, Shop LC GmbH, in high potential German market is faring well and offers tremendous growth prospects on TV, Digital and marketplace platforms. There have been certain earlier than planned airtime tie-ups resulting in higher than planned upfront investments. However, we expect now to breakeven by H2 of FY24 in Germany, nearly one year sooner than our earlier projections.

- **UK**

TJC UK announced Freeview Channel change to #22 from erstwhile Freeview Channel #50. The investment is expected to enhance the viewership of TJC's proprietary TV channel substantially thus providing long-term growth opportunities with higher probability of corresponding increase in its market share,. TJC UK's dedicated beauty channel – TJC Beauty widened its reach by launching itself on 'SKY' – UK's largest pay-TV broadcaster. With this arrangement, TJC Beauty will now be airing for 8 hours from 6 AM to 2 PM UTC. We see good potential in this segment and will continue to expand its reach going forward.

- **USA**

Shop LC (USA) has decided to move its headquarters to an owned premise whose construction is expected to complete by September 2024. This investment is expected to provide synergy in terms of cost optimisation, functional integration, and resultant growth opportunities. We recently finished upgrading our tech infrastructure through migrating to Salesforce Commerce Cloud for the website and mobile applications with an objective to improve digital capabilities. This would also enhance elevating customer experience.

Supply chain

We have also acquired 60% stake in Encase Packaging Pvt Ltd. Based out of Sri City in Andhra Pradesh, Encase Packaging is engaged in the business of manufacturing and trading of all kinds of packaging material. Currently, VGL is largely dependent on sourcing packaging material from China for its jewellery products. Hence, this acquisition will further strengthen our supply chain network providing requisite flexibility and cost advantage.

Besides, this will also strengthen our efforts towards developing a sustainable packaging for our products

3.3 Snapshot of the Year

Total Revenue

In full year FY22, in constant currency Shop LC (US) grew by 4.8% YoY, but it was 28.1% over FY20. While Shop TJC (UK) was flat YoY, but against FY20 it grew strongly by 32.3% in constant currency terms. With economies opening and people moving to in-person shopping after a sharp jump towards digital medium a year ago, we faced macro headwinds after tailwinds of last year. We believe this is a temporary aberration in the ever-increasing digital transition, and at the same time are taking strategic steps to utilise this opportunity to serve customers with expanded value proposition and filling product gaps.

EBITDA

EBITDA margins in FY22 were at 11.0% of revenue vs 15.3% in FY21. Drop in EBITDA margins reflect our planned investments on digital marketing, marketplaces, increased airtime for OTA platforms, increased freight at sourcing locations and our initial setup cost of Germany. We are optimistic of reverting back to our earlier levels of mid-teens of EBITDA margin in the medium-term, led by continued customer growth, improved productivity, and cost optimisations.

Profit After Tax (PAT)

Profit after tax for the year was ₹ 237.1 crore (8.6% of revenue) versus ₹ 271.8 crore (10.7% of revenue) YoY. Planned investments on building digital capabilities and initial set-up cost of Germany impacted the profitability during the year. Adjusted for German losses and exceptional items, PAT would have been ₹ 258.0 crore.

Operating Cash Flows and Free Cash Flows

Operating cash flow of ₹ 86 crore in FY22 reflects the impact of working capital, part of which is because of higher inventory in transit, because of port congestion and lack of air-freight capacity. Negative free cash flow was on account of planned capital expenditure towards technology infrastructure upgradation, warehouse automation, free view channel upgrade in UK, new headquarter in US and initial setup cost of Germany.

3.4 Operational Performance

During the year, in person shopping gained momentum, which impacted the demand pattern for e-com industry and digital player like us. Consumers went for revenge outings and vacations, thus impacting demand. This was also impacted by Omicron led uncertainty in the digital retail industry. Consequently, e-com industry across the US and UK faced temporary headwinds with declining sales mix of online sales. In comparison to FY20, we have registered healthy double-digit growth of 39% in revenue which affirms our confidence to emerge stronger than before. The overall financial performance reflects short-term impacts of temporary headwinds and conscious business investments, however, if we compare the return ratios, they are at par with normal pre-COVID years. Amidst this macro challenges though transient in nature, the underlying long-term business prospects are promising. Our team's confidence and optimism are reassuring and well prepared to capture future growth.

3.4.1 Live 24x7 TV Shopping Network

We reach TV homes through cable, satellite, telco networks, and over-the-air antenna, also called OTA platforms. The reach of our TV networks by end of FY22 was approximately 124 million TV homes, which is 19% higher YoY. During FY22, TV contributed ~63% of total retail sales with annual sales volume of 6.9 million at an average selling price of USD 32.6.

3.4.2 Digital Sales

Digital sales contributed 37% to the total retail sales. Digital sales comprise sale from mobile platforms (including proprietary mobile apps and mobile web browser) and live TV streaming on proprietary digital platforms, third-party marketplaces and social media platforms. Amidst all macro challenges, digital revenue grew by 8.5% YoY and much stronger by 55.8% vis-à-vis FY20. The 5 years revenue CAGR of digital segment stands at 29.2% which signifies result of investments on strengthening and widening our omni-channel presence.

In digital segment, volumes were 5.48 million pieces in FY22 vs 5.41 million pieces. The average selling price per piece was US$ 24.2 in FY22, as compared to US$ 22.7 in the previous year.

3.4.3 B2B Sales

During the year, B2B revenue came out to be much stronger at ₹ 67 crore vs ₹ 25 crore in FY21, implying a strong growth of 162.7%. This was on account of cautious yet focused B2B approach. Also, we have started to directly serve our B2B customers from our existing supply chain in Asia and that seems to result in better ROIs for the Group. Owing to our manufacturing strength and resultant pricing leverage, other retailers are finding our value to be compelling as B2B doesn't have any front-end expenses and helps elevate scale to our supply chain.

3.5 Key financial ratios

Standalone

Ratio	FY22	FY21	Explanation to significant changes, wherever applicable
Debtors Turnover (times)	4.97	7.90	Owing to increase in receivables
Inventory Turnover (times)	4.20	3.69	
Interest Coverage (times)	89.87	53.52	Increased dividend income and services
Current Ratio (times)	2.14	2.58	
Debt-Equity Ratio (times)	0.16	0.11	Impact of increased borrowings
Operating Profit Margin (%)	20.6%	12.6%	Due to increased dividend and services income
Net Profit Margin (%)	26.3%	11.3%	Due to increased dividend and services income
Return on Net Worth (%)	23.2%	8.8%	Due to increased dividend and services income

Consolidated

Ratio	FY22	FY21	Explanation to significant changes, wherever applicable
Debtors Turnover (times)	13.81	16.83	
Inventory Turnover (times)	5.17	5.87	
Interest Coverage (times)	62.03	98.85	Impact of increased finance cost and decrease in earnings
Current Ratio (times)	2.25	2.87	
Debt-Equity Ratio (times)	0.09	0.10	
Operating Profit Margin (%)	11.0%	15.3%	Planned investments on digital marketing, affiliate costs and initial set-up cost of Germany
Net Profit Margin (%)	8.6%	10.7%	
Return on Net Worth (%)	22.7%	31.7%	Planned investments on digital marketing, affiliate costs and initial set-up cost of Germany

Note: For calculating interest coverage ratio and operating profit margin, EBIT and EBITDA have been considered after including other income

SWOT ANALYSIS

Strengths

- Robust omni-channel presence in both US and UK retail markets with presence across proprietary TV home-shopping, proprietary e-commerce platforms, social and third-party marketplaces
- Vertically integrated supply chain with multiple sourcing options
- Ability to offer lowest ASP providing deep value to customers
- In-house manufacturing units providing requisite flexibility
- Strong focus on sustainability which is becoming a value which consumers are increasingly looking for
- Robust IT infrastructure with integration on AI, IoT and automation
- Strong management and governance led by a professional management team, strong and independent Board and reputed external Auditors
- Easily scalable business models with scope of business expansion to newer geographies
- Strategic mix of successful curated collections (such as Sukriti, Bali Legacy, Bali Goddess and Milaan), home-grown brands (such as Tamsy, Iliana, Rhapsody, J Francis, Karis, Elanza, Strada, Genoa and Eon 1962) and exclusive designer brands (such as Giuseppe Perez, Rachel Galley, Lucy Q)
- Strong HR practices with focus on learning and development leading to high retention rates and talent acquisition
- Customer-centric business approach with diverse products, deep value proposition and engrossing content

Weaknesses

- Widespread global exposure increasing forex fluctuation risks
- Cord cutting in linear TV leading to viewer migration to connected TV. This we are attempting to mitigate by increasing investments on digital but omni-platforms like OTAs, OTTs, Marketplace and Social DR. Also increasing our Over The Air (OTA) footprint, where the cordcutters are migrating. This service is free to consumer therefore gaining marketshare

Opportunities

- Rapid rise in online shopping
- Growing need for omni-channel presence as change in consumer preference
- Expansion of portfolio to newer categories of home, beauty and textiles

Threats

- Geopolitical tension and pandemic-related supply chain disruption
- Sharp step-up in competitive intensity with advanced logistics capabilities
- Higher inflation in addressable markets of US and UK, impacting consumer sentiments
- Elevated sea freight and air freight
- Port congestion and lack of airfreight capacity
- Rapid rise in cyber attacks especially in the post pandemic era

OUTLOOK

COVID-19 is on downward path and will gradually become an endemic. Each of us has had unique learnings from this unprecedented event in our lifetimes. We, at Vaibhav Global, have used this challenge as an opportunity to learn and to excel. With the vaccination of both US and UK reaching pivotal levels, we believe that severity of threat from COVID-19 has largely reduced and both the economies have more or less opened completely. Consumer behaviour has improved, moving to revenge outings which means substantially increased brick and mortar shopping, more going out for dinners, family gatherings and holidays. After a massive jump last year, overall e-commerce as a percentage of US and UK's overall retail sales dipped in recent months. This phenomenon has led to relatively lower shopping for home shopping e-tailers like us.

We believe that the revenue pressure is transient, being linked to recent macro-headwinds and near-term challenges in operating environment. Our business continues to be driven by deep value proposition at an expanding range of products and deep penetration. We continue to gain market share across geographies. We also remain cash accretive and financing all initiatives out of internal accruals.

On the digital side, we have made significant investments in technology, revamping digital platforms and marketing strategies. We are investing with some of the best agencies across our business units and are working closely with them to meet our digital goals. The underlying long-term business prospects are promising. Our team's confidence and optimism are reassuring and well prepared to capture future growth. There are multiple levers for future growth and margin improvement and our long-term ambition is to sustain growth whilst building decent operating leverage. Our balance sheet continues to remain lean and healthy.

We continue to remain alert and agile to ground developments. We are doubling down on market connect, digital initiatives and remain confident on our resilience and ability to outgrow markets. We are adopting pragmatic approach to continue to gain further market share.

TECHNOLOGY ADOPTION

Technology is a key element of our day-to-day operations. We continue to make substantial and strategic investments in technology adoption and upgradation. Even during the year, we made cognizant investments on digital platforms and automation. To enhance operations and customer convenience, we have leveraged AI and other technological mechanisms to incorporate features like wallet integration, new ERP, and deployment of product personalisation. Such advancement in technology enables us to remain relevant with evolving market trends and stay ahead of competition. It also strengthens our internal processes and protocols, thereby allowing making our responses to challenges more prompt and apt.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

We are socially responsible corporate citizens, committed to serving the community. To give back to the community, which plays a key role in our organisational growth, we continue to do our bit in the fields of education, healthcare, and poverty alleviation. At the Group level, we contributed ₹ 8.21 crore during FY22 towards various charities. We undertook several initiatives during the pandemic to help our country rise above the natural disaster by donating masks, conducting vaccination drives, etc.

Your Purchase Feeds is our flagship CSR initiative aimed at uplifting underprivileged school-going children. A child is provided with a free wholesome meal, for every product sold at our retail channels. Since inception, we have provided 63 million meals to underprivileged children.

For more details, please refer to our ESG report (https://www.vaibhavglobal.com/reports).

ENVIRONMENTAL SUSTAINABILITY INITIATIVES

Environment is a key aspect of the way we do business at VGL. We are committed to mitigating impact on climate change across the value-chain and working actively to enrich and preserve the biodiversity in the proximity of our areas of operations. We are cognizant of the need to conserve and preserve the natural environment and are committed to the interplay of reduction, replacement, renewable, recycling and restoration with the objective to moderate carbon footprint. At VGL, we have undertaken several environment conservation initiatives related to renewable sources of energy, rainwater harvesting, waste management, water conservation and tree plantation among others.

In 2015, United Nations General Assembly defined 17 interlinked global goals designed to be a blueprint to achieve a better and more sustainable future for all. We have adopted 7 of these 17 goals. We are committed to conducting business with minimum impact on the environment. We have undertaken and continue to undertake several 'Green initiative' measures to protect the environment. Our SEZ unit was conferred with 'Excellence Award' for 'IGBC Performance Challenge 2021 for Green Built Environment' which reflects of our strong commitment and dedication towards environment sustainability.

For more details, please refer to our ESG report (https://www.vaibhavglobal.com/reports).

HUMAN RESOURCE MANAGEMENT

Human capital is one of our core strategic pillars of growth. We believe that our employees are the bedrock of sustained business success, and we prioritise grooming and nurturing world-class professionals. The Company strives to enhance employee experience in diverse ways, while investing in their growth and well-being. We have an open and dynamic work culture, respecting inclusivity and inspiring 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 all operating entities within the Group.

The year FY22 was unprecedented, given the continued pandemic-related challenges, during which 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 and their family members
- Doctor empanelment, online consultation and awareness sessions for employees
- 24x7 COVID helpline and dedicated COVID task force for employees
- Vaccination drives for employees as per the Government guidelines

We also initiated several employee engagement initiatives like town halls, games, management training and engagement programmes.

Mr. Sunil Agrawal, our Managing Director, was recognised as one of India's best leaders in times of crisis 2021 award by Great Place to Work.

We continued to maintain cordial industrial relations, with a focus on increasing employee engagement through formal and informal communication and training forums. As on 31st March 2022, we had 4,047 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.

For more details on Human Resources, please refer to our ESG report (https://www.vaibhavglobal.com/reports) and Human Capital section in the Integrated Annual Report.

RISK MANAGEMENT

Our robust risk management framework works for a better management and reporting system of risks. It ensures efficient and timely risk identification and accordingly formulating strategies to mitigate them. Risk management is core to our business strategy and continuity. Activities at all levels of the organisation are interrelated and drive the enterprise-wide risk management framework. The framework focuses on three key elements of risk assessment, risk management and risk monitoring.

Risk	Impact	Mitigation measures
Price risks	Our procurement prices are a function of fluctuation in commodity prices. Any volatility may impact margins.	• Wide variety of product portfolio spanning across price points • Flexible sourcing of majority of products • Close watch on market trends enable us to devise a strong procurement policy in line with current pricing trends
Foreign exchange risks	Sharp movement in foreign exchange rates may have a significant impact on margins.	• Widespread global operations provide natural hedge to business operations to a certain extent • Adequate foreign exchange derivative contracts are used for active hedging as per perceived risk
Liquidity risks	Inadequate liquidity may lead to exhaustion of borrowing limits and lead to financial solvency and liquidity risks and problems in day-to-day cash management.	• Proper financial planning with detailed annual business plans is discussed at all appropriate levels in the organisation • Annual and quarterly budgets are prepared and put up to management for detailed discussion • Senior management keeps a close eye on cash flows and working capital reports • Controls built in system for credit card collections in UK, US and daily reconciliation done with sales
Pandemic and geopolitical disruption	Geopolitical tensions and pandemic-related disruption impact business growth due to direct bearing on supply chain and customer behaviour.	• As per government guidelines, we undertake all appropriate safety measures to ensure all our employees and their families are well protected and healthy • We promptly adopted to distant working measures ensuring zero downturn on critical systems • Our global supplier network is diverse and strong enabling us to conduct unhindered business operations
High competitive intensity	Lucrative and high growth potential of the industry attracts high competition from existing and new players	• Creating a wide range of product offering spanning across price points • Strong focus on innovation and customer-centric business approach • Robust supply chain enabling deep value sourcing • USP of offering lowest ASP for superior quality products across multiple platforms
Technological obsolescence	It is imperative to keep pace with ever evolving technology advancements in the business to remain relevant	• Continuous evaluation and upgradation of IT infrastructure • Strong technology management vertical ensures timely digitisation of processes
People risk	Unavailability or lack of a skilled team may impact profitability	• Strong HR policies ensures high retention and appropriate talent acquisition • Regular learning and development opportunities • Timely rewards and recognition • Open work culture with strong management ethos
Data privacy risk related to General Data Protection Regulation (GDPR)	With high level of business digitisation, data control and prevention are imperative	• GDPR and other legislations with strict implications ensure strict compliance • We have in place strong data protection and privacy policy
Sustainability Risk (Environment, Social and Governance)	Environmental, social and governance (ESG) are three central factors in measuring the sustainability and ethical impact of a company. ESG factors, though non-financial, have a material impact on the long-term risk and return of investments. Responsible investors evaluate companies using ESG criteria as a framework to screen investments or to assess risks in investment decision-making.	Environmental aspects: • Focus on sustainability through a dedicated team • Installation of water treatment plants, use of renewable energy, tree plantation and setting up of rainwater harvesting at various facilities • Focus on efficient operations of environment protection system, collaborating with LEED for Green Building Certificate. • Reduction of Carbon footprint by various modes i.e. through EV vehicles • Exploring suitable sustainable packaging in future terms Social factors include: • Transparency in vendor/manpower selection, equality and opportunity to all • Well-defined policies and procedures to avoid unethical practices and having proper compliances i.e. no child labour, no gift policy, Anti Bribery & Corruption Policy, supplier code of conduct, whistle blower policy, POSH Policy etc. • Giving back to Community. i.e. Yours' purchase feeds, scholarship etc. • Best practices for employees welfare, care, safety and security, skill & development program, opportunity to grow • Dealing matters empathetically and resolving issues with mutual consent Steps for Governance risks are: - Timely compliance of all applicable laws with zero tolerance policy - Adequate and transparent disclosures with regular review by the Board - Diversified and Professional Board - Separation of MD and Chairman position - Constant Dividend Payouts - Marquee Investor Base - One of the best Credit Ratings in the industry

INTERNAL CONTROLS AND THEIR ADEQUACY

We are committed to high level of Corporate Governance. We have a well-defined organisational structure, authority levels and internal rules and guidelines for conducting business transactions. In keeping with this, we have a robust well devised internal control framework which are appropriate to the nature and size of the business, and commensurate with the scale and complexity of its operations. The Internal control system is designed and implemented, which inter alia, helps us to safeguard our assets, timely preparation of reliable financial information, maintain accurate accounting records, prevention and detection of frauds and errors and provide reliable financial information and other data to our stakeholders. To ensure our internal control system is robust we ensure periodic internal audits, management reviews and also have a set of well-documented policies, guidelines, and procedures. For smooth business execution, we have in place a distinct organisational structure, authority levels and internal rules and guidelines. We remain committed to strict adherence to all applicable laws and statutes, and intend to undertake further measures, as necessary.

In accordance with the Companies Act, 2013 and globally accepted risk-based framework as issued by the Committee of Sponsoring Organizations (COSO) of the Treadway Commission, we have outlined the current system of Internal Financial Controls. This technologically advanced robust framework details entity-level policies, processes and Standard Operating Procedures (SOPs). We use technology-supported platforms to keep the Internal Financial Control (IFC) framework robust.

Strong internal audit enables us to ensure robustness of our internal controls across multiple functions and locations. Due corrective measures are brought into force by concerned process owners in their respective areas, as indicated by the internal control function. The Audit Committee of the Board is duly apprised about the significant audit observations and corrective actions. Our internal audit function is carried out by Deloitte Touche Tohmatsu India LLP, an external independent firm, also responsible for reporting its findings to the Audit Committee. The effectiveness of the internal control system is closely monitored by Internal audit function, also responsible to ensure that the system remains competent and robust. The Audit Committee reviews the risk-based internal audit plan followed by the Internal audit function.

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 33rd Annual General Meeting (AGM) of the Members of VAIBHAV GLOBAL LIMITED will be held on Tuesday, 2 August 2022 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 2022 together with the Reports of the Board of Directors and Auditors thereon.

2. **Declaration of dividend**
   To declare a final dividend of ₹ 1.50 per equity share (@75 %) for the year ended 31 March 2022 and to confirm 1st interim dividend of ₹ 1.50 per equity share (@75%), 2nd interim dividend of ₹ 1.50 per equity share (@75%) and 3rd interim dividend of ₹ 1.50 per equity share (@75%), already paid during the year 2021-22.

3. **Re-appointment of Mrs. Sheela Agarwal (DIN:00178548) as a Director, liable to retire by rotation**
   *To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution:***

   "RESOLVED THAT pursuant to the provisions of Section 152 and other applicable provisions of the Companies Act, 2013, the approval of members of the Company, be and is hereby accorded to reappoint Mrs. Sheela Agarwal (DIN:00178548) as a director, who is liable to retire by rotation and offered herself for reappointment as Director."

4. **Re-appointment of Statutory Auditors and fixation of their remuneration**
   *To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution:***

   "RESOLVED THAT pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 and rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), M/s. B S R & Co. LLP, Chartered Accountants (ICAI Registration No.: 101248W/W-100022) be and are hereby reappointed as the Statutory Auditors of the Company for a second term of five years starting from 1 April 2022 to 31 March 2027 and they shall hold the office from the conclusion of the 33rd Annual General Meeting of the Company till the conclusion of the 38th Annual General Meeting on such remuneration and reimbursement of expenses to be decided from time to time, by the Board of Directors/ Audit Committee or any other person as authorized by the Board/ Audit Committee and mutually agreed with the Auditors."

   "RESOLVED FURTHER THAT the Board of Directors be and are hereby severally authorized to do all such acts, deeds, matters and things as it may, in their absolute discretion, deem necessary or desirable in order to give effect to the above resolution for and on behalf of the Company."

SPECIAL BUSINESS:

5. **Retirement of Mr. Nirmal Kumar Bardiya (DIN: 00044624), 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. Nirmal Kumar Bardiya (DIN: 00044624) liable to retire by rotation, who does not offer himself for re-appointment, be not re-appointed as a Director of the Company and the vacancy so caused on the Board of the Company be not filled-up".

6. **Appointment of Ms. Stephanie Renee Spong (DIN:09295604) as an Independent Director of the Company**
   *To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution:***

   "RESOLVED THAT pursuant to the provisions of Sections 149, 152, 160 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 ("the Act") and rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), Regulation 17 of SEBI (LODR)

Regulation, 2015 and other laws, rules and regulations as may be applicable from time to time and pursuant to the recommendation of Nomination, Remuneration and Compensation Committee and the Board of Directors ("the Board"), the consent of the members be and is hereby accorded for the appointment of Ms. Stephanie Renee Spong (DIN: 09295604), who was appointed as an additional director w.e.f. 6 September 2021 pursuant to the provision of Section 161(1) of the Act, as a Non Executive Independent Woman Director of the Company, to hold office for a term of two years commencing from 6 September 2021 to 5 September 2023, whose office shall not be liable to retire by rotation, on such terms and conditions including remuneration determined/ to be determined by the Board."

"RESOLVED FURTHER THAT the Board be and is hereby authorised 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:	**By Order of the Board of Directors**
K-6B, Fateh Tiba,	**For Vaibhav Global Limited**
Adarsh Nagar,	
Jaipur – 302004	**Sd/-**
CIN: L36911RJ1989PLC004945	**Sushil Sharma**
	Company Secretary
	(Membership No. FCS -6535)
Place: Jaipur	
Date: 23 May 2022	

NOTES:

1. Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ('the Act') in respect of item number 4 to 6 and the information required pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI (LODR) Regulations'), read with secretarial standards 2 issued by ICSI, regarding the Directors seeking appointment/re-appointment in the Annual General Meeting are annexed hereto and both forms part of the Notice.

2. The 33rd 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, 02/2021 and 02/2022 dated 8 April 2020, 13 April 2020, 5 May 2020, 13 January 2021 and 5 May 2022 respectively, issued by the Ministry of Corporate Affairs (MCA) and Circular numbers SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12 May 2020, SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated 15 January 2021 and SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated 13 May 2022 issued by the Securities and Exchange Board of India (SEBI) (hereinafter collectively referred to as 'Circulars'), which permit the companies to hold AGM through VC/OAVM, which does not require physical presence of members at a common venue and sending physical copies of Annual Report. The deemed venue for the 33rd 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 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: Member will be provided with a facility to attend the e-AGM through video conferencing platform provided by KFin Technologies 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 shall be provided as per Note No. 22 below. Kindly refer the same for detailed instruction for participating in e-AGM through Video Conferencing.

5. In compliance with the aforesaid circulars, the Notice of 33rd AGM along with the Annual Report for the financial year 2021-22 is sent only through electronic mode to those Members whose E-mail addresses are registered with the Company / Depositories / RTA as on 1 July 2022. 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 the shares of the Company have been 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 higher 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, 1 July 2022 ('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")	Members not having PAN / valid PAN
10% or as notified by the Government of India	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 2022-23 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:

i. 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

ii. Copy of Tax Residency Certificate for financial year 2022-23 obtained from the revenue authorities of the country of tax residence, duly attested by member

iii. Self-declaration in Form 10F

iv. Self-declaration by the member of having no permanent establishment in India in accordance with the applicable tax treaty

v. Self-declaration of beneficial ownership by the non-resident shareholder

vi. Any other documents as prescribed under the IT Act for lower withholding of taxes if applicable, duly attested by the member

The documents referred to in point nos. (iii) to (v) can be downloaded from the link given at the end of this communication or from the Company's website viz. www.vaibhavglobal.com. 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 Non- Resident shareholder.

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 below documents:

i. 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

ii. Copy of Tax Residency Certificate for financial year 2022-23 obtained from the revenue authorities of the country of tax residence, duly attested by member

iii. Self-declaration in Form 10F

iv. Self-declaration by the member of having no permanent establishment in India in accordance with the applicable tax treaty

v. Self-declaration of beneficial ownership by the non-resident shareholder

vi. Any other documents as prescribed under the IT Act for lower withholding of taxes if applicable, duly attested by the member

The documents referred to in point nos. (iii) to (v) can be downloaded from the link given at the end of this communication or from the Company's website viz. www.vaibhavglobal.com. 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 FII/FPI. 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. Further, the Rate of TDS is subject to provisions of Section 206AB of the Act (effective from July 2021) which introduces special provisions for TDS in respect of taxpayers who have not filed their income-tax returns (referred to as 'Specified Persons'). Under section 206AB of the Act, tax is to be deducted at higher of the following rates in case of payments to the specified person:

- At twice the rate specified in the relevant provision of the Act; or
- At twice the rate or rates in force; or
- At the rate of 5%.

In terms of Rule 37BA of the Income Tax Rules 1962, if dividend income on which tax has been deducted at source is assessable in the hands of a person other than the deductee, then such deductee should file declaration with Company in the manner prescribed in the Rules. Kindly note that the aforementioned documents should be uploaded with KFin Technologies Limited, the Registrar and Transfer Agent ("KFin") at https://ris.kfintech.com/form15 or emailed to einward.ris@kfintech.com on or before 26 July 2022. You can also email the same to dividend@vaibhavglobal.com. No communication on the tax determination / deduction shall be entertained after 26 July 2022.

In case tax on dividend is deducted at a higher rate in the absence of receipt of the aforementioned details / documents, you would still have the option of claiming refund of the excess tax paid at the time of filing your income tax return. No claim shall lie against the Company for such taxes deducted.

TDS certificates in respect of tax deducted, if any, can also downloaded from the e-filing account at https://www.incometax.gov.in/iec/foportal or can email to dividend@vaibhavglobal.com.

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. As a part of the green initiatives, the Members who have not yet registered their E-mail addresses, bank details, nominations etc are requested to register the same as per the following procedures:

Type of Holder	Process to be followed	
Physical	For availing the following investor services, send a written request in the prescribed forms to the RTA of the Company, KFin Technologies Limited either by email to einward.ris@kfintech.com or by post to KFin Technologies Limited (Unit: Vaibhav Global Limited) Selenium Tower B, Plot 31 & 32, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad – 500032.	
	Form for availing investor services to register PAN, email address, bank details and other KYC details or changes / update thereof for securities held in physical mode	Form ISR-1
	Update of signature of securities holder	Form ISR-2
	For nomination as provided in the Rules 19 (1) of Companies (Share capital and debenture) Rules, 2014	Form SH-13
	Declaration to opt out	Form ISR-3
	Cancellation of nomination by the holder(s) (along with ISR-3) / Change of Nominee	Form SH-14
	Form for requesting issue of Duplicate Certificate and other service requests for shares / debentures / bonds, etc., held in physical form	Form ISR 4
	The forms for updating the above details are available at www.vaibhavglobal.com	
Demat	Please contact your DP and register your email address and bank account details in your demat account, as per the process advised by your DP.	

13. Members may please note that SEBI vide its Circular No.SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated 25 January 2022 has mandated the listed companies to issue securities in dematerialized form only while processing service requests viz. Issue of duplicate securities certificate; claim from unclaimed suspense account; renewal/exchange of securities certificate; endorsement; sub-division/splitting of securities certificate; consolidation of securities certificates/folios; transmission and transposition. Accordingly, Members are requested to make service requests by submitting a duly filled and signed Form ISR – 4, the format of which is available on the Company's website at https://www.vaibhavglobal.com/shareholder_communication. It may be noted that any service request can be processed only after the folio is KYC Compliant. SEBI vide its notification dated 24 January 2022 has mandated that all requests for transfer of securities including transmission and transposition requests shall be processed only in dematerialized form. In view of the same and to eliminate all risks associated with physical shares and avail various benefits of dematerialisation, Members are advised to dematerialise the shares held by them in physical form. Members can contact the Company, for assistance in this regard.

14. 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 33rd AGM. Members seeking to inspect such documents can send an E-mail to investor_relations@vaibhavglobal.com.

15. SEBI has mandated the submission of PAN, KYC details and nomination by holders of physical securities by 31 March 2023, and linking PAN with Aadhaar by 31 March 2022 vide its circular dated 3 November 2021 and 15 December 2021. Shareholders are requested to submit their PAN, KYC and nomination details to the Company's registrars KFin Technologies Limited at einward.ris@kfintech.com.

    Members holding shares in electronic form are, therefore, requested to submit their PAN to their depository participant(s). In case a holder of physical securities fails to furnish these details or link their PAN with Aadhaar before the due date, our registrars are obligated to freeze such folios. The securities in the frozen folios shall be eligible to receive payments (including dividend) and lodge grievances only after furnishing the complete documents. if the securities continue to remain frozen as on 31 December 2025, the registrar / the Company shall refer such securities to the administering authority under the Benami Transactions (Prohibitions) Act, 1988, and / or the Prevention of Money Laundering Act, 2002.

16. 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.

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

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

19. The scrutinizer shall immediately after the conclusion of 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 a period not exceeding 48 hours 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.

20. The results shall be declared either by the Chairman or the person authorized by the Chairman in writing 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.

21. 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.karvy.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.

22. **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 Listing Regulations and in terms of SEBI vide circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 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 33rd AGM.

    (2) However, in pursuant to SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 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 Friday, 29 July 2022 at 10.00 A.M. (IST) and ends on Monday, 1 August 2022 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., Tuesday, 26 July, 2022, 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 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) 6728, 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_6728."

(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 Sunday, 31 July 2022 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 at least 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 opened from Friday, 29 July 2022 at 10.00 AM to Sunday, 31 July 2022 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 opened from Friday, 29 July 2022 at 10.00 AM to Sunday, 31 July 2022 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:
         MYEPWD <SPACE> IN12345612345678
      2. Example for CDSL:
         MYEPWD <SPACE> 1402345612345678
      3. Example for Physical:
         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

M/s. B S R & Co. LLP, Chartered Accountants, were appointed as Statutory Auditors of the Company at the 28th Annual General Meeting ('AGM') for a period of 5 years, up to the conclusion of 33rd AGM. M/s. B S R & Co. LLP are eligible for re-appointment for a further period of 5 years. M/s. B S R & Co. LLP have given their consent for their re-appointment as Statutory Auditors of the Company and has issued certificate confirming that their re-appointment, if made, will be within the limits prescribed under the provisions of Section 139 of the Companies Act, 2013 ('the Act') and the rules made thereunder. M/s. B S R & Co. LLP have confirmed that they are eligible for the proposed appointment under the Act, the Chartered Accountants Act, 1949 and the rules or regulations made thereunder. As confirmed to Audit Committee and stated in their report on financial statements, the Auditors have reported their independence from the Company and its subsidiary according to the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') and the ethical requirements relevant to audit. Based on the recommendations of the Audit Committee and the Board of Directors, it is hereby proposed to re-appoint M/s. B S R & Co. LLP, Chartered Accountants, having registration No. 101248W/W-100022, as the Statutory Auditors of the Company for the second term of five consecutive years, who shall hold office from the conclusion of this 33rd AGM till the conclusion of the 38th AGM of the Company.

B S R & Co. LLP is a Member entity of B S R & Affiliates, a network registered with the Institute of Chartered Accountants of India. BSR is registered in Mumbai, Gurugram, Bengaluru, Kolkata, Hyderabad, Pune, Chennai, Chandigarh, Ahmedabad, Vadodara, Noida, Jaipur, Kochi and Vijayawada. B S R & Co. LLP audits various companies listed on stock exchanges in India.

The Board of Directors has approved a remuneration of ₹ 34.56 lacs for the audit/limited review services for the financial year 2021-22, excluding applicable taxes and reimbursement of out-of pocket expenses on actuals. The remuneration proposed to be paid to the Statutory Auditors during their second and final term would be in line with the existing remuneration and shall commensurate with the services to be rendered by them during the said tenure. The Board of Directors in consultation with the Audit Committee may alter and vary the terms and conditions of appointment, including remuneration, in such manner and to such extent as may be mutually agreed with the Statutory Auditors. Besides the limited review / audit services, the Company would also obtain certifications from the statutory auditors under various statutory regulations and certifications required by clients, banks, statutory authorities, audit related services and other permissible non-audit services as required from time to time, for which they will be remunerated separately on mutually agreed terms, as approved by the Board of Directors. The above fee excludes the proposed remuneration to be paid to audit services/non-audit service of subsidiaries.

Considering the evaluation of the past performance, experience and expertise of and based on the recommendation of the audit committee, it is proposed to appoint B S R & Co. LLP as statutory auditors of the Company for second term of five consecutive years till the conclusion of the 38th AGM of the Company in terms of the aforesaid provisions.

The Board recommends the resolution set out at Item No. 4 of the Notice for approval by the Members by way of an Ordinary Resolution.

None of the Directors or Key Managerial Personnel of the Company or their relatives are interested or concerned, financially or otherwise, in the resolution.

Item No. 5

In accordance with the Articles of Association of the Company, Mr. Nirmal Kumar Bardiya, Director is liable to retire by rotation at the ensuing Annual General Meeting. Mr. Bardiya, has expressed his desire for not seeking re-appointment due to his pre-occupation.

Mr. Nirmal Kumar Bardiya has been on the Board of the Company since 10 July 2001. The Board places on record its sincere appreciation and recognition of the valuable contribution and services rendered by Mr. Bardiya during his tenure as a Director of the Company. The Board proposes that the vacancy caused by his retirement be not filled up.

No Director, Key Managerial Personnel and their relatives, except Mr. Bardiya & his relatives, is in any way, concerned or interested in the said resolution.

The Board recommends the resolution set out at Item No. 5 of the Notice for approval of the Members by way of an Ordinary Resolution.

Item No. 6

Pursuant to the recommendation of the Nomination, Remuneration and Compensation (NRC) Committee, the Board of Directors ("the Board") appointed Ms. Stephanie Renee Spong as an Additional Director in the category of Non-Executive Independent Woman Director w.e.f. 6 September 2021 under Sections 161 and 149 of the Companies Act, 2013 ("the Act") read with regulation 17 of SEBI (LODR) Regulation, 2015.

In terms of Section 161(1) of the Act, an Additional Director shall hold office upto the date of next Annual General Meeting. Considering her knowledge, skills and experience, the Board of Directors, has recommended/approved the appointment of Ms. Stephanie Renee Spong as an Independent Director of the Company for a term of two years from 6 September, 2021 to 5 September 2023 on such terms and conditions including remuneration by way of profit related commission determined/to be determined by the Board, within the limits as previously approved by the shareholders regarding payment of remuneration to non-executive directors.

The Company has received a notice in writing pursuant to Section 160 of the Act from a Member proposing her candidature for the appointment as an Independent Director of the Company. The Company has received consent in writing from her to act as Director of the Company and a declaration that she is not disqualified to act as Director under Section 164(2) of the Act and meet the criteria of independence as provided in Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI (LODR) Regulations, 2015 and not debarred from holding of office of director pursuant to any SEBI order. In the opinion of the Board, Ms. Stephanie Renee Spong fulfils the conditions specified in the Act/Regulations and she is independent of the management. The Board recommends the Resolution set out at Item No. 6 of the Notice for the approval of the members as a Special Resolution.

The brief profile, specific areas of her expertise and other information as required under SEBI (LODR) Regulations, 2015, is provided at the end of the notice. The terms and conditions of appointment of Director would be available for electronic inspection between 11.00 A.M. and 1.00 P.M. (IST) on all working day of the Company, except holiday, upto the date of 33rd Annual General Meeting. Members seeking to inspect such document can send an E-mail to investor_relations@vaibhavglobal.com.

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

Details of Directors seeking appointment/re-appointment at 33rd Annual General Meeting

Name of Director	Mrs. Sheela Agarwal	Ms. Stephanie Renee Spong
Date of Birth	12/12/1942	01/06/1965
Date of first appointment on the Board	10/11/2008	06/09/2021
Date of re-appointment	30/07/2020	NA
Brief Profile / Expertise in Specific field/ Qualification	Mrs. Sheela Agarwal a philanthropist and an active social worker. She possesses business acumen and a deep understanding of the sector.	Ms. Stephanie Spong is a venture capitalist with over three decades of professional experience in strategy, operations, and finance, working with both start-ups and established companies in the U.S., Japan, Hong Kong, and Mexico. She brings seasoned business judgment and financial skills, and as Managing Director of Razorfish's Los Angeles office, she gained valuable operating experience and immersion in the digital media space. Her previous experience includes Goldman Sachs, McKinsey, Citibank, EPIC Ventures, and Monitor Group. She is currently a partner with Royal Street Ventures, an early-stage venture capital fund, serving on the boards of U.S.-based portfolio companies Trelora and Art and Craft Entertainment. For over a decade, Ms. Spong has supported fast-growth start-ups in tech-enabled industries as a board member and board observer/adviser. Ms. Spong is a graduate of Brigham Young University and earned her MBA from Harvard Business School.
Board Meetings held & attended during the FY 2021-22	Held – 4 Attended - 4	Held – 2 Attended – 2
Directorships held in other public companies (excluding foreign companies and Section 8 companies)	Nil	Nil
Memberships/ Chairmanships of committees of other public companies (includes only Audit Committee and Stakeholders' Relationship Committee)	Nil	Nil
Number of shares held in the Company	1,13,200	Nil
Remuneration paid during FY 2021-22	₹ 3,00,000 (Sitting Fee)	₹ 21,20,732 Profit related commission
Relationships with other directors/KMP	Mother of Mr. Sunil Agrawal, Managing Director and Sanjeev Agrawal, Director of the Company.	NA

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

Place: Jaipur
Date: 23 May 2022

By Order of the Board of Directors
For Vaibhav Global Limited

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

Board's Report

To the Members,

Your Directors have pleasure in presenting the 33rd Annual Report on the affairs of the Company, together with the Audited Financial Statements, for the financial year ended 31 March 2022.

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 financial year ended 31 March 2022 are as follows:

(₹ in lacs)

Particulars	Standalone (FY)		Consolidated (FY)	
	2021-22	2020-21	2021-22	2020-21
Revenue from Operations and Other Income	59,080.56	46,173.52	2,77,427.11	2,55,777.00
Less: Operating Cost	46,894.01	40,362.96	2,47,106.07	2,16,983.97
Operating Profit / PBDIT	12,186.55	5,810.56	30,321.04	38,793.03
Less: Finance Cost	258.78	178.88	609.69	462.94
Less: Depreciation & Amortization Expenses	645.10	513.34	5,480.92	3,913.82
Profit Before Tax (PBT)	11,282.67	5,118.34	24,230.43	34,416.27
Exceptional Items	(56.22)	-	2,824.16	-
Profit After Exceptional items	11,226.45	5,118.34	27,054.59	34,416.27
Less: Tax Expenses	(1,658.74)	435.23	3,343.43	7,240.93
Profit After Tax (PAT)	12,885.19	4,683.11	23,711.16	27,175.34
Other Comprehensive Income (Net of Tax)	72.45	(34.04)	607.15	(220.65)
Total Comprehensive Income	12,957.64	4,649.07	24,318.31	26,954.69

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

With over three decades of experience, Vaibhav Global Limited ('the Company') has emerged as a vertically integrated fashion retailer, with multi-channel presence across well-integrated platforms, comprising 24x7 proprietary TV home-shopping channels, e-commerce websites, mobile apps, smart TV, OTT platforms, social media platforms, influence marketing, third-party marketplaces, and other digital means. We have a widespread global presence in the retail space with supply chain spread over 30 countries and significant operations in the US, the UK and very recently we also have ventured in Germany.

Our product assortment includes different lifestyle products including home, beauty, fashion and accessories. Major part of revenue pie is dominated by fashion jewellery, amounting up to 69% with remaining revenue accruing from lifestyle products. The share of lifestyle products in revenue mix is constantly increasing as we continue to enrich our product mix and enhance customer engagement. We are respected for a superior customer value proposition delivered through deep value, low-cost manufacturing, and quality products.

We have three highly reputed retail platforms, Shop LC (US), Shop TJC (UK) and Shop LC (Germany), which are well-known in the value segment having direct access to ~124 million households serving through our proprietary TV, Websites, OTA and digital platforms, including marketplaces, social media platforms and mobile apps. In an environment where sales channel boundaries are overlapping, VGL's omni-channel presence drives and deepens customer engagement providing a huge opportunity for the future.

For more details, please refer to the Business Overview section of the Management Discussion and Analysis Report, which forms a part of the Board's Report.

COVID-19

The Covid-19 pandemic which brought the whole world to standstill in 2020 again impacted the humanity with its ferocious second wave during initial months of the fiscal year 2021-22. Though the Covid accelerated the digital adoption and helped the industry to register strong set of numbers but, for the mankind this was an unprecedented event. We hope that the vaccination drives would enable to overcome the adversaries of Covid-19 in the future. Post first quarter of

FY22, as the Covid was receding and global vaccination was reaching its pivotal levels, people tend to opt for outings and in-person shopping. While there was a tailwind in FY21 which helped digital industry to grow, FY22 faced certain headwinds which we believe are transient and we are well prepared and placed to continue our growth trajectory in time to come. Leveraging our robust and vertically integrated supply chain, we kept our focus on planned digital investments. We perceive that our long-term business levers remains intact and e-commerce industry will recover soon. We are utilizing digital as a means to bring operational efficiencies, which includes implementation of GEEK+ robotic automation system at our warehouses, employing latest technology to enhance customer experience via digital marketing, interface upgradation etc.

As a responsible corporate citizen, your Company has supported the community during this pandemic through various initiatives like launching vaccination drives for its employees and their families, donating various critical medical equipment to hospitals.

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 2021-22, for the approval of the equity shareholders at the ensuing 33rd Annual General Meeting (AGM). The dividend, if approved at 33rd AGM, will be paid to those members who will be the members of the Company on the book closure date i.e. 1 July 2022.

Apart from above, during the year under review, the Board has declared the following interim dividend during FY 2021-22:

Particulars	Dividend per Share (₹)	Date of declaration	Dividend %
1st Interim Dividend	1.50	29 Jul 2021	75%
2nd Interim Dividend	1.50	27 Oct 2021	75%
3rd Interim Dividend	1.50	27 Jan 2022	75%

The dividend payout for FY 2021-22 is ₹ 98.2 crores. 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 2021-22 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. However, pursuant to sub-division of the share of the Company, the Authorised equity share capital was changed from 4,10,00,00 (Four Crore Ten Lacs Only) Equity Shares of ₹ 10/- (Rupees Ten only) each to 20,50,00,000 (Twenty Crores Fifty lacs only) Equity Shares of ₹ 2/- (Rupees Two only) each.

b) Issued and Subscribed Share Capital:

During the year under review, the Company has allotted 43,262 equity shares of ₹ 10/- each (before sub-division of shares) and 10,86,507 equity shares of ₹ 2/- each (after sub-division of shares) 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) Restricted Stock Unit Plan-2019: The Company has granted 2,76,541 stock unit convertible into equal number of equity share of ₹ 2/- each to the eligible employees of the Company and its subsidiaries under 'Vaibhav Global Limited Restricted Stock Unit Plan-2019' (hereinafter referred to as 'RSU-2019') during the year under review.

b) Management Stock Option Plan-2021: The Company has granted 23,187 stock options convertible into equal number of equity share of ₹ 2/- each to the eligible employees of the Company and its subsidiaries under Vaibhav Global Limited, Management Stock Option Plan-2021' (hereinafter referred to as 'MSOP-2021') during the year under review.

c) Employee Stock Option Plan-2021: The Company has granted 82,816 stock options convertible into equal number of equity share of ₹ 2/- each to the eligible employees of the Company and its subsidiaries under 'Vaibhav Global Limited, Employee Stock Option Plan–2021' (hereinafter referred to as 'ESOP-2021') during the year under review.

d) Employee Stock Options Plan (As Amended)-2006: The Company has not granted any stock option under 'Vaibhav Global Limited, Employees Stock Options Plan (As Amended) -2006' (hereinafter referred to as 'ESOP-2006') during the year under review.

All employees benefit schemes of the Company i.e. RSU-2019, MSOP-2021, ESOP-2021 and ESOP-2006, are in compliance with SEBI (Share Based Employee Benefits) Regulations, 2014 and SEBI (Share based Employee benefits and Sweat Equity Shares) Regulation, 2021 as may be applicable from time to time. The required details pertaining to said schemes are available on the Company's website: https://www.vaibhavglobal.com/esop. The Secretarial Auditors' certificate on the implementation of above said schemes in accordance with SEBI (Share based Employee benefits and Sweat Equity Shares) Regulation, 2021 will be made available during the 33rd AGM.

SUB-DIVISION OF EQUITY SHARES

During the year under review, the shareholders of the Company 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 by way of postal ballot resolution on 24 April 2021 pursuant to recommendation of Board of Directors in its meeting held on 22 March 2021. Accordingly, the capital clause of the Memorandum of Association of the Company has been amended. The sub-divided shares have been listed under new ISIN i.e. INE884A01027 on BSE Limited and National Stock Exchange of India Limited w.e.f. 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 having of face value of ₹ 10/- each had 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 stock options/units and the number of stock options/ units which were available for grant and those already granted but not exercised (vested and unvested) as on the record date have been 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 (Fund based) were revised from CARE A-; Positive / CARE A2+ (Single A Minus ; Outlook: Positive / A Two Plus) to CARE A; Stable / CARE A1 (Single A ; Outlook: Stable / A One), which denotes adequate degree of safety regarding timely servicing of financial obligations. The short-term bank facilities were revised from CARE A2+ (A Two Plus) to CARE A1 (A One) for bank guarantees and forward contract (Non-fund based) which denotes very strong degree of safety regarding timely servicing of financial obligations.

Further, ICRA has also assigned the rating as "A" for long term (Fund based) and A1 for short term (Non-fund based) bank facilities. The Outlook on the long term facilities is Stable. This rating indicates adequate degree of safety regarding timely servicing of financial obligations and carry low credit risk.

HOLDING AND SUBSIDIARY COMPANIES

A. Holding Company:

Brett Enterprises Private Limited, holds 9,16,04,991 equity shares of ₹ 2/- each, representing 55.86% shareholding of the Company, is a holding Company of Vaibhav Global Limited.

B. Subsidiary Companies:

The Company has the following subsidiaries and stepdown subsidiaries:

Subsidiaries

a) VGL Retail Ventures Ltd. (formerly: Genoa Jewellers 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 Global Supply Limited (formerly: 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 Global Limited (formerly: STS Gems Thai Limited), Thailand, a 100% subsidiary of the Company, engaged in outsourcing products for the group.

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

f) Shop LC GmbH, Germany a 100% subsidiary of the Company, which is engaged in the business of selling the products to the retail consumers via television and ecommerce websites in Germany.

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

h) Vaibhav Lifestyle Limited, a 99.99% subsidiary of the Company, which is engaged in manufacturing and export of garments.

i) Encase Packaging Private Limited, a 60% subsidiary of the Company, which is engaged in the business of manufacturing and dealing in packaging materials.

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 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.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.

Change in Subsidiaries/Stepdown Subsidiaries

During the year under review, the Company has acquired the shares of following companies:

a) Shop LC GmbH, Germany: The Company has acquired the entire capital of Shop LC GmbH from Shop TJC Limited, UK, a stepdown subsidiary of the Company. Pursuant to said acquisition, the Shop LC GmbH, Germany became a direct wholly-owned subsidiary of the Company.

b) Vaibhav Lifestyle Limited: The Company has acquired 25% of shareholding of Vaibhav Lifestyle Limited from the existing shareholders of the Company on 31 March 2022 (One equity share is yet to be received from the transferor).

c) Encase Packaging Private Limited: The Company has acquired 60% equity capital of the Company on 15 March 2022 and it has become subsidiary of the Company.

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 changes in the nature of the business of the subsidiaries except acquisition of above mentioned subsidiaries during the year under review.

CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements of the Company and all the subsidiaries forms 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 2022 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

During the year under review, Ms. Monica Justice, Non-Executive Woman Independent Directors of the Company, has completed her tenure as Independent Director on 5 September 2021. The Board placed on record its appreciation for her invaluable contribution and guidance.

The Company has regularised the appointment of Mr. Sanjeev Agrawal as a Director of the Company at 32nd Annual General Meeting held on 29 July 2021, who is liable to retire by rotation.

On the recommendation of Nomination, Remuneration and Compensation Committee, the Board of Directors, appointed Ms. Stephanie Renee Spong as an additional director under the category of Non Executive Woman Independent Director of the Company for a period of two years from 6 September 2021 to 5 September 2023 subject to the approval of shareholders of the Company. The Company has received notice for her candidature for regularisation as a Director of the Company in the ensuing Annual General Meeting. In the opinion of the Board, she possesses adequate skill, knowledge, expertise, integrity and experience as determined by the Company being a Board Member. Keeping in view the knowledge, skill, expertise and vast & relevant experience of Ms. Stephanie Renee Spong, the Board has recommended her appointment as a Non-Executive Independent Director of the Company for the approval of shareholders in this ensuing Annual General Meeting.

Pursuant to section 152 of the Companies Act, 2013, Mr. Nirmal Kumar Bardiya and Mrs. Sheela Agarwal, Non-Executive Directors, who have been longest in the office, are liable to retire by rotation at the ensuing 33rd Annual General Meeting and eligible for re-appointment.

Mrs. Sheela Agarwal, Director of the Company offered herself for reappointment at ensuing 33rd AGM. The Board considered and recommended the same to the shareholders of the Company for their approval.

Mr. Nirmal Kumar Bardiya, Director of the Company, due to his preoccupation, has expressed his unwillingness for re-appointment as Director of the Company at ensuing AGM. The Board placed on record his invaluable contribution and guidance to the Company/Board during his tenure as board member and recommended a resolution for the same for the approval of the shareholders. The Board has decided not to fill the vacancy caused due to his retirement.

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 2022. 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 Companies Act, 2013, 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 is available on the Company's website at https://www.vaibhavglobal.com/code-policies.

b) Board Meetings

During the year, four (4) 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 2021-22, 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 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 policy is available on Company's website at https://www.vaibhavglobal.com/code-policies. Your Company has spent a sum of ₹ 171.45 lacs under CSR activities during the year. 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 with 'Commitment to Being a Great Place to Work' award. This recognition is awarded to those organizations that have leveraged the GPTW framework to assess & improve their workplace culture over the years.

2. Received 'Best Workplace in Manufacturing by Great Place To Work' and were featured in the top 30 Companies in India.

3. Conferred with IGJ Award for being 'Highest export of Silver Jewellery category for FY 2019-20, consecutively sixth year.

4. Received 'Rajasthan State Best Employer Award – 2021'. The award has been given for best aligned HR practices in business, cultivating competencies for the future, talent management, performance-oriented culture and having an outstanding employee engagement strategy.

5. VGL's SEZ Unit conferred with 'Excellence Award' for 'IGBC Performance Challenge 2021 for Green Built Environment'.

6. Mr. Sunil Agrawal, Managing Director recognized as one of India's best leaders in times of crisis 2021 award by great places to work.

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 2022.

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. During the year, the Board has amended the policy on the 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 Auditors 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 2022, 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.

Further, pursuant to Section 139 of the Companies Act, 2013, the shareholders had appointed of M/s B S R & Co. LLP, Chartered Accountants as Statutory Auditors from the conclusion of 28th Annual General Meeting till the conclusion of 33rd Annual General Meeting of the Company. Accordingly, the first term of Statutory Auditors will be completed at the conclusion of ensuing AGM. Based on the recommendation of the audit committee, the Board of Directors of the Company has recommended the reappointment of M/s B S R & Co. LLP, Chartered Accountants, (ICAI Firm Registration Number 101248W/W-100022) as the statutory auditors of the Company for the second term of five years commencing from 1 April 2022 to 31 March 2027 and they shall hold office from the conclusion of 33rd Annual General Meeting till the conclusion of 38th Annual General Meeting, subject to the approval of the shareholders at ensuing Annual General Meeting.

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 reappointed as Secretarial Auditors of the Company to conduct the secretarial audit of the Company for the financial year 2021-22. The Secretarial Audit Report for the financial year 2021-22 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, conference call and regular quarterly meetings during the year. Earnings call transcripts/recording of the meeting 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 received two complaints and the same were resolved by the ICC. No complaint was pending pertaining to sexual harassment as on 31 March 2022.

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/shareholder_communication.

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 2022-23 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 2022 and state that:

a) in the preparation of the annual accounts for the financial year ended 31 March 2022, 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 2022 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 for transfer to IEPF on the dates mentioned below:

Divided for the Year	Type of Dividend	Dividend per share (₹)	Date of declaration	Due date of transfer to IEPF	Unclaimed dividend as on 31 March 2022 (₹)	Face Value of share on which dividend declared (₹)
2018-19	Interim dividend	5.00	29 October 2018	5 December 2025	58,695.00	10.00
2018-19	Final dividend	5.00	30 July 2019	31 August 2026	62,720.00	10.00
2019-20	Interim dividend	7.00	29 January 2020	3 March 2027	74,067.00	10.00
2019-20	Special Interim dividend	19.74	19 March 2020	25 May 2027	2,57,468.82	10.00
2019-20	Final dividend	7.00	30 July 2020	5 September 2027	67,483.00	10.00
2020-21	1st interim dividend	5.00	30 July 2020	4 September 2027	49,618.00	10.00
2020-21	2nd interim dividend	5.00	29 October 2020	3 December 2027	56,032.00	10.00
2020-21	3rd interim dividend	7.50	29 January 2021	4 March 2028	99,756.50	10.00
2020-21	Final dividend	1.50	29 July 2021	1 September 2028	1,03,169.50	2.00
2021-22	1st interim dividend	1.50	29 July 2021	3 September 2028	93,887.50	2.00
2021-22	2nd interim dividend	1.50	27 October 2021	30 November 2028	98,111.55	2.00
2021-22	3rd interim dividend	1.50	27 January 2022	7 March 2029	43,410.92*	2.00

*unclaimed as on 23 May 2022. 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 transferred the unclaimed dividend of ₹ 29,474.40 and 10,930 Equity Shares to IEPF. Shareholders may note that both the unclaimed dividend and corresponding shares, which has been transferred to IEPF, including all benefits arising on such shares, can be claimed from IEPF as per the procedure provided under the applicable provisions of the Companies Act, 2013. The Company sends periodic intimation to shareholders, advising them to lodge their claims with respect to unclaimed dividend.

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 2021-22 and the date of this report which may impact the financial position of the Company.

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The disclosures to be made under Section 134(3)(m) of the 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 sustainability 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. The Company completed commission of 1.55 MW solar projects in 2021, which increased its total solar capacity to 3.23 MW. With this, the Company is now addressing 100% power requirements of its Jaipur manufacturing facilities through renewable energy. During the year, the Company has generated 40.39 KWh electricity through renewable energy.

- **Electrical Vehicle**
  The Company has distributed 84 electric two wheelers to its employees for transportation and deployed 3 electric four – wheelers for the office use which will help to reduce the carbon footprints.

- **Green Building**
  Our manufacturing unit at the Special Economic Zone (SEZ) in Jaipur, Rajasthan, is a LEED Platinum certified building. Our SEZ unit has been conferred 'Excellence Award' in 'IGBC Performance Challenge 2021 for Green Built Environment' under 'Factory Category' by Indian Green Building Council (IGBC). VGL is one of the three distinguished company in India under 'Factory Category' who has been recognized with this 'Excellence Award' and was the only jewellery manufacturing plant in India who achieved this milestone.

- **Water Management**
  Installed rainwater harvesting structures, enabling ~61 lacs litres of water harvesting across all units of VGL India. Set up of ETP/STP plant at the premises to ensure maximum recycling and reuse of water in the process. We recycle 48 KL per day, equivalent to ~17,500 KL annually. Our mission is to conserve water through rainwater harvesting to replenish depleting groundwater table and to provide clean drinking water. An area in one of our manufacturing units has been converted into an underground tank with a capacity to hold 100 KL water.

- **Bio-diversity**
  We have accelerated efforts to enhance the green coverage at our plants and surroundings. During the year, we planted ~1600 trees, taking our cumulative plantation to over 5,600 trees. In order to promote biodiversity in Rajasthan, we initiated a multi-layer plantation akin to forest in the rural areas and planted 26,000 saplings in two acres of land for Miyawaki forest.

These initiatives are in alignment with our vision to become Carbon Neutral in Scope 1 and Scope 2 GHG emissions by 2031 & pursuing to become Carbon Neutral in Scope 3 GHG emissions

(ii) Capital investment on energy conservation equipment:

During the year, ₹ 543.55 lacs incurred for solar project and electric vehicles till 31 March 2022.

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) Sulthasis casting Machine VPC 100- The machine is used for specially for gold casting, diamond wax setting pcs casting.

b) Fisher Machine – The machine is used for metal testing, chemical testing and plating thickness testing.

c) Laser star cutting and stamping 3400 series – This machine is used for stamping and laser cutting on metal.

(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 Sulthasis casting Machine VPC 100, Fisher Machine and Laser star cutting and stamping machines 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	57,706.49
2.	Foreign exchange used	16,213.88

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: 23 May 2022

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	13
Name of Subsidiary	STS Jewels Inc., USA	STS Global Limited (formerly: STS Gems Thai Limited), Thailand	STS Global Supply Limited (formerly: STS Gems Limited), Hong Kong	STS Global Limited (formerly: STS Gems Japan Limited), Japan	VGL Retail Ventures Limited, Mauritius	Vaibhav Vistar Limited, India	Encase Packaging Pvt. Limited, India	Vaibhav Lifestyle Limited, India	Shop LC GmbH, Germany	Pt. STS Bali	Shop TJC Limited (formerly: The Jewelry Channel Limited), UK	Shop LC Global Inc., USA	STS (Guangzhou) Trading Limited, China
The date since when subsidiary was acquired	27 January 2006	24 January 2006	24 January 2006	24 January 2006	4 August 2005	2 December 2020	15 March 2022	5 December 2020	9 March 2021 (Date of acquisition)	24 March 2014 (Date of Incorporation	15 December 2005	30 January 2007	16 May 2018
Reporting Period for the Subsidiary Concerned, if different from the holding Company's reporting period	1 April 2021 to 31 March 2022	1 April 2021 to 31 March 2022	1 April 2021 to 31 March 2022	1 April 2021 to 31 March 2022	1 April 2021 to 31 March 2022	1 April 2021 to 31 March 2022	28 October 2021 to 31 March 2022	1 April 2021 to 31 March 2022	1 April 2021 to 31 March 2022	1 April 2021 to 31 March 2022	1 April 2021 to 31 March 2022	1 April 2021 to 31 March 2022	1 April 2021 to 31 March 2022
Reporting Currency and exchange rate as on the last date of the relevant Financial Year in the case of Foreign Subsidiaries	USD 1 = ₹ 75.519904	THB 1 = ₹ 2.266342	HKD 1 = ₹ 9.64396	JPY 1 = ₹ 0.619835	USD 1 = ₹ 75.519904	INR 1 = 1	INR 1 = 1	INR 1 = 1	EURO 1 = ₹ 83.932781	Rupiah 1 = ₹ 0.005259	GBP 1 = ₹ 99.176489	USD 1 = ₹ 75.519904	Chinese Yuan 1 =11.903335
Share Capital	3,77,59,952	7,93,21,970	8,43,84,650	4,64,87,625	3,53,59,65,229	5,00,00,000	5,00,00,000	60,00,000	20,98,320	75,70,410	2,28,93,83,130	25,14,81,280	1,62,58,289
Reserves & Surplus	32,64,70,034	14,05,00,196	38,23,10,461	(4,83,28,725)	12,19,82,83,120	(60,23,388)	(2,16,16,192)	(2,17,80,202)	(48,92,23,299)	14,80,02,493	13,46,88,18,127	4,31,15,03,768	18,94,15,842
Total Assets	84,82,27,354	48,15,13,924	56,40,42,935	50,66,837	1,05,87,75,714	11,78,98,718	9,10,47,064	9,19,74,687	81,23,94,344	28,72,97,389	3,92,07,01,823	7,27,39,50,375	33,78,04,302
Total Liabilities	48,39,97,368	26,16,91,758	11,99,14,690	69,38,928	25,35,579	7,39,22,106	6,26,63,256	10,77,54,889	1,29,95,19,323	13,17,24,487	2,14,53,07,195	3,55,26,74,728	13,21,30,171
Investments	-	-	2,25,66,866	30,992	14,67,80,08,214	-	-	-	-	-	13,98,28,06,630	84,17,09,402	-
Turnover	1,35,95,70,499	95,41,94,793	1,07,96,30,521	2,26,299	-	1,54,91,070	2,23,01,873	13,25,03,958	34,29,45,909	59,07,84,352	8,07,62,13,540	18,65,27,92,343	1,59,41,46,875
Profit before Taxation	14,75,73,103	7,90,69,642	(3,22,66,694)	(11,13,414)	86,09,10,062	(53,18,888)	(48,89,955)	(2,03,82,297)	(47,66,90,354)	2,68,51,305	1,45,00,64,801	1,95,24,42,057	8,88,61,135
Provision for Taxation	3,09,90,348	1,62,36,115	-	1,11,728	2,27,164	-	-	-	-	45,66,256	12,57,69,276	30,76,76,170	2,10,18,482
Profit after Taxation	11,65,82,755	6,28,33,527	(3,22,66,694)	(12,25,142)	86,06,82,899	(53,18,888)	(48,89,955)	(2,03,82,297)	(47,66,90,354)	3,14,17,561	1,32,42,95,525	1,64,47,65,887	6,78,42,654
Proposed Dividend	-	-	-	-	-	-	-	-		-	-	-	
% of shareholding	100%	100%	100%	100%	100%	100%	60%	99.99%	100%	100%	100%	100%	100%

Note:

1. Name of Subsidiaries which are yet to commence operations: NA
2. Name of Subsidiaries which have been liquidated or sold during the year: 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 2022

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

Harsh Bahadur	**Sunil Agrawal**	**Nirmal Kumar Bardiya**	**Vineet Ganeriwala**	**Sushil Sharma**
Chairman	Managing Director	Non-Executive Director	Group CFO	Company Secretary
DIN: 00724826	DIN: 00061142	DIN: 00044624		ICSI Membership No: F6535
Place: Delhi	Place: Jaipur	Place: Jaipur	Place: Jaipur	Place: Jaipur
Date: 23 May 2022	Date: 23 May 2022	Date: 23 May 2022	Date: 23 May 2022	Date: 23 May 2022

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 utilization 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 realize their true potential and drive the Company's growth.

j) Promote inclusive growth and equal opportunity by retenting a caste, gender and religion neutral organization.

Focus areas

- Eradicating hunger, poverty and malnutrition.
- Promoting healthcare including preventive healthcare.
- Promoting education through schools and other organization.
- Promoting education, enhancing vocational skills.
- Promoting gender equality and empowering women, in particular.
- Ensuring environmental sustainability, including plantation by school children.
- 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	Chairman of CSR Committee, Executive Director	2	1
2.	Mr. Harsh Bahadur	Member, Independent Director	2	2
3.	Mr. Nirmal Kumar Bardiya	Member, Non-Independent Non-Executive Director	2	2

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: NA

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:

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 ₹)
1	2020-21	--	--

6. Average net profit of the Company as per Section 135(5): ₹ 7,489.02 lacs

7. (a) Two percent of average net profit of the Company as per section 135(5): ₹ 149.78 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): ₹ 149.78 lacs

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

Total Amount Spent for the Financial Year (₹ in lacs)	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
₹ 171.45	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 for the project (₹ in lacs)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - through Implementing Agency	
				State	District			Name	CSR Registration number
1	Eradicating hunger, poverty and malnutrition	(i)	Yes	Rajasthan	Jaipur	130.20	No	Akshay Patra foundation	CSR00000286
2	COVID-19 related activities	(i) and (xii)	Yes	Rajasthan	Jaipur	41.25	Yes	NA	NA

(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): ₹ 171.45 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)	149.78
ii.	Total amount spent for the Financial Year	171.45
iii.	Excess amount spent for the financial year [(ii)-(i)]	21.67
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)]	21.67

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): NA

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 FY22 through CSR spend.

(a) Date of creation or acquisition of the capital asset(s): None

(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.: NA

(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset): NA

11. Specify the reason(s), if the company has failed to spend two percent of the average net profit as per Section 135(5): NA

Sunil Agrawal
Managing Director & Chairman - CSR Committee
DIN: 00061142
Place: Jaipur
Date: 23 May 2022

Harsh Bahadur
Chairman of the Board
DIN: 00724826
Place : Delhi
Date: 23 May 2022

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., USA (100% step down Subsidiary)	Sales	Ongoing	180 Days for Payment from the Date of Invoice ₹ 2,55,89,99,878	N.A	N.A
	Management fee	Ongoing	180 Days for Payment from the Date of Invoice ₹ 3,87,31,278	N.A	N.A
STS Global Supply Ltd. (formerly: STS Gems Ltd.), Hong Kong (100% Subsidiary)	Purchase	Ongoing	120 Days for Payment from the Date of Invoice ₹ 50,07,62,59	N.A	N.A
	Sales	Ongoing	180 Days for Payment from the Date of Invoice ₹ 2,37,46,822	N.A	N.A
	Management fee	Ongoing	180 Days for Payment from the Date of Invoice ₹ 33,89,159	N.A	N.A
STS Global Ltd. (formerly: STS Gems Thai Ltd.), Thailand (100% Subsidiary)	Purchase	Ongoing	120 Days for Payment from the Date of Invoice ₹ 14,52,57,239	N.A	N.A
	Sales	Ongoing	180 Days for Payment from the Date of Invoice ₹ 24,86,06,512	N.A	N.A
	Management fee	Ongoing	180 Days for Payment from the Date of Invoice ₹ 9,63,571	N.A	N.A
STS Jewels Inc., USA (100% Subsidiary)	Purchase	Ongoing	120 Days for Payment from the Date of Invoice ₹ 14,92,88,116	N.A	N.A
	Sales	Ongoing	180 Days for Payment from the Date of Invoice ₹ 11,85,73,659	N.A	N.A
	Management fee	Ongoing	180 Days for Payment from the Date of Invoice ₹ 7,84,475	N.A	N.A
PT. STS BALI, Indonesia (100% step down Subsidiary)	Purchase	Ongoing	120 Days for Payment from the Date of Invoice ₹ 2,35,77,901	N.A	N.A
	Sales	Ongoing	180 Days for Payment from the Date of Invoice ₹ 1,68,74,223	N.A	N.A
	Management fee	Ongoing	180 Days for Payment from the Date of Invoice ₹ 4,30,988	N.A	N.A
Shop TJC Limited (formerly: The Jewellery Channel Limited), UK (100% step down Subsidiary)	Sales	Ongoing	180 Days for Payment from the Date of Invoice ₹ 1,10,28,52,485	N.A	N.A
	Management fee	Ongoing	180 Days for Payment from the Date of Invoice ₹ 1,91,49,826	N.A	N.A
STS (Guangzhou) Trading Ltd., China (100% step down Subsidiary)	Purchase	Ongoing	120 Days for Payment from the Date of Invoice ₹ 3,00,91,714	N.A	N.A
Shop LC GmbH, Germany, (100% Subsidiary)	Sales	Ongoing	180 Days for Payment from the Date of Invoice ₹ 17,80,30,971	N.A	N.A
	Management fee	Ongoing	180 Days for Payment from the Date of Invoice ₹ 61,80,020	N.A	N.A
	Purchase	Ongoing	120 Days for Payment from the Date of Invoice ₹ 39,59,914	N.A	N.A
STS Global Limited (formerly: STS Gems Japan Ltd.), Japan (100% Subsidiary)	Sales	Ongoing	180 Days for Payment from the Date of Invoice ₹ 35,34,948	N.A	N.A
Vaibhav Lifestyle Limited, India (99.9% Subsidiary)	Purchase	Ongoing	120 Days for Payment from the Date of Invoice ₹ 37,04,839	N.A	N.A

Harsh Bahadur
Chairman
DIN: 00724826

Place: Delhi
Date: 23 May 2022

Annexure-4

FORM NO. MR-3
SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2022
[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 March 31, 2022 ["period under review"]. 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, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the 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, minute books, 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 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;
   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;
   d. Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (till August 12, 2021);
   e. Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (w.e.f August 13, 2021);
   f. Securities and Exchange Board of India (Depositories & Participants) Regulations, 2018.
   g. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations,1993 regarding the Act and dealing with client.
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 Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review, were carried out in compliance with the provisions of the Act and other applicable laws.

Adequate notice is given to all directors to hold 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 any 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:

1. **Issue of Equity Shares under ESOP Scheme:**
During the period under review, the Company allotted 11,29,769 (Eleven Lakh Twenty-Nine thousand Seven Hundred and Sixty-Nine) Equity Shares of INR 2 each on the following dates in accordance with VGL ESOP Scheme 2006 (as modified in 2018).

Date of Allotment	No. of shares allotted
April 20, 2021	43,262
June 01, 2021	1,30,620
June 18, 2021	1,70,190
July 28, 2021	1,40,995
September 13, 2021	1,46,617
September 22, 2021	1,76,115
November 15, 2021	70,920
December 13, 2021	1,40,900
January 27, 2022	65,664
February 24, 2022	24,254
March 24, 2022	20,232
Total	**11,29,769**

2. **Sub-division of Equity Shares:**
During the period under review, pursuant to section 61(1)(d) of the Act, the shareholders of the Company approved sub-division of 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 sub-divided shares have been listed under new ISIN INE884A01027 on BSE Limited and National Stock Exchange of India Limited.

3. **Acquisition of 100% shareholding in Vaibhav Lifestyle Limited:**
During FY 2020-21, the Company incorporated a subsidiary named 'Vaibhav Lifestyle Limited' on December 05, 2020 and subscribed to its 75% share capital. During the period under review, the Company acquired the balance 25% equity shares on March 31, 2022. (One equity share is yet to be received from the transferor as on the date of signing this report).

4. **Execution of Shareholders' Agreement:**
During the period under review, pursuant to the Share Subscription and Shareholders' Agreement on March 15, 2022, the Company acquired, by way of preferential allotment, 60% equity shares of Encase Packaging Private Limited.

5. **Acquisition of Shop LC GmbH, Germany:**
During the period under review, the Company acquired Shop LC GmbH, Germany (100% subsidiary) from Shop TJC Limited, UK (a stepdown subsidiary of the Company) on October 18, 2021.

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

Nitu Poddar
Partner
Membership No.: 37398
CP No.:15113
Place: New Delhi UDIN: A037398D000357201
Date: May 20, 2022 Peer Review Certificate No.:781/2020

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. Given the challenges and limitations posed by Covid-19, lockdown restrictions (wherever applicable), as well as considering the effectiveness of information technology tools in the audit processes, we have conducted online verification and examination of records, as facilitated by the Company, for the purpose of issuing this Report. In doing so, we have followed the guidance as issued by the Institute.
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-check 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. Signed minutes for the meetings of the following held during the period under review:
   a. Board of Directors dated May 12, 2021, July 29, 2021, October 27, 2021 and January 27, 2022;
   b. Audit Committee dated May 12, 2021, July 29, 2021, October 27, 2021 and January 27, 2022;
   c. Nomination and Remuneration Committee dated May 10, 2021 and October 22, 2021;
   d. Corporate Social Responsibility Committee dated May 12, 2021 and January 27, 2022;
   e. Risk Management Committee dated September 23, 2021 and March 11, 2022;
   f. Stakeholders Relationship Committee dated January 27, 2022;
   g. Allotment Committee;
   h. Resolutions by Circulation
   i. Annual General Meeting dated July 29, 2021;
   j. Postal Ballot dated April 24, 2021.
2. Agenda papers for Board and Committee Meeting 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 2021-22;
5. Directors' disclosures under the Act and rules made thereunder;
6. Statutory Registers under the Act;
7. Forms filed with ROC, intimations made to stock exchanges;
8. Policies/Codes framed under the Act and SEBI regulations;
9. 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) and %:

Sr. No.	Name of Person	Designation	Ratio of Remuneration to MRE#	% Increase / (Decrease) in Remuneration#
1.	Mrs. Sheela Agarwal	Non-Executive Non-Independent Director	0.88	(20.00)
2.	Mr. Nirmal Kumar Bardiya	Non-Executive Non-Independent Director	2.62	5.95
3.	Mr. Harsh Bahadur	Independent Director	8.82	-
4.	Mr. Sunil Goyal	Independent Director	2.32	(8.67)
5.	Mr. James Patrick Clarke	Independent Director	14.17	1.16
6.	Mr. Santiago Roces	Independent Director	5.78	1.16
7.	Ms. Monica Justice[1]	Independent Director	10.75	(0.23)
8.	Mr. Sanjeev Agrawal	Non-Executive Non-Independent Director	0.88	(20.00)
9.	Ms. Stephanie Renee Spong[1]	Independent Director	11.05	NA

#Based on annualized remuneration including sitting fees and profit related commission paid/payable during the financial year 2021-22. The is no change in the remuneration (sitting fees / profit related commission) during the FY. However, the increase/decrease in remuneration was due to no. of meeting attended by directors and exchanges rate fluctuation in case of payment to directors in USD.

[1]Ms. Stephanie Renee Spong appointed as Non-Executive Independent Director w.e.f 6 September 2021 and Ms. Monica Justice completed her tenure of Independent director on 5 September 2021.

2. During the financial year, the percentage increase in gross remuneration of Group CFO and Company Secretary was 40% and 9% respectively.
3. The median remuneration of employees (MRE) was ₹ 3,40,116 as on 31 March 2022 and ₹ 3,09,144 as on 31 March 2021. There was increase of 9.11% in MRE during the financial year 2021-22.
4. Total permanent employees on the rolls of Company were 1,389 employees as on 31 March 2022.
5. Average salary increase of non-managerial personnel was 7.4% and that of managerial personnel was NIL during the financial year 2021-22. There are no exceptional circumstances for increase in managerial remuneration.
6. Remuneration paid during the financial year ended 31 March 2022 is as per the Remuneration Policy of the Company.

(B) INFORMATION AS PER RULE 5(2) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

a) Details of Top-Ten employees in terms of remuneration drawn during the year ended 31st March, 2022:

Sr. No.	Emp Name	Designation	Remuneration FY 2021-22* (₹ in lacs)	Date of Commencement of employment	Education Qualification	Age (year)	Total Experience (In Years)	Last Employment
1	Vineet Ganeriwala	Group CFO	199.06	21-Feb-2020	C.A.	47	24	Vodafone Group Services Ltd. London
2	Unnat Gautam	Deputy General Manager	170.34	9-Apr-2011	MBA, B.Sc.	48	24	Genus Power Infrastructures Ltd
3	Saurabh Vijay Vargiya	Asst. General Manager	163.06	19-Apr-2017	M.B.A, L.L.B	35	14	India MART Inter MESH Ltd.
4	Anil Mantri	Asst. General Manager	146.73	11-Oct-2006	B.com	49	30	Passionate Gems Ltd.
5	Pushpendra Singh	VP-HR, VGL Group	87.87	01-Dec-2012	MBA, LLB	52	27	JSPL
6	Avinash Kumar Sharma	Asst. General Manager	75.49	07-May-2016	B.com & PGDCA	40	19	BVC Logistics Pvt. Ltd.
7	Manoj Kumar Sharma	Sr. Manager	76.12	10-Aug-2013	MBA & PG	44	17	Star Cement, Guwahati
8	Anshuman Khandelwal	Deputy General Manager	73.59	01-Mar-2011	C.A, M.B.A	42	18	Deloitte Touche Tohmatsu India Pvt. Ltd.
9	Raj Kumar Singh	VP-SCM	69.38	09-Mar-2011	M.B.A. B.Sc.	51	28	Steckbeck Jewelery Pvt. Ltd.
10	Mukesh Rohilla	Sr. Manager	65.80	13-May-2014	B.com.	50	28	Bakelite Hylam Ltd.

*Annualized 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 to 4 of above table 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 had 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.

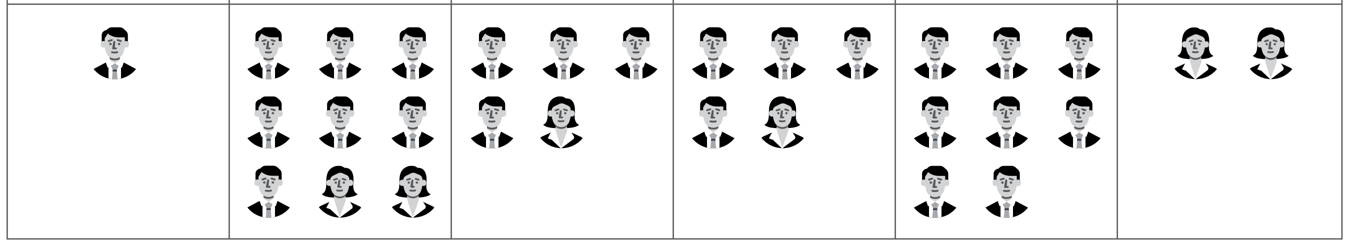
The Company is in compliance with the requirements stipulated under Regulations 17 to 27 read with Schedule V and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred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

2. BOARD OF DIRECTORS

A) Board Composition

As on 31 March 2022, the Board of the Company comprises of ten members, headed by Non-Executive Independent Chairman. The Board consists of one Executive Director (Managing Director), five Non-Executive Independent Directors and four Non-Executive Non-Independent 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%)



Director's detail

Category	No. of Directors	Name of Directors	Promoter / Promoters Group	Date of first Appointment	Current Tenure	Shareholding
Executive Directors	1	Mr. Sunil Agrawal	Yes	08/05/1989	Managing Director upto 31/01/2024	1,40,700
Non – Executive Non – Independent Directors	4	Mr. Nirmal Kumar Bardiya	Yes	10/07/2001	NA[1]	6,00,000
		Mrs. Sheela Agarwal	Yes	10/11/2008	NA[1]	1,13,200
		Mr. Pulak Chandan Prasad	No	29/10/2013	NA[1]	Nil
		Mr. Sanjeev Agrawal	Yes	20/10/2020	NA[1]	42,100
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. Stephanie Renee Spong[2]	No	06/09/2021	Upto 05/09/2023	Nil

[1]Director liable to retire by rotation.

[2]Appointed on the Board w.e.f. 6 September 2021

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

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 Companies Act, 2013 ('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 the Act. The maximum tenure of Independent Directors is in compliance with the provision 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' Data bank maintained with the Indian Institute of Corporate Affairs.

D) Woman Independent Director

Pursuant to the requirement of Regulation 17(1)(a), Ms. Stephanie Renee Spong 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.

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

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

Expertise/Skill of individual directors are highlighted below:

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

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

The Company held four Board Meetings during FY 2021-22 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 32nd AGM held on 29 July, 2021	Attendance at the Board Meeting held on				Total No. of Board Meetings attended	%age of attendance
		12 May 2021	29 July 2021	27 October 2021	27 January 2022		
Mr. Sunil Agrawal	V	V	V	V	V	4	100%
Mr. Nirmal Kumar Bardiya	V	V	V	V	V	4	100%
Mrs. Sheela Agarwal	V	V	V	V	V	4	100%
Mr. Pulak Chandan Prasad	V	V	V	V	V	4	100%
Mr. Santiago Roces	V	V	V	V	V	4	100%
Mr. Harsh Bahadur	V	V	V	V	V	4	100%
Mr. James Patrick Clarke	V	V	V	V	V	4	100%
Mr. Sunil Goyal	V	V	V	V	V	4	100%
Ms. Monica Justice[1]	V	V	V	NA	NA	2	100%
Mr. Sanjeev Agrawal	V	V	V	V	V	4	100%
Ms. Stephanie Renee Spong[2]	NA	NA	NA	V	V	2	100%

[1] Completed her tenure as an Independent Director on 5th September 2021.

[2] Appointed as an Independent director on the Board w.e.f 6th September 2021.

V = attended through video conference.

Directorship and Committee's Membership

Name of Director	Number of Directorship(s) held in other Indian public limited companies[1]	Directorship in other listed entities		Committee(s) position (including VGL)[2]	
		Name of the Listed entity	Category of Directorship*	Membership	Chairmanship
Mr. Sunil Agrawal	1	Nil	-	Nil	Nil
Mr. Nirmal Kumar Bardiya	2	Nil	-	2	Nil
Mrs. Sheela Agarwal	1	Nil	-	Nil	Nil
Mr. Pulak Chandan Prasad	2	• Triveni Turbine Ltd. • Berger Paint India Limited	NE NEI	1	Nil
Mr. Santiago Roces	Nil	Nil	-	Nil	Nil
Mr. Harsh Bahadur	1	• Indian Terrian Fashions Limited	NEI	3	Nil
Mr. James Patrick Clarke	Nil	Nil	-	Nil	Nil
Mr. Sunil Goyal	1	Nil	-	Nil	2
Ms. Stephanie Renee Spong	Nil	Nil	-	Nil	Nil
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 during the financial year 2021-22 is given hereunder:

Name of the Director	Category of the Directors	Position held in the Committee	Attendance at Audit Committee Meeting held during 2021-22				Total No. of Meetings attended	%age of attendance
			12 May 2021	29 July 2021	27 Oct 2021	27 Jan 2022		
Mr. Sunil Goyal	Non-Executive Independent Director	Chairman	V	V	V	V	4	100%
Mr. Harsh Bahadur	Non-Executive Independent Director	Member	V	V	V	V	4	100%
Mr. Nirmal Kumar Bardiya	Non-Executive Non-Independent Director	Member	V	V	V	V	4	100%

V=attended through video conference

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 29 July 2021.

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 and SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021. 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;

1A. For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:

a. use the services of an external agencies, if required;

b. consider candidates from a wide range of backgrounds, having due regard to diversity; and

c. consider the time commitments of the candidates.

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 during the financial year 2021-22 is given hereunder:

Name of the Director	Category of the Directors	Position held in the Committee	Attendance at NRC Committee Meeting held during 2021-22		Total No. of Meetings Attended	%age of Attendance
			10 May 2021	22 Oct 2021		
Mr. Sunil Goyal	Non-Executive Independent Director	Chairman	V	V	2	100%
Mr. Harsh Bahadur	Non-Executive Independent Director	Member	V	V	2	100%
Mr. Nirmal Kumar Bardiya	Non-Executive Non-Independent Director	Member	V	V	2	100%

V=attended through video conference

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 29 July 2021.

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 are 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 2022 is as under.

Name of the Director	Salary (₹)	Sitting Fees (₹)	Profit related Commission (₹)	Total (₹)
Mr. Sunil Agrawal	-	-	-	-
Mr. Nirmal Kumar Bardiya	-	8,90,000	-	8,90,000
Mrs. Sheela Agarwal	-	3,00,000	-	3,00,000
Mr. Sanjeev Agrawal	-	3,00,000	-	3,00,000
Mr. Pulak Chandan Prasad	-	-	-	-
Mr. Harsh Bahadur	-	8,90,000	21,10,000	30,00,000
Mr. Sunil Goyal	-	7,90,000	-	7,90,000
Mr. Santiago Roces	-	-	19,64,644	19,64,644
Mr. James Patrick Clarke	-	-	48,18,938	48,18,938
Ms. Monica Justice	-	-	15,23,333	15,23,333
Ms. Stephanie Renee Spong	-	-	21,20,732	21,20,732
Total		**31,70,000**	**1,25,37,647**	**1,57,07,647**

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 during the financial year 2021-22 is given hereunder:

Name of the Director	Category of the Directors	Position held in the Committee	Attendance at Stakeholders Relationship Committee Meeting held on 27 January 2022	%age of Attendance
Mr. Sunil Goyal	Non-Executive Independent Director	Chairman	V	100%
Mr. Harsh Bahadur	Non-Executive Independent Director	Member	V	100%
Mr. Nirmal Kumar Bardiya	Non-Executive Non-Independent Director	Member	V	100%

V=Attended through video conference.

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 29 July 2021.

Details of Complaints received and resolved during the year

Particulars	No. of Complaints
Complaints pending as on 1 April 2022	Nil
Received during the Year	103
Resolved during the Year	103
Complaints outstanding as on 31 March 2022	Nil

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

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.

d. Formulate and recommend to the Board, an annual action plan in pursuance of its CSR policy, which shall include the following, namely: -

(i) the list of CSR projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act;

(ii) the manner of execution of such projects or programmes

(iii) the modalities of utilisation of funds and implementation schedules for the projects or programmes;

(iv) monitoring and reporting mechanism for the projects or programmes; and

(v) details of need and impact assessment, if any, for the projects undertaken by the company

Provided that Board may alter such plan at any time during the financial year, as per the recommendation of its CSR Committee, based on the reasonable justification to that effect.

e. committee may identify other areas for CSR activities, from time to time.

f. authorise any person(s) to decide spending and identify projects/programmes under CSR and/or annual action plan within the limit approved/recommended by the Committee.

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 2021-22 forms a part of the Board's Report.

The composition of the Committee, meetings held during the year and attendance of the members during the financial year 2021-22 is given hereunder:

Name of the Director	Category of the Directors	Position held in the Committee	Attendance at CSR Committee Meeting held on		%age of Attendance
			12 May 2021	27 January 2022	
Mr. Sunil Agrawal	Executive Director	Chairman	V	X	50%
Mr. Harsh Bahadur	Non-Executive Independent Director	Member	V	V	100%
Mr. Nirmal Kumar Bardiya	Non-Executive Non-Independent Director	Member	V	V	100%

V= attended through video conference.

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 of the Risk Management Committee inter-alia include the following:

(1) To formulate a detailed risk management policy which shall include:

(a) A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.

(b) Measures for risk mitigation including systems and processes for internal control of identified risks.

(c) Business continuity plan.

(2) To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;

(3) To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;

(4) To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;

(5) To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;

(6) The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee.

The Risk Management Committee shall coordinate its activities with other committees, in instances where there is any overlap with activities of such committees, as per the framework laid down by the board of directors.

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		% age of attendance
			23 September 2021	11 March 2022	
Mr. Sunil Goyal	Non-Executive Independent Director	Chairman	V	V	100%
Mr. Harsh Bahadur	Non-Executive Independent Director	Member	V	V	100%
Mr. Nirmal Kumar Bardiya	Non-Executive Non-Independent Director	Member	V	V	100%
Mr. Vineet Ganeriwala	Group CFO	Member	V	V	100%

V= attended through video conference.

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. During the year the committee met 11 times i.e. on 20 April 2021, 1 June 2021, 18 June 2021, 28 July 2021, 13 September 2021, 22 September 2021, 15 November 2021, 13 December 2021, 27 January 2022, 24 February 2022 and 24 March 2022 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 11th May 2021, 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. The said certificate is available on the website of the Company.

3. GENERAL BODY MEETINGS

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

Meeting	Date	Time (IST)	Venue	Special Resolution passed
32nd AGM	29th July, 2021	9:00 A.M.	Through Video Conferencing (VC) / Other Audio Visual Means (OAVM) Deemed Venue: E-69, EPIP, Sitapura, Jaipur – 302022 (Rajasthan)	Nil
31st AGM	30th July, 2020	9:00 A.M.	Through Video Conferencing (VC)/ Other Audio Visual Means (OAVM) Deemed Venue: E-69, EPIP, Sitapura, Jaipur – 302022 (Rajasthan)	1. Re-appointment of Mr. Sunil Goyal as an Independent Director of the Company
30th AGM	30th July, 2019	10.00 A.M.	E-69, EPIP, Sitapura, Jaipur – 302022 (Rajasthan)	1. Adoption of new set of Articles of Association of the Company 2. Alteration of the Object Clause & Liability Clause of the Memorandum of Association of the Company

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 2021-22.

c) Postal Ballot

During the year under review, the Company has passed the following resolutions on 24 April, 2021 through postal ballot, the notice of the same was duly sent on 22 March, 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 was 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 notice was sent to shareholders in electronic form having email addresses. The Company also published notice 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 this purpose. The result of e-voting by postal ballot was announced within 48 hours of conclusion of the e-voting period. The results was displayed on the website of the Company (www.vaibhavglobal.com), and was communicated to the Stock Exchanges and Registrar and Share Transfer Agents. Mr. B K Sharma, Practicing Company Secretary, was appointed as the Scrutiniser for postal ballot notice to scrutinise the postal ballot e-voting process in a fair and transparent manner.

At present, there is no special resolution proposed to be conducted through postal ballot.

4. MEANS OF COMMUNICATION

(i) Annual Report containing Financial Statements (Standalone and consolidated), Board's Report, Management Discussion & Analysis (MD&A) Report, 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) 33rd Annual General Meeting (AGM):
Date and time: Tuesday, 2 August 2022; 09:00 AM (IST)

(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 2022 to 31 March 2023.

(iii) Date of book closure for AGM & Dividend: Friday, 1 July 2022.

(iv) Dividend payment date: within 30 days from the date of declaration at 33rd 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 2022-23 to BSE Limited and National Stock Exchange of India Limited.

(vii) Registrar & Share Transfer Agent (RTA):
KFin Technologies Limited
(formerly: KFin Technologies Pvt. Ltd.)
(Unit: Vaibhav Global Limited)
Selenium Tower B, Plot 31-32,
Gachibowli Financial District, Nanakramguda,
Hyderabad - 500 032

(viii) Share transfer system
The Board has delegated the authority for approving transfer, transmission, dematerialisation of shares etc. to the Registrar and Share Transfer Agent (RTA). A summary of transactions so approved by the RTA is placed at the Board Meeting held quarterly. The Company obtains an annual certificate from Practising Company Secretaries as per the requirement of Regulation 40(9) of Listing Regulations and the same is filed with the Stock Exchanges and available on the website of the Company.

In terms of amended Regulation 40 of Listing Regulations w.e.f. 1 April 2019, transfer of securities in physical form shall not be processed unless the securities are held in the demat mode with a Depository Participant. Further, with effect from 24 January 2022, SEBI has made it mandatory for listed companies to issue securities in demat mode only while processing any investor service requests viz. issue of duplicate share certificates, exchange/sub-division/splitting/consolidation of securities, transmission/transposition of securities. Vide its Circular dated 25 January 2022, SEBI has clarified that listed entities/RTAs shall now issue a Letter of Confirmation in lieu of the share certificate while processing any of the aforesaid investor service request.

(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).

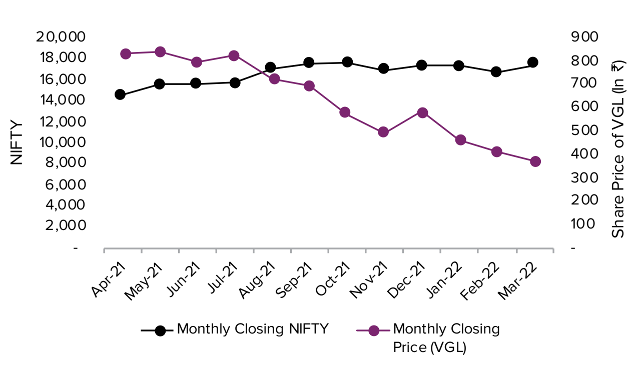
The status of dematerialisation as on 31 March 2022 is as under:

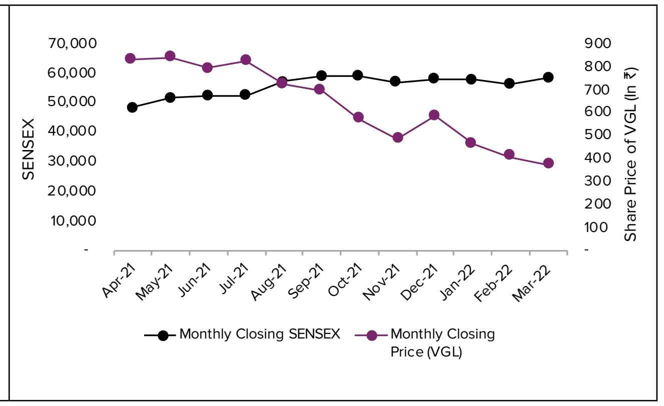
	Mode		No. of Shares	% (Percentage)
1.	Dematerialization Form	NSDL	15,14,47,421	92.35
		CDSL	1,24,77,976	7.61
	Subtotal		16,39,25,397	99.96
2.	Physical Form		68,180	0.04
	Total		**16,39,93,577**	**100**

(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
Pre-Split						
April, 2021	4,597.45	3,542.00	4,170.90	4,600.00	3,850.00	4,169.80
May, 2021	4,390.00	4,187.00	4,363.40	4,398.45	4,200.00	4,367.00
Post-split						
May, 2021	1,057.70	807.15	842.15	1,050.00	807.00	842.00
June, 2021	850.05	780.00	798.60	852.00	781.50	798.20
July, 2021	842.90	749.95	829.75	842.50	750.00	829.75
August, 2021	858.15	695.00	724.20	860.00	697.10	724.15
September, 2021	804.55	694.40	699.20	805.00	694.00	699.50
October, 2021	762.55	570.35	574.85	767.60	571.00	574.65
November, 2021	599.20	480.60	490.80	599.90	480.10	490.45
December, 2021	636.20	488.10	588.75	637.35	492.65	588.25
January, 2022	600.00	456.35	463.80	605.00	452.35	462.90
February, 2022	470.70	375.00	410.70	470.00	377.00	410.10
March, 2022	444.00	360.25	374.15	444.25	360.15	373.95

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



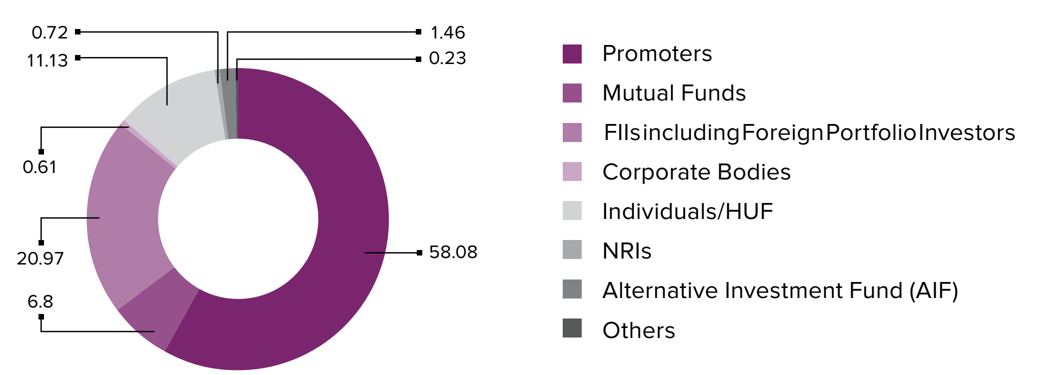


(xi) Distribution of shareholding as on 31 March, 2022

No. of Equity Shares Range	Total Shares	% of Shareholding	No. of shareholder
below 5000	82,70,771	5.04	1,05,886
5001- 10000	12,17,345	0.74	341
10001- 20000	11,70,262	0.72	163
20001- 30000	7,04,776	0.43	56
30001- 40000	3,73,002	0.23	21
40001- 50000	4,61,214	0.28	20
50001- 100000	13,31,718	0.81	38
100001 & Above	15,04,64,489	91.75	68
Total	**16,39,93,577**	**100.00**	**1,06,593**

(xii) Shareholding Pattern as on 31 March, 2022

Category	Number of Shares	% of shareholding
A. Promoters		
Indian Promoters	9,50,19,716	57.94
Foreign Promoters	2,32,800	0.14
Sub-total (A)	**9,52,52,516**	**58.08**
B. Public		
Mutual Funds	1,11,44,623	6.8
FIIs including Foreign Portfolio Investors	3,43,92,633	20.97
Corporate Bodies	10,06,242	0.61
Individuals/HUF	1,82,51,557	11.13
NRIs	11,69,645	0.72
Alternative Investment Fund (AIF)	23,90,639	1.46
Others	3,85,722	0.23
Sub-total (B)	**6,87,41,061**	**41.92**
Grand Total (A+B)	**16,39,93,577**	**100.00**



(xiii) Plant locations

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

- K-6B, Fateh Tiba, Adarsh Nagar, Jaipur - 302 004
- E-68 & 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) Office:

- E69, EPIP, Sitapura, Jaipur-302 022
- G1-35, EPIP, Sitapura, Jaipur - 302 022
- HW – 4070, H Tower, West Wing, 4th Floor, Bharat Diamond Bourse, Bandra Kurla Complex, Bandra (E) Mumbai – 400 051

(xv) Investor Contracts

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

Name: Sushil Sharma
Designation: The Company Secretary and Compliance Officer
Address: E-69, EPIP, Sitapura, Jaipur
Phone: 91-141-2771975
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 2022.

(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 33rd 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.
- Simplified Norms for processing Investor Service Request:

SEBI, vide its Circular dated 3 November 2021, has made it mandatory for holders of physical securities to furnish PAN, KYC and Nomination/Opt-out of Nomination details to avail any investor service. Folios wherein any one of the above mentioned details are not registered by 1 April 2023 shall be frozen. The concerned Members are therefore urged to furnish PAN, KYC and Nomination/ Opt out of Nomination by submitting the prescribed forms duly filled by email from their registered email id to einward.ris@kfintech.com or by sending a physical copy of the prescribed forms duly filled and signed by the registered holders to M/s. KFin Technologies Limited (Unit:Vaibhav Global Limited) at Selenium Tower B, Plot 31-32, Gachibowli Financial District, Nanakramguda, Hyderabad-500 032.

- 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.
- 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 them 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 following 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, two complaints were received and resolved by the Committee established, as per Policy under Anti Sexual Harassment policy of the Company, pursuant to Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. No complaint was pending as on 31 March 2022.

(vii) Pursuant to Sections 124 and 125 of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules"), dividend, if not claimed for a period of seven years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to IEPF.

Further, all the shares in respect of which dividend has remained unclaimed for seven consecutive years or more from the date of transfer to unpaid dividend account shall also be transferred to IEPF Authority.

The said requirement does not apply to shares in respect of which there is a specific order of Court, Tribunal or Statutory Authority, restraining any transfer of the shares. In the interest of the shareholders, the Company sends periodical reminders to the shareholders to claim their dividends in order to avoid transfer of dividends/ shares to IEPF Authority. Notices in this regard are also published in the newspapers and the details of unclaimed dividends and shareholders whose shares are liable to be transferred to the IEPF Authority, are uploaded on the Company's website. In light of the aforesaid provisions, the Company has during the year, transferred to IEPF the unclaimed dividends, outstanding for seven years, of the Company, Further, shares of the Company in respect of which dividend has not been claimed for seven consecutive years or more from the date of transfer to unpaid dividend account, have also been transferred to the demat account of IEPF Authority.

The details of unclaimed dividends and shares transferred to IEPF during FY 2021-22 are as follows:

Description	No of Holders	Shares/Dividend
Detail of Share Transferred	23	10930 Shares
Amount of Dividend Transferred	138	₹ 29474.40

The Members who have a claim on above dividends and shares may claim the same from IEPF Authority by submitting an online application in web Form No. IEPF-5 available on the website www.iepf.gov.in and sending a physical copy of the same, duly signed to the Company, along with requisite documents enumerated in the web Form No. IEPF-5.

No claims shall lie against the Company in respect of the dividend/shares so transferred to IEPF.

The detail of outstanding dividends and the dates by which its can be claimed by the shareholders from the Company's Registrar and Transfer Agent are available on the Company's website and 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 2021-22, the Board has accepted all the recommendations of its Committees.

(x) The company did not raise any funds through preferential allotment or qualified institutional placement during the year.

(xi) There is no share in the demat suspense account of the Company as on date of this report.

(xii) The detail of loans and advances in the nature of loan made to the entities in which directors are interested, as per Schedule V of SEBI (LODR) Regulations, is provided in the notes to the financial statements.

7. RISK MANAGEMENT

The Company has adopted a well-defined procedure for risk management. The risk management procedure provides identification and mitigation of internal as well as external risks of the Company. The risk management procedure is periodically reviewed by the Board. 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 23 September, 2021 and 11 March 2022 inter-alia 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 have three material subsidiaries as on the date of this Report i.e VGL Retail Ventures Limited, Mauritius, Shop TJC Limited, UK and Shop LC Global Inc., USA 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 periodically presented to the Board. 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 is ₹ 181.00 lacs, 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.

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 2022. 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 under regulation 17(8) of SEBI (LODR) Regulation, 2015 on the financial statements for the financial year ended 31 March 2022 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 2021-22.

For and on behalf of the Board of Directors

Sunil Agrawal
Managing Director
DIN: 00061142

Place: Jaipur
Date: 23 May 2022

COMPLIANCE CERTIFICATE

(Pursuant to Regulation 17(8) of SEBI (LODR) Regulations for the Financial Year ended 31 March 2022)

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 2022, 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 2021-22 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: Jaipur
Date: 23 May 2022

Vineet Ganeriwala
Group Chief Financial Officer
Place: Jaipur
Date: 23 May 2022

CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members,
Vaibhav Global Limited

We have examined the compliance of Corporate Governance by Vaibhav Global Limited ("the Company") for the financial year ending on March 31, 2022, as stipulated in Regulations 17 to 27 and clauses (b) to (i) and (t) of sub-regulation (2) of regulation 46 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") basis examination of documents provided in **Annexure I**.

The compliance of conditions of Corporate Governance is the responsibility of the Management of the Company. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in Listing Regulations.

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. We have examined the documents maintained by the Company and provided in Annexure I for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company

Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the Listing Regulations during the year ended March 31, 2022.

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

Nitu Poddar
Partner
Membership No.: 37398
CP No.: 15113
UDIN: A037398D000363295
Peer Review Certificate No.: 781/2020

Place: New Delhi
Date: 23 May 2022

ANNEXURE I
LIST OF DOCUMENTS

1. Copy of the Minutes for the meetings of the following held during the period under review:
   a. Board of Directors dated May 12, 2021, July 29, 2021, October 27, 2021 and January 27, 2022;
   b. Audit Committee dated May 12, 2021, July 29, 2021, October 27, 2021 and January 27, 2022;
   c. Nomination and Remuneration Committee dated May 10, 2021 and October 22, 2021;
   d. Risk Management Committee dated September 23, 2021 and March 11, 2022;
   e. Stakeholders Relationship Committee dated January 27, 2022;
   f. Resolutions by Circulation;
   g. Annual General Meeting dated July 29, 2021;
   h. Postal Ballot dated April 24, 2021.
2. Annual Report for financial year 2021-22;
3. Directors' disclosures under Listing Regulations;
4. Intimations made to stock exchanges;
5. Policies/ Codes framed under Listing Regulations.

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 (Raj.)
4.	Website	www.vaibhavglobal.com
5.	E-mail id	investor_relations@vaibhavglobal.com
6.	Financial Year reported	2021-22
7.	Sector(s) that the Company is engaged in (industrial activity code-wise)	Manufacture and exporter of fashion jewellery and related articles (3211)
8.	List three key products/services that the Company manufactures/provides (as in balance sheet)	Fashion jewellery, 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 7 National Location (5 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)	32,79,87,154 as on 31 March 2022
2.	Total Turnover (including other income (INR)	59,080.56 lacs
3.	Total profit after taxes (INR)	12,885.19 lacs
4.	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	During the year, the company spent ₹ 171.45 lacs towards Corporate Social Responsibility (CSR) which was 2.29% of average net profits of the Company made during three immediately 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 through recognized trust / Institution and promotion of health care. 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 nine subsidiaries and four stepdown subsidiaries, the details of which is provided in the Board's 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 operate 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 the USA, the UK and Germany 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

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 standards.
4.	Has the policy been approved by the Board? Is 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. During the year, the committee reviewed BR performance twice.

(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 publishes Business Responsibility Report in the Annual Report, which is available on the website of the Company i.e. https://www.vaibhavglobal.com/annualreports. Apart from this, the Company has also published its maiden Interim and Final ESG Reports whose links are also provided below: https://www.vaibhavglobal.com/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 behaviour in all spheres of its operations.

The code of conduct of the Company applicable to the Board of Directors and senior management personnel of the Company inter-alia requires 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 ensures that their independent judgment is not impacted. They are required to affirm the compliance of this code annually.

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. 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 robust Corporate Governance which plays pivotal role in implementation of best practices, Board structure and processes, transparency and disclosure, compliances, stakeholders value enhancement, Corporate Social Responsibility (CSR) and Sustainability. The Company had been awarded with 'Best Governed Company by ICSI during 20th ICSI National Award.

Further, being a testament of higher ethical workplace practices being adopted, during the year, the Company has been adjudged with 'Commitment to Being a Great Place To Work' award and also received its GPTW certification from Great Place to Work ®. These certifications are awarded to those organizations that have leveraged the GPTW framework to assess & improve their workplace culture over the years.

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 ended 31 March 2022, the Company has received 103 complaints from investors/ shareholders and all complaints were duly resolved. No complaint is outstanding as on 31 March 2022.

The Company has received 2 complaints pertaining to sexual harassment and the same were duly resolved by the designated 'Internal Complaint Committee' established under Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013.

There was no incidence of bribery and corruption reported. No complaint was received under whistle blower mechanism from any of the stakeholder during the year.

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.**

Sustainability is centered on how we approach, own and operate every segment of our value chain. This provides us with increased influence and leverage to embed sustainability standards across the business. All our three product categories, namely, fashion jewellery, gemstone and lifestyle products continue to incorporate the principles of Environmental Management Systems (EMS) at every level of operation. Our quality management system of ISO 9001:2015 certifies us for design development, manufacturing and sale of gemstones, diamonds, and studded jewellery, and the sale of lifestyle products.

To ensure compliance with sustainability aspects, frequent engagement and training programmes are being conducted with our key suppliers to educate them on our Responsible Sourcing practices. We encourage them to advocate the same principles to their vendors and partners.

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:

- **Renewable Energy**
  The Company focusses to use maximum renewable energy. The Company completed commission of 1.55 MW solar projects in 2021 which increased its total solar capacity to 3.23 MW. With this, the Company is now addressing 100% power requirements of its Jaipur manufacturing facilities through renewable energy

- **Electrical Vehicles**
  The Company has distributed 84 electric two wheelers to its employee for transportation along with facility of charging the batteries in factory premises and also using 3 Electric four – wheeler for day to day official purposes.

- **Green Building**
  Our manufacturing unit at the Special Economic Zone in Jaipur, Rajasthan, is a LEED Platinum certified building. Our SEZ unit in Jaipur has been conferred 'Excellence Award' in 'IGBC Performance Challenge 2021 for Green Built Environment' under 'Factory Category' by Indian Green Building Council (IGBC). VGL is one of the 3 distinguished company in India under 'Factory Category' recognized with this 'Excellence Award' and is the only jewellery manufacturing plant in India achieved this milestone.

- **Water Management**
  Installed rainwater harvesting structures, enabling ~61 lacs litres of water harvesting across all units of VGL India. Set up of ETP/STP plant at the premises to ensure maximum recycling and reuse of water in the process. We recycle 48 KL per day, equivalent to ~17,500 KL annually. Our mission is to conserve water through rainwater harvesting to replenish depleting groundwater table and to provide clean drinking water. An area in one of our manufacturing units has been converted into an underground tank with a capacity to hold 100 KL water.

- **Bio-diversity**
  We have accelerated efforts to enhance the green coverage at our plants and surroundings. During the year, we planted ~1,600 trees, taking our cumulative plantation to over 5,600 trees. To promote biodiversity in Rajasthan, we initiated a multi-layer plantation akin to forest in the rural areas and planted 26,000 saplings in two acres of land under Miyawaki forestation concept.

These initiatives are in alignment with our vision to be become Carbon Neutral in Scope 1 and Scope 2 GHG emissions by 2031 & we are also pursuing to become Carbon Neutral in Scope 3 GHG emissions in future.

(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.**
Believing in responsible sourcing, we are committed to ethical, legal, safe, fair and environmentally responsible business practices. We have 'Supplier code of conduct' in place. We encourage our supply chain partners to follow aspects of sustainable manufacturing in their business. Our supply chain partners are key stakeholders and are being updated on company's policies, quality guidelines, business plan through various engagement drives. Supplier are assessed on quality, cost, delivery and service parameters and action plan is generated for improvement. 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?**
With increasing business variants and to maintain flexibility, the Company always intend to develop suppliers in close vicinity of its manufacturing and sourcing locations. We are continuously working for exploring and selecting competent suppliers locally. Our manufacturing locations are situated at a places which are easily accessible to local vendors. To support 'Make in India', the Company majorly procure its lifestyle products through domestic vendors.

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.**
As an enterprise, we are constantly adopting methods and measures to save water and electricity. We also invest and adopt energy and environment conservation methods related to waste recycling, water stewardship and electricity conservation.

We have aligned waste management practices to the '4R Policy' of Reduce, Recycle, Reuse and Reclaim in our operations.

Few initiatives are provided below:
1. 100% of bio-degradable waste (vegetables, food, leaves) generated is converted into manure.
2. The Ozonator water treatment plant facilitates removal of dirt, inorganic chemical impurities, and odour from water. This lowers the risk of groundwater contamination. An ozonator can generate 10 gm of oxygen per hour to disinfect water.
3. Wet scrubber installations reduce toxicity of fumes that are generated in the jewellery manufacturing process.
4. Tied up with a recycler for recycling the plastic waste at our manufacturing facility in India.
5. ~950 Kgs of cumulative e-waste recycled at our USA and India units.

PRINCIPLE 3: EMPLOYEES' WELLBEING

VGL focuses on the overall well-being of employees, providing them with requisite facilities and 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 Marathon. 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.

We remain dedicated to establishing an open internal communication with our employees and regularly engage with them through surveys and team activities. We aim to make them feel connected and empowered to lead with confidence and gain from the experience of their peers. Our Mentorship policy helps young talent to be mentored by the senior employees. Through career pathing, we align opportunities for employees' career growth with our talent priorities. This facilitates the employees in understanding their career direction based on vertical, lateral and cross-functional roles, depending upon their skills, interests and career objectives.

We encouraged our employees to "Work from Home" and provided them technical support during lockdown. We also carried out vaccination drives, home delivery of medicines and oxygen concentrators for the employees. Besides, we also provided online consultation by medical experts to employees during the pandemic. We also took considerable safety precautions at the facilities and continued to operate without notable disruption from the virus outbreak. In addition, we conducted online training and events for employees to look after their mental and social well-being.

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 along with our ESG Report which can be accessed from our website (https://www.vaibhavglobal.com/reports).

1. **Please indicate the total number of employees. –** 1389 permanent employees as on 31 March 2022.

2. **Please indicate the total number of employees hired on temporary / contractual / casual basis -** 833 contractual employees as on 31 March 2022.

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. As on 31 March 2022, there were 165 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. As on 31 March 2022, there were 25 employees who are differently abled.

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 during the financial year 2021-22 and no complaint is pending as on 31 March 2022. The company received 2 complaints during the year on sexual harassment and the same were duly resolved and disposed off and no complaint was pending as on 31 March 2022.

8. **What percentage of under mentioned employees were given safety & skill up-gradation training in the last year?**

(a)	Permanent Employees	92.80%
(b)	Permanent Women Employees	93.00%
(a)	Casual/Temporary/Contractual Employees	89.90%
(d)	Employees with Disabilities	90.00%

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, medical treatment deprived people 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 elimination. Through its flagship programme "Your Purchase Feeds…" where a meal is provided for every piece sold at the retail channels, the Company has provided over 63 million meals in the US, the UK, Germany, and India since program inception. The company's mission is to provide 1 million meals per day by FY31. This initiative is locally registered through charity partners like Akshaya Patra in India, No Kid Hungry in the US and Magic Breakfast in the UK etc.

Apart from statutory requirements under CSR, the Company has taken many other initiatives for the vulnerable like distribution of Oxygen Concentrators, BiPAP, Ventilators & establishment of Oxygen plant (Generator) to hospitals etc. For more details of initiatives taken by the Company and its subsidiaries, please refer ESG Report of the Company which can be accessed at https://www.vaibhavglobal.com/reports.

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?**
At VGL, stakeholder engagement is a focus area that encompasses policies and programmes which supports human rights and seeks to avoid human rights abuses. 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 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 in the FY 2021-22.

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 and

reached to 3.23 MW in 2021. With this, the Company is now addressing 100% power requirements of its Jaipur manufacturing facilities through renewable energy.

In FY22, we procured rotary burnout furnaces and laser marking/cutting machines with advanced inbuilt technology to reduce carbon emission. Installed rainwater harvesting structures, enabling ~61 lacs litres of water harvesting across all units of VGL India. Set up of ETP/ STP plant at the premises to ensure maximum recycling and reuse of water in the process. We recycle 48 KL per day, equivalent to ~17,500 KL annually. Our mission is to conserve water through rainwater harvesting to replenish depleting groundwater table and to provide clean drinking water. An area in one of our manufacturing units has been converted into an underground tank with a capacity to hold 100 KL water.

Our manufacturing unit at the Special Economic Zone in Jaipur, Rajasthan, is a LEED Platinum certified building. Our SEZ unit in Jaipur has been conferred 'Excellence Award' in 'IGBC Performance Challenge 2021 for Green Built Environment' under 'Factory Category' by Indian Green Building Council (IGBC).

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. However, the Company has set up target to become carbon neutral in Scope 1 & 2 emissions by 2031. VGL has consciously incorporated sustainability aspects in its core policies and practices and these targets are milestones set to fulfil the purpose of 'Delivering Joy'. VGL also aims to achieve Carbon Neutrality in Scope 3 emissions in future and is evaluating possibilities towards the same.

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 initiatives taken by the Company and its subsidiaries, please refer ESG Report for further details which can be accessed from the link 'https://www.vaibhavglobal.com/reports'.

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.**
We seek to create an inclusive and engaging workplace where every employee has an opportunity to learn, grow and belong. Most importantly, the safety and well-being of our people has always been a priority and continued to be a focus as we managed through the COVID-19 pandemic. We also care deeply about our customers and the communities in which we live and work and encourage our employees to take an active role in supporting local causes.

VGL is engaged in various social initiatives in 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 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 processes through its employees and their families through web portal for their innovative ideas for the improvement and development of existing product/process and also launching new product/ process. Company encourages them by providing incentives/rewards for every selected idea.

The Company has the 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, the Company has invested in Encase Packaging Pvt. Ltd. under the incubator policy.

2. **Are the programmes/projects undertaken through inhouse 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 partnership with various organizations/ agencies including Akshay Patra in India, No Kid Hungry in the US and Magic Breakfast in the UK.

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 2021-22, the Company has spent ₹ 171.45 lacs under CSR activities. For details of projects undertaken, please refer Annexure 2 of the Board Report and also refer ESG report for more information, the same can be accessed from the link 'https://www.vaibhavglobal.com/reports'.

5. **Have you taken steps to ensure that this community development initiative is successfully adopted by the community?**
Our efforts towards social welfare through various programmes are being successfully adopted by the society. Through our flagship programme "Your Purchase Feeds..." where a meal is provided for every piece sold at the retail channels, the Company has provided over 63 million meals in the US, the UK, Germany, and India since program inception. The Company's mission to provide 1 million meals per day by FY31. In addition to this, the company also regularly do plantation drives in schools and other areas to protect biodiversity. The Board/ Committee also reviews these initiatives regularly and provide regular feedbacks.

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 1.01% of its total order. 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 Auditor's 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") and its Employee Stock Option Welfare Trust ("Trust"), which comprise the standalone balance sheet as at 31 March 2022, 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 significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of the other auditor on separate financial statements of such Trust as was audited by the other auditor 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 2022, and its 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 obtained by us along with the consideration of report of the other auditor referred in the "Other Matter" section below, 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 to 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 primarily in fashion jewelry 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 Indian 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 auditor's 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 annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and report the fact.

MANAGEMENT'S AND BOARD OF DIRECTORS/ BOARD OF TRUSTEES RESPONSIBILITIES 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. The respective Management and Board of Directors of the Company/Board of Trustees of the Trust are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the each Company/Trust and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, the respective Management and Board of Directors/Board of Trustees are responsible for assessing the ability of each Company/Trust 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/Board of Trustees either intends to liquidate the Company/Trust or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors/Board of Trustees are also responsible for overseeing the financial reporting process of each Company/Trust.

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 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 in preparation of standalone 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 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.

- Obtain sufficient appropriate audit evidence regarding the financial statements of Trust of the Company to express an opinion on the standalone financial statements. For the Trust included in the standalone financial statements, which has been audited by other auditor, such other auditor 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 the section titled "Other Matter" in this audit report.

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 auditor's 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 MATTER

We did not audit the financial statements of a Trust included in the standalone financial statements of the Company whose financial statements reflect total assets (before consolidation adjustments) of ₹ 429.48 lacs as at 31 March 2022, total income (before consolidation adjustments) of ₹ 11.77 lacs, and total excess of expenditure over income (before consolidation adjustments) of ₹ 0.01 lacs for the year ended on that date, as considered in the standalone financial statements. The financial statements of this Trust has been audited by the other auditor whose report has been furnished to us, and our opinion in so far as it relates to the amounts and disclosures included in respect of Trust, is based solely on the report of such other auditor.

Our opinion is not modified in respect of this matter.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India 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, based on our audit and on the consideration of report of the other auditor on separate financial statements of such Trust as was audited by other auditor, as noted in the "Other Matter" paragraph, we report, to the extent applicable, that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   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 and the report of the other auditor.

   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 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2022 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 Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditor on separate financial statements of the Trust, as noted in the "Other Matter" paragraph:

   a) The Company has disclosed the impact of pending litigations as at 31 March 2022 on its financial position in its standalone financial statements - Refer note 35(a) to the standalone financial statements.

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

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

   d) (i) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:

      - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company or
      - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

      (ii) The management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall:

      - directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Party or
      - provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries.

      (iii) Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (d) (i) and (d) (ii) contain any material mis-statement.

   e) The final dividend paid by the Company during the year, which was declared in the previous year, is in accordance with Section 123 of the Act to the extent it applies to payment of dividend. The interim dividend declared and paid by the Company during the year and until the date of this audit report is in accordance with section 123 of the Companies Act 2013. As stated in note 40 to the financial statements, the Board of Directors of the Company has proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.

   (C) With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

   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) of the Act 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: 22094549AJKHGA6362

Place: Jaipur
Date: 23 May 2022

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 2022

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 2022

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(b) 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 a regular programme of physical verification of its property, plant and equipment (including right-of-use assets) by which all property, plant and equipment (including right-of-use assets) are verified in a phased manner over a period of two years. In accordance with this programme, certain property, plant and equipment (including right-of-use assets) were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. As informed to us, no material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than immovable properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the standalone financial statements 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.

(d) 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 revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the year.

(e) According to information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii) (a) The inventory, except goods-in-transit, has been physically verified by the management during the year. For goods-in-transit subsequent evidence of receipts has been linked with inventory records substantially. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory.

(b) 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 been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. In our opinion, the quarterly returns or statements filed by the Company with such banks or financial institutions are in agreement with the books of account of the Company except as follows (also refer note 36 to standalone financial statements):

(Amount in ₹ Lacs)

Quarter	Name of bank	Particulars	Amount as per books of account	Amount as reported in the quarterly return/ statement	(Excess)/ shortage	Whether return statement subsequently rectified
June 2021	Punjab National Bank, State Bank of India, and HDFC Bank Ltd.	Inventories	11,159.95	10,779.95	380.00	Yes*
		Sundry Debtors	8,814.21	8,745.17	69.04	Yes*
		Sundry Creditors	4,261.32	3,331.12	930.20	Yes*
September 2021	Punjab National Bank, State Bank of India, HDFC Bank Ltd., and Yes Bank Ltd.	Inventories	11,326.37	10,642.98	683.38	Yes*
		Sundry Debtors	9,203.83	8,931.29	272.54	Yes*
		Sundry Creditors	5,071.71	3,392.09	1,679.62	Yes*
December 2021	Punjab National Bank, State Bank of India, HDFC Bank Ltd., and Yes Bank Ltd.	Inventories	11,093.52	10,946.98	146.54	Yes*
		Sundry Debtors	10,201.52	9,742.85	458.67	Yes*
		Sundry Creditors	4,573.59	3,055.01	1,518.58	Yes*

*The Company submits provisional drawing power (DP) statements on monthly basis to Punjab National Bank (PNB) being the lead bank latest by 15th of the next month and also to other member banks, in which DP limit is computed as per the terms and conditions of the sanction letter. The difference between DP statement and financial statement arise since DP statements are prepared on a provisional basis after exclusion of certain items of inventory, debtors, creditors and valuation of inventories is done as per the bank sanction letter. Further, the Company submit Quarterly Review Statements (QRS) to PNB which is tallied with the books of accounts, and which could be different from DP statement submitted provisionally. In financial year 2021-22, the actual utilization of working capital remained within the bank sanction/DP limits.

(iii) 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 made investments, provided guarantee, granted unsecured loans, to subsidiaries in respect of which the requisite information are as below, further the Company has not provided security to subsidiaries and has not made investments, provided guarantee or security, granted any loans and advances in the nature of loans, secured or unsecured to limited liability partnership and other parties:

(a) Based on the audit procedures carried on by us and as per the information and explanations given to us the Company has provided loans, or stood guarantee, as below:

(Amount in ₹ Lacs)

Particulars	Guarantees	Loans
Aggregate amount during the year		
- Subsidiaries	500.00	1,856.16
- Loan given to employees	-	14.61
Balance outstanding as at balance sheet date		
- Subsidiaries	500.00	1,081.00
- Loan given to employees	-	4.70

(b) According to the information and explanations given to us and based on the audit procedures conducted by us, we are of the opinion that the investments made, guarantees provided, and the terms and conditions of the grant of loans and guarantees provided are, prima facie, not prejudicial to the interest of the company.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in the case of loans given of ₹ 640.00 lacs given to Vaibhav Vistar Limited (wholly owned subsidiary) and ₹ 441.00 lacs to Vaibhav Lifestyle Limited (subsidiary), which are repayable on demand. As informed to us, the Company has not demanded repayment of the loan and interest thereon during the year. Thus, there has been no default on the part of the party to whom the money has been lent. Further, the Company has not given any advance in the nature of loan to any party during the year.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no overdue amount for more than ninety days in respect of loans given. Further, the Company has not given any advances in the nature of loans to any party during the year.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no loan or advance in the nature of loan granted falling due during the year, which has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to same parties.

(f) 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 granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment except for the following loans or advances in the nature of loans to its related parties as defined in Clause (76) of Section 2 of the Companies Act, 2013:

(Amount in ₹ Lacs)

	All Parties	Promoters	Related Parties
Aggregate of loans/ advances in nature of loan			
- Repayable on demand (A)	1,856.16	Nil	1,856.16
- Agreement does not specify any terms or period of repayment (B)	Nil	Nil	Nil
Total (A+B)	1,856.16	Nil	1,856.16
Percentage of loans/ advances in nature of loan to the total loans	100%	Nil	100%

(iv) According to the information and explanations given to us and on the basis of our examination of records of the Company, in respect of investments made and loans, guarantees given by the Company, the provisions of section 185 and 186 of the Companies Act, 2013 have been complied with.

(v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.

(vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Companies Act, 2013 for the products manufactured by it. Accordingly, clause 3(vi) of the Order is not applicable.

(vii) (a) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value Added Tax during the year since effective 1 July 2017, these statutory dues has been subsumed into Goods and Services Tax ('GST').

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 GST, Provident fund, Employees' State Insurance, Income-Tax, Duty of Customs, Cess and other statutory dues have 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 GST, Provident fund, Employees' State Insurance, Income-Tax, Duty of Customs, Cess and other statutory dues were in arrears as at 31 March 2022 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, statutory dues relating to GST, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues which have not been deposited on account of any dispute are as follows:

Name of the statute	Nature of the dues	Amount of dispute (in ₹ lacs)	Amount paid under protest (in ₹ Lacs)	Period to which the 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
Goods and Services Tax Act	Goods and Services Tax	333.90	Nil	November 2018 to December 2019	Directorate General of GST Intelligence

(viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.

(ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans and borrowing or in the payment of interest thereon to banks or financial institutions during the year. Further, the Company did not have any outstanding loans or borrowings from any other lender during the year.

(b) 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 been declared a wilful defaulter by any bank or financial institution or government or government authority.

(c) In our opinion and according to the information and explanations given to us, the Company did not raise money by way of term loans during the year. Accordingly, paragraph 3(ix)(c) of the Order is not applicable to the Company.

(d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries as defined under Companies Act, 2013.

(f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries (as defined under Companies Act, 2013). Also, refer note 17 to the standalone financial statements.

(x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.

(b) 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 shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.

(xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, no material fraud by the Company or on the Company has been noticed or reported during the course of the audit.

(b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Companies Act, 2013 has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.

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

(xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, and the details of the related party transactions have been disclosed in the accompanying standalone financial statements as required by the applicable accounting standards.

(xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

(b) We have considered the internal audit reports of the Company issued till date for the period under audit.

(xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Companies Act, 2013 are not applicable to the Company.

(xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.

(b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.

(d) According to the information and explanations provided to us by management of the Company, the Group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016) does not have any CIC as detailed in note 39 to the standalone financial statements. For reporting on this clause / sub clause, while we have performed audit procedures set out in the Guidance Note on CARO 2020, we have relied on and not been able to independently validate the information provided to us by the management of the Company with respect to entities outside the consolidated Group but covered in the Core Investment Companies (Reserve Bank) Directions, 2016.

(xvii) The Company has not incurred cash losses in the current and in the immediately preceding financial year. Accordingly, paragraph 3(xvii) of the Order is not applicable.

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

Also refer to the Other Information paragraph of our main audit report which explains that the other information comprising the information included in annual report is expected to be made available to us after the date of this auditor's report.

(xx) (a) and (b) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of section 135 of the Companies Act, 2013 pursuant to any project. Accordingly, clause 3(xx)(a) and 3(xx)(b) of the Order is not applicable.

(xxi) Our reporting under this clause would be part of the audit report on consolidated financial statements.

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

Rajiv Goyal
Partner
Membership No. 094549
ICAI UDIN: 22094549AJKHGA6362

Place: Jaipur
Date: 23 May 2022

Annexure B to the Independent Auditors' report

on the standalone financial statements of Vaibhav Global Limited for the year ended 31 March 2022

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 2022 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 2022, 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: 22094549AJKHGA6362

Place: Jaipur
Date: 23 May 2022

Standalone Balance Sheet
as at 31 March 2022

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

Particulars	Note No	31 March 2022	31 March 2021
ASSETS			
Non-current assets			
Property, plant and equipment	4A	5,225.86	4,426.73
Capital work-in-progress	4B	34.83	522.04
Right-of-use assets	4C	906.84	833.68
Other intangible assets	5A	185.66	283.19
Intangible assets under development	5B	12.50	-
Financial assets			
Investments	6A	30,236.76	29,265.06
Others	7	194.37	171.48
Non - current tax assets (net)	8	1,316.36	624.47
Deferred tax assets (net)	30	1,684.11	224.13
Other non-current assets	9	33.36	35.62
Total non-current assets		**39,830.65**	**36,386.40**
Current assets			
Inventories	10	11,425.65	11,848.49
Financial assets			
Investments	6B	-	-
Trade receivables	11	13,739.71	5,954.89
Cash and cash equivalents	12A	1,555.81	3,150.71
Bank balance other than above	12B	2,419.21	2,346.49
Loans	13	1,135.20	165.25
Others	7	3,293.83	2,704.95
Other current assets	14	1,832.82	1,497.30
Total current assets		**35,402.23**	**27,668.08**
Total assets		**75,232.88**	**64,054.48**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	15A	3,275.96	3,253.67
Other equity	15B	55,038.18	49,684.70
Total equity		**58,314.14**	**52,938.37**
Liabilities			
Non-current liabilities			
Financial liabilities			
Lease liabilities	4D	64.88	-
Provisions	16	317.50	386.63
Total non-current liabilities		**382.38**	**386.63**
Current liabilities			
Financial liabilities			
Borrowings	17	9,382.73	5,646.37
Lease liabilities	4D	18.13	-
Trade payables	18		
- Total outstanding dues of micro enterprises and small enterprises; and		276.93	71.28
- Total outstanding dues of creditors other than micro enterprises and small enterprises		5,503.50	3,197.09
Other financials liabilities	19	367.47	293.42
Other current liabilities	20	681.68	1,321.55
Provisions	16	305.92	199.77
Total current liabilities		**16,536.36**	**10,729.48**
Total liabilities		**16,918.74**	**11,116.11**
Total equity and liabilities		**75,232.88**	**64,054.48**
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: Jaipur
Date: 23 May 2022

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

Sunil Agrawal
Managing Director
DIN: 00061142
Place: Jaipur
Date: 23 May 2022

Nirmal Kumar Bardiya
Non-Executive Director
DIN: 00044624
Place: Jaipur
Date: 23 May 2022

Vineet Ganeriwala
Group CFO

Place: Jaipur
Date: 23 May 2022

Sushil Sharma
Company Secretary
ICSI Membership No: F6535
Place: Jaipur
Date: 23 May 2022

Standalone Statement of Profit and Loss
for the year ended 31 March 2022

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

Particulars	Note No.	Year ended 31 March 2022	Year ended 31 March 2021
Revenue from operations	21	48,909.60	41,589.13
Other income	22	10,170.96	4,584.39
Total income		**59,080.56**	**46,173.52**
EXPENSES			
Cost of materials consumed	23	29,452.91	27,156.29
Purchases of Stock-in-trade	24	2,926.95	2,091.04
Changes in inventories of finished goods, stock-in-trade and work-in-progress	25	295.65	(447.95)
Employee benefits expense	26	5,889.07	4,528.08
Finance costs	27	258.78	178.88
Depreciation and amortisation expense	28	645.10	513.34
Other expenses	29	8,329.43	7,035.50
Total expense		**47,797.89**	**41,055.18**
Profit before exceptional items and tax		**11,282.67**	**5,118.34**
Exceptional items	45	56.22	-
Profit after exceptional items		**11,226.45**	**5,118.34**
Tax expense	30		
Current tax		(159.84)	283.31
Deferred tax		(1,498.90)	151.92
Total tax expense		**(1,658.74)**	**435.23**
Profit for the year (A)		**12,885.19**	**4,683.11**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
(i) Remeasurement of defined benefit plans		111.37	(52.32)
(ii) Tax relating to remeasurement of defined benefit plans		(38.92)	18.28
Total other comprehensive income for the year, net of tax (B)		**72.45**	**(34.04)**
Total comprehensive income for the year (A + B)		**12,957.64**	**4,649.07**
Earnings per equity share	31		
Basic		7.89	2.89
Diluted		7.72	2.81
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: Jaipur
Date: 23 May 2022

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

Sunil Agrawal
Managing Director
DIN: 00061142
Place: Jaipur
Date: 23 May 2022

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Non-Executive Director
DIN: 00044624
Place: Jaipur
Date: 23 May 2022

Vineet Ganeriwala
Group CFO

Place: Jaipur
Date: 23 May 2022

Sushil Sharma
Company Secretary
ICSI Membership No: F6535
Place: Jaipur
Date: 23 May 2022

Standalone Statement of Changes in Equity

for the year ended 31 March 2022

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

A. EQUITY SHARE CAPITAL

Balance as at 1 April 2021	Changes in equity share capital due to prior period errors	Restated balance as at 1 April 2021	Changes in equity share capital during the year (Refer note 15A)	Balance as at 31 March 2022	Treasury shares (Refer note 33)	Net Balance as at 31 March 2022
3,253.67	-	3,253.67	26.19	3,279.86	3.90	3,275.96

Balance as at 1 April 2020	Changes in equity share capital due to prior period errors	Restated balance as at 1 April 2020	Changes in equity share capital during the year (Refer note 15A)	Balance as at 31 March 2021	Treasury shares (Refer note 33)	Net Balance as at 31 March 2021
3,227.50	-	3,227.50	26.31	3,253.81	0.14	3,253.67

B. OTHER EQUITY

For the year ended 31 March 2022:

Particulars	Reserves and Surplus						
	Securities premium	Share based payment reserve	Capital redemption reserve	Capital reserve	General reserve	Retained earnings	Total
Balance as at 1 April 2021*	**31,049.52**	**1,667.21**	**4,486.57**	**812.64**	**1,296.47**	**10,372.29**	**49,684.70**
Profit for the year	-	-	-	-	-	12,885.19	12,885.19
Other comprehensive income (net of tax) (refer note 30)	-	-	-	-	-	72.45	72.45
Total comprehensive income	**-**	**-**	**-**	**-**	**-**	**12,957.64**	**12,957.64**
Final dividend for the year ended 31 March 2021	-	-	-	-	-	(2,448.12)	(2,448.12)
Interim dividends for the year ended 31 March 2022	-	-	-	-	-	(7,364.54)	(7,364.54)
Securities premium received on shares issue	1,552.97	-	-	-	-	-	1,552.97
Transfer from share based payment reserve to securities premium on allotment	604.61	(604.61)	-	-	-	-	-
Share based payments to employees	-	925.22	-	-	-	-	925.22
Transfer from share based payment reserve to retained earnings on lapse	-	(826.99)	-	-	-	826.99	-
Treasury shares	(269.69)	-	-	-	-	-	(269.69)
Balance as at 31 March 2022	**32,937.41**	**1,160.83**	**4,486.57**	**812.64**	**1,296.47**	**14,344.26**	**55,038.18**

Standalone Statement of Changes in Equity

for the year ended 31 March 2022

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

B. OTHER EQUITY (Continued)

For the year ended 31 March 2021:

Particulars	Reserves and Surplus						
	Securities premium	Share based payment reserve	Capital redemption reserve	Capital reserve	General reserve	Retained earnings	Total
Balance as at 1 April 2020*	**28,886.73**	**1,612.40**	**4,486.57**	**812.64**	**1,296.47**	**13,671.78**	**50,766.59**
Profit for 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)
Securities premium received on shares issue	1,559.57	-	-	-	-	-	1,559.57
Transfer from share based payment reserve to securities premium 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**

*There are no changes in other equity due to prior period errors.

Refer note 15C for nature and purpose of reserves.

Gain of ₹ 72.45 lacs and loss of ₹ 34.04 lacs on remeasurement of defined employee benefit plans (net of tax) is recognised as a part of retained earnings for the years ended 31 March 2022 and 31 March 2021 respectively.

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: Jaipur
Date: 23 May 2022

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

Sunil Agrawal
Managing Director
DIN: 00061142
Place: Jaipur
Date: 23 May 2022

Nirmal Kumar Bardiya
Non-Executive Director
DIN: 00044624
Place: Jaipur
Date: 23 May 2022

Vineet Ganeriwala
Group CFO

Place: Jaipur
Date: 23 May 2022

Sushil Sharma
Company Secretary
ICSI Membership No: F6535
Place: Jaipur
Date: 23 May 2022

Standalone Statement of Cash Flows
for the year ended 31 March 2022

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

Particulars		Year ended 31 March 2022	Year ended 31 March 2021
A.	**Cash flow from operating activities**		
	Profit for the year	11,226.45	5,118.34
	Adjustment for :		
	Depreciation and amortisation expense	645.10	513.34
	Loss/(gain) on unrealised foreign exchange difference (net)	113.88	(299.44)
	Share based payments to employees	268.25	273.30
	Loss on sale / write off of property, plant and equipment	2.60	15.14
	Liabilities no longer required written back	(5.51)	(15.25)
	Gain on sale of current investments (including change in fair value)	(0.02)	(7.27)
	Allowances for / write off doubtful debts and advances	15.09	30.25
	Dividend received	(8,443.75)	(3,425.60)
	Interest income	(211.91)	(221.55)
	Finance costs	258.78	178.88
	Operating profit before working capital changes:	**3,868.96**	**2,160.14**
	Working capital adjustments :		
	(Increase) in trade receivable	(7,186.79)	(776.32)
	Decrease / (Increase) in inventories	422.84	(1,141.64)
	(Increase) in other assets	(791.71)	(273.55)
	Increase in trade payables, provisions, other current liabilities	2,120.30	1,006.37
	Cash (utilised in)/ generated from operating activities	**(1,566.40)**	**975.00**
	Income taxes paid (net)	532.05	322.91
	Net cash (utilised in)/ generated from operating activities (A)	**(2,098.45)**	**652.09**
B.	**Cash flow from investing activities**		
	Purchase of property, plant and equipment and intangible assets	(930.25)	(1,697.38)
	Proceeds from disposal of property, plant and equipment	8.60	0.05
	Payment for right-of-use assets	(0.52)	-
	Investment made in deposits	(2,484.12)	(3,070.44)
	Deposits matured	2,392.59	6,915.35
	Payment for acquistion of subsidiaries	(971.70)	(8.75)
	Repayment of loan given to subsidiaries	887.16	1,890.38
	Grant of loan to subsidiaries	(1,856.16)	(112.00)
	Dividend received	8,443.75	3,425.60
	Interest received	165.93	311.77
	Purchase of current investments	(225.00)	(7,869.38)
	Proceed from sale of current investments	225.02	8,394.18
	Net cash generated from investing activities (B)	**5,655.30**	**8,179.38**

Standalone Statement of Cash Flows
for the year ended 31 March 2022

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

Particulars		Note	Year ended 31 March 2022	Year ended 31 March 2021
C.	**Cash flow from financing activities**			
	Proceeds from exercise of share options		1,305.07	1,576.60
	Movement in short term borrowings (net)		3,608.01	(797.27)
	Dividend paid		(9,812.66)	(7,948.56)
	Interest paid		(251.17)	(184.43)
	Payment of lease liabilities		(1.00)	-
	Net cash used in financing activities (C)		**(5,151.75)**	**(7,353.66)**
	Net (decrease)/ increase in cash and cash equivalents (A+B+C)		**(1,594.90)**	**1,477.81**
	Opening balance of cash and cash equivalents		3,150.71	1,672.90
	Closing balance of cash and cash equivalents		**1,555.81**	**3,150.71**
	Cash and cash equivalents comprises			
	Cash on hand		10.39	11.35
	Balance with scheduled bank in current accounts		1,545.42	3,139.36
			1,555.81	**3,150.71**
Significant accounting policies		3		

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

Notes

1. The statement of cash flows 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 2022	Year ended 31 March 2021
Opening balance of short term borrowings	5,646.37	6,443.23
Movement in short term borrowings	3,608.01	(797.27)
Non cash changes - effect of foreign currency translation	128.35	0.41
Closing balance of short term borrowings	**9,382.73**	**5,646.37**

3. Refer note 29B for amount spent during the year ended 31 March 2022 and 31 March 2021 on construction / acquisition of assets and other purposes relating to corporate social responsibility activities.

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: Jaipur
Date: 23 May 2022

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

Sunil Agrawal
Managing Director
DIN: 00061142
Place: Jaipur
Date: 23 May 2022

Nirmal Kumar Bardiya
Non-Executive Director
DIN: 00044624
Place: Jaipur
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Vineet Ganeriwala
Group CFO

Place: Jaipur
Date: 23 May 2022

Sushil Sharma
Company Secretary
ICSI Membership No: F6535
Place: Jaipur
Date: 23 May 2022

Notes to Standalone Financial Statements
for the year ended 31 March 2022

(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 standalone financial statements comprise financial statements of the Company (in which are included financial statements of Vaibhav Global Employee Stock Option Welfare Trust) ('Trust') for the year ended 31 March 2022. 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 23 May 2022.

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 2022 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.
- Note 35 – recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources.
- Note 43 – 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

Notes to Standalone Financial Statements
for the year ended 31 March 2022

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

use of relevant observable inputs and minimising the use of unobservable inputs.

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

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

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

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

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

c) Cost approach – Replacement cost method.

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

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

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

- Note 33 – share-based payment; and
- Note 43 and 44 – 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

Notes to Standalone Financial Statements
for the year ended 31 March 2022

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

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 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.

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.

Notes to Standalone Financial Statements
for the year ended 31 March 2022

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

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

Any gain or loss on disposal of an item of property, plant and equipment is recognised in Statement of Profit 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
Plant and machinery – Solar plant	25	25
Electric installation	10	10
Furniture and fixtures	10	10
Office equipment	5	5
Computer	3	3
Vehicles	8	8
Lease hold improvement	Over the lease period or useful life of the asset, whichever is lower	Over the lease period or useful life of the asset, whichever is lower

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

iv. Leased assets

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

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

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

d. Intangible assets and intangible assets under development

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.

Intangible assets under development

Intangible assets under development includes website development, which is capitalized as per the milestones defined in the management plan or contract with the vendor.

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.

Notes to Standalone Financial Statements
for the year ended 31 March 2022

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

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 realizable 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) recognized during the period is recognized 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.

Notes to Standalone Financial Statements

for the year ended 31 March 2022

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

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 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 recognized in the Statement of Profit and Loss in the period in which the absences occur. Actuarial gains / losses are immediately taken to the Statement of Profit and Loss and are not deferred.

Notes to Standalone Financial Statements

for the year ended 31 March 2022

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

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 upon transfer of control of promised goods or services to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those products or services.

- Revenue from sales of goods is recognised on output basis measured by units delivered, number of transactions etc.
- Revenue from the sale of goods is recognised at the point in time when control is transferred to the customer which coincides with the performance obligation under the contract with the customer.
- Revenue from services is recognized in accordance with the terms of contract when the services are rendered and the related costs are incurred.

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.

Other operating revenues

Duty benefits are recognized 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

Notes to Standalone Financial Statements

for the year ended 31 March 2022

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

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 recognized 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.

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.

Notes to Standalone Financial Statements

for the year ended 31 March 2022

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

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

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 2021-22.

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.

Notes to Standalone Financial Statements
for the year ended 31 March 2022

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

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.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management, if any.

q. Dividend

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

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. Exceptional items

When an item of income or expense within statement of profit and loss from ordinary activity is of such size, nature and incidence that its disclosure is relevant to explain more meaningfully the performance of the Company for the year, the nature and amount of such items is disclosed as exceptional items.

t. 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.

u. Recent Indian Accounting Standards (Ind AS)

On 23 March 2022, the Ministry of Corporate Affairs ("MCA") through notifications, amended to existing Ind AS. The same shall come into force from annual reporting period beginning on or after 1st April 2022. Key Amendments relating to the same whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

- Ind AS 16 Property, Plant and Equipment – For items produced during testing/trail phase, clarification added that revenue generated out of the same shall not be recognised in Statement of Profit and Loss and considered as part of cost of PPE.
- Ind AS 37 Provisions, Contingent Liabilities & Contingent Assets – Guidance on what constitutes cost of fulfilling contracts (to determine whether the contract is onerous or not) is included.
- Ind AS 101 – First time Adoption of Ind AS – Measurement of Foreign Currency Translation Difference in case of subsidiary/associate/ JV's date of transition to Ind AS is subsequent to that of Parent – FCTR in the books of subsidiary/associate/JV can be measured based Consolidated Financial Statements.
- Ind AS 103 – Business Combination – Reference to revised Conceptual Framework. For contingent liabilities / levies, clarification is added on how to apply the principles for recognition of contingent liabilities from Ind AS 37. Recognition of contingent assets is not allowed.
- Ind AS 109 Financial Instruments – The amendment clarifies which fees an entity includes when it applies the '10 per cent' test in assessing whether to derecognise a financial liability.

The amendments are extensive, and the Company will evaluate the same to give effect to them as required by law.

Notes to Standalone financial statements
for the year ended 31 March 2022

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

4A PROPERTY, PLANT AND EQUIPMENT *

Reconcilation of carrying amount

Particulars	Freehold land	Building	Plant and equipment	Furniture and fixtures	Office equipment	Computers	Vehicles	Total
Balance as at 01 April 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**
Additions	-	93.00	735.93	38.88	51.57	361.29	53.99	1,334.66
Written off / disposals	-	-	(5.06)	(2.22)	(0.15)	(14.70)	-	(22.13)
Balance as at 31 March 2022	**61.90**	**2,052.43**	**4,123.67**	**230.05**	**246.97**	**967.50**	**120.69**	**7,803.21**
Accumulated depreciation								
Balance as at 01 April 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**
Depreciation charge for the year	-	62.10	228.65	19.06	29.02	177.40	8.10	524.33
Written off / disposals	-	-	(2.64)	(1.75)	(0.13)	(6.41)	-	(10.93)
Balance as at 31 March 2022	**-**	**443.97**	**1,340.63**	**100.46**	**163.40**	**490.20**	**38.69**	**2,577.35**
Carrying amount (net)								
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**
Balance as at 31 March 2022	**61.90**	**1,608.46**	**2,783.04**	**129.59**	**83.57**	**477.30**	**82.00**	**5,225.86**

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

Notes to Standalone Financial Statements

for the year ended 31 March 2022

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

4B CAPITAL WORK- IN- PROGRESS

Reconciliation of carrying amount

Particulars	Capital work in progress
Balance as at 01 April 2020	**364.10**
Additions during the year	533.83
Capitalisation during the year	(375.89)
Balance as at 31 March 2021	**522.04**
Additions during the year	64.35
Capitalisation during the year	(551.56)
Balance as at 31 March 2022	**34.83**

Ageing for capital work-in-progress as at 31 March 2022

Capital work- in- progress	Amount in capital work-in-progress for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Project in progress	34.83	-	-	-	**34.83**
	34.83	-	-	-	**34.83**

Ageing for capital work-in-progress as at 31 March 2021

Capital work- in- progress	Amount in capital work-in-progress for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Project in progress	522.04	-	-	-	**522.04**
	522.04	-	-	-	**522.04**

4C RIGHT-OF-USE ASSETS

Reconciliation of carrying amount

Particulars	Leasehold land	Building	Total
Balance as at 01 April 2020	**843.58**	**-**	**843.58**
Additions during the year	-	-	-
Depreciation charge for the year	(9.90)	-	(9.90)
Balance as at 31 March 2021	**833.68**	**-**	**833.68**
Additions during the year	-	84.53	84.53
Depreciation charge for the year	(9.96)	(1.41)	(11.37)
Balance as at 31 March 2022	**823.72**	**83.12**	**906.84**

The aggregate depreciation expense on right-of-use assets amounting to ₹ 11.37 lacs for the year ended 31 March 2022 (31 March 2021: ₹ 9.90 lacs) is included under depreciation and amortisation expense in the statement of profit and loss.

4D LEASE LIABILITIES

The following is the movement in lease liabilities during the year:

Particulars	31 March 2022	31 March 2021
Opening balance	-	-
Additions during the year	84.01	-
Interest expenses for the year (refer note 27)	0.54	-
Payment of lease liability during the year	(1.54)	-
Closing Balance	**83.01**	**-**

Particulars	31 March 2022	31 March 2021
Current	18.13	-
Non - current	64.88	-
	83.01	**-**

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

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 statement of cash flows.

The table below provides details regarding the contractual maturities of lease liabilities on an undiscounted basis:

Particulars	31 March 2022	31 March 2021
Less than one year	18.56	-
After one year but not longer than five years	82.02	-
More than five years	-	-
Total	**100.58**	**-**

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 amounting to ₹ 36.71 lacs for the year ended 31 March 2022 (31 March 2021: ₹ 19.32 lacs) is classified as rent expenses in statement of profit and loss.

5A OTHER INTANGIBLE ASSETS

Particulars	Softwares
Balance as at 01 April 2020	**666.98**
Additions during the year	-
Balance as at 31 March 2021	**666.98**
Additions during the year	11.87
Deletions during the year	(32.86)
Balance as at 31 March 2022	**645.99**
Accumulated amortisation	
Balance as at 01 April 2020	**252.26**
Amortisation charge for the year	131.53
Balance as at 31 March 2021	**383.79**
Amortisation charge for the year	109.40
Amortisation on deletions	(32.86)
Balance as at 31 March 2022	**460.33**
Carrying amount (net)	
Balance as at 31 March 2021	**283.19**
Balance as at 31 March 2022	**185.66**

5B INTANGIBLE ASSET UNDER DEVELOPMENT

Particulars	Amount
Balance as at 01 April 2020	**449.42**
Additions during the year	372.21
Capitalisation during the year	(821.63)
Balance as at 31 March 2021	-
Additions	12.50
Balance as on 31 March 2022	**12.50**

Intangible assets under development ageing schedule as at 31 March 2022

Intangible asset under development	Amount in Intangible assets under development for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Project in progress	12.50	-	-	-	12.50
	12.50	**-**	**-**	**-**	**12.50**

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Intangible assets under development ageing schedule as at 31 March 2021

Intangible asset under development	Amount in Intangible assets under development for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Project in progress	-	-	-	-	-
	-	-	-	-	-

6 FINANCIAL ASSETS - INVESTMENTS

Particulars	31 March 2022	31 March 2021
A Non-current investments		
Investment at cost		
Unquoted equity shares		
a) Wholly owned subsidiaries		
(i) 4,68,21,633 (31 March 2021: 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 2021: 3,50,000) ordinary shares of Baht 100 each of STS Global Limited, Thailand (formerly 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 2021: 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 2021: 1,500) ordinary shares of Yen 50,000 each of STS Global Limited, Japan (formerly 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 2021: 87,500) ordinary shares of HK $100 each of STS Global Supply Limited, Hongkong (formerly STS Gems Limited, Hong Kong)*	1,575.00	1,575.00
	1,575.00	**1,575.00**
(vi) 500,000 (31 March 2021: 50,000) ordinary shares of ₹ 10 each of Vaibhav Vistar Limited, India	500.00	5.00
	500.00	**5.00**
(vii) 25,000 (31 March 2021: Nil) ordinary shares of Euro 1 each of Shop LC GmbH, Germany	22.05	-
	22.05	-
b) Other subsidiaries		
(i) 5,99,999 (31 March 2021: 37,500) equity shares of face value ₹ 10 each of Vaibhav Lifestyle Limited, India	58.50	3.75
	58.50	**3.75**
(ii) 30,00,000 (31 March 2021: Nil) equity shares of face value ₹ 10 each Encase Packaging Private Limited, India	399.90	-
	399.90	-
c) Others		
(i) 3,60,000 (31 March 2021: 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	**56,724.98**	**55,753.28**
Impairment on the investment	**26,488.22**	**26,488.22**
Total non current investments	**30,236.76**	**29,265.06**

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

** VGL Softech Limited has been struck off from the register of companies and has been dissolved via notice dated 27 October 2021 w.ef. 21 March 2022

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

Particulars	31 March 2022	31 March 2021
B Current investments		
Unquoted Investments at FVTPL		
Aditya Birla Sun Life Arbitrage Fund - Direct Growth - Nil units (31 March 2021: Nil units)	-	-
Total current investment at FVTPL	-	-

Movement of investment during the year

Particulars	No. of units 31 March 2022	No. of units 31 March 2021
Aditya Birla Sun Life Money Manager Fund - Growth Regular Plan		
Opening balance {Nil (31 March 2021: Nil)}	-	-
Purchases during the year {8,652.30 units (31 March 2021: 9,353.87 units)}	25.00	26.37
Redemption during the year {8,652.30 units (31 March 2021: 9,353.87 units)}	(25.01)	(26.43)
Profit / (loss) on redemption during the year	0.01	0.06
Closing balance {Nil (31 March 2021: Nil)}	-	-
Aditya Birla Sun Life Arbitrage Fund - Growth Regular Plan		
Opening balance {Nil (31 March 2021: 35,397.77 units)}	-	7.12
Purchases during the year {Nil (31 March 2021: 44,193.59 units)}	-	9.00
Redemption during the year {Nil (31 March 2021: 79,591.36 units)}	-	(16.37)
Profit / (loss) on redemption during the year	-	0.25
Closing balance {Nil (31 March 2021: Nil)}	-	-
Aditya Birla Sun Life Corporate Bond Fund - Growth Regular Plan		
Opening balance {Nil (31 March 2021: Nil)}	-	-
Purchases during the year {Nil (31 March 2021: 30,790.07 units)}	-	26.43
Redemption during the year {Nil (31 March 2021: 30,790.07 units)}	-	(26.37)
Profit / (loss) on redemption during the year	-	(0.06)
Closing balance {Nil (31 March 2021: Nil)}	-	-
Tata Arbitrage Fund - Direct Plan Growth		
Opening balance {Nil (31 March 2021: Nil)}	-	-
Purchases during the year {Nil (31 March 2021: 9,030,813.13 units)}	-	1,000.00
Redemption during the year {Nil (31 March 2021: 9,030,813.13 units)}	-	(1,005.12)
Profit / (loss) on redemption during the year	-	5 .12
Closing balance {Nil (31 March 2021: Nil)}	-	-
Tata Liquid Fund Direct Plan - Growth		
Opening balance {Nil (31 March 2021: Nil)}	-	-
Purchases during the year {Nil (31 March 2021: 23,742.64 units)}	-	750.00
Redemption during the year {Nil (31 March 2021: 23,742.64 units)}	-	(751.35)
Profit / (loss) on redemption during the year	-	1.35
Closing balance {Nil (31 March 2021: Nil)}	-	-
SBI Savings Fund - Regular Plan - Growth		
Opening balance {Nil (31 March 2021: Nil)}	-	-
Purchases during the year {Nil (31 March 2021: 1,076,117.61 units)}	-	349.98
Redemption during the year {Nil (31 March 2021: 1,076,117.61 units)}	-	(350.26)
Profit / (loss) on redemption during the year	-	0 .28
Closing balance {Nil (31 March 2021: Nil)}	-	-
SBI Overnight Fund Regular Growth		
Opening balance {Nil (31 March 2021: Nil)}	-	-
Purchases during the year {Nil (31 March 2021: 9,058.22 units)}	-	299.99
Redemption during the year {Nil (31 March 2021: 9,058.22 units)}	-	(300.06)
Profit / (loss) on redemption during the year	-	0.07
Closing balance {Nil (31 March 2021: Nil)}	-	-

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Particulars	No. of units 31 March 2022	No. of units 31 March 2021
SBI Magnum Ultra Short Duration Fund Direct Growth		
Opening balance {Nil (31 March 2021: Nil)}	-	-
Purchases during the year {Nil (31 March 2021: 8,749.38 units)}	-	400.00
Redemption during the year {Nil (31 March 2021: 8,749.38 units)}	-	(402.13)
Profit / (loss) on redemption during the year	-	2.13
Closing balance {Nil (31 March 2021: Nil)}	-	-
SBI Overnight Fund Direct Growth		
Opening balance {Nil (31 March 2021: Nil)}	-	-
Purchases during the year {5,900.17 units (31 March 2021: 45,075.22 units)}	200.00	1,499.93
Redemption during the year {5,900.17 units (31 March 2021: 45,075.22 units)}	(200.01)	(1,500.33)
Profit / (loss) on redemption during the year	0.01	0.40
Closing balance {Nil (31 March 2021: Nil)}	-	-
SBI Liquid Fund Direct Growth		
Opening balance {Nil (31 March 2021: Nil)}	-	-
Purchases during the year {Nil (31 March 2021: 39,727.16 units)}	-	1,249.94
Redemption during the year {Nil (31 March 2021: 39,727.16 units)}		(1,250.91)
Profit / (loss) on redemption during the year	-	0.97
Closing balance {Nil (31 March 2021: Nil)}	-	-
SBI Short Term Debt Fund - Regular Plan - Growth		
Opening balance {Nil (31 March 2021: 2,189,007.68 units)}	-	510.42
Purchases during the year {Nil (31 March 2021: Nil)}	-	-
Redemption during the year {Nil (31 March 2021: 2,189,007.68 units)}		(507.12)
Profit / (loss) on redemption during the year	-	(3.30)
Closing balance {Nil (31 March 2021: Nil)}	-	-
Note:		
Aggregate amount of unquoted non-current investments	56,724.98	55,753.28
Aggregate amount of impairment in value of non-current investments	26,488.22	26,488.22

7 FINANCIAL ASSETS - OTHERS

Particulars	31 March 2022	31 March 2021
Non- current		
Balance with bank to the extent held as security *	98.28	76.75
Security deposits, unsecured, considered good	96.09	94.73
	194.37	**171.48**
Current		
Interest accrued on bank deposits	68.26	72.62
Other receivables (refer note 42)	3,225.57	2,632.33
	3,293.83	**2,704.95**

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

8 NON - CURRENT TAX ASSETS

Particulars	31 March 2022	31 March 2021
Deposits with tax authorities	1,316.36	624.47
	1,316.36	**624.47**

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9 OTHER NON- CURRENT ASSETS

Particulars	31 March 2022	31 March 2021
Capital advances	33.36	35.62
	33.36	**35.62**

10 INVENTORIES*

Particulars	31 March 2022	31 March 2021
Raw materials{includes gemstone inventory of ₹ 7,552.96 lacs (31 March 2021: ₹ 8,535.07 lacs)}	9,739.19	9,866.85
Work in progress	275.14	321.62
Finished goods**	1,270.92	1,520.09
Stores and consumables	140.40	139.93
Total inventories at the lower of cost and net realisable value	**11,425.65**	**11,848.49**

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

** Finished goods includes goods purchased for re-sale, as both are stocked together

11 FINANCIAL ASSETS - TRADE RECEIVABLES*

Particulars	31 March 2022	31 March 2021
Considered good - Unsecured	13,739.71	5,954.89
	13,739.71	**5,954.89**
Trade receivables - credit impaired	23.18	9.51
Loss allowance	(23.18)	(9.51)
	-	**-**
Net trade receivables	**13,739.71**	**5,954.89**
Of the above, trade receivables from related parties are given in note 42.		

* 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 2022	31 March 2021
Balance at the beginning of the year	**9.51**	**9.51**
Change in allowance for expected credit loss and credit impairment	13.67	-
Balance at the end of the year	**23.18**	**9.51**

Trade receivables ageing schedule as on 31 March 2022

S. No.	Particulars	Outstanding for following periods from due date of payment						
		Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i)	Undisputed Trade receivables – considered good	13,397.20	297.58	44.87	0.06	-	-	13,739.71
(ii)	Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii)	Undisputed Trade Receivables – credit impaired	-	-	-	13.67	-	-	13.67
(iv)	Disputed Trade Receivables–considered good	-	-	-	-	-	-	-
(v)	Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi)	Disputed Trade Receivables – credit impaired	-	-	-		9.51	-	9.51
		13,397.20	**297.58**	**44.87**	**13.73**	**9.51**	**-**	**13,762.89**
	Less: Loss allowance							(23.18)
								13,739.71

Notes to Standalone Financial Statements
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(All amount in lacs of Indian Rupees, except share data and as stated otherwise)

Trade receivables ageing schedule as on 31 March 2021

S. No.	Particulars	Outstanding for following periods from due date of payment						
		Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i)	Undisputed Trade receivables – considered good	5,798.87	156.02	-	-	-	-	5,954.89
(ii)	Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii)	Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
(iv)	Disputed Trade Receivables–considered good	-	-	-	-	-	-	-
(v)	Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi)	Disputed Trade Receivables – credit impaired	-	-	-	9.51	-	-	9.51
		5,798.87	**156.02**	**-**	**9.51**	**-**	**-**	**5,964.40**
	Less: Loss allowance							(9.51)
								5,954.89

12 FINANCIAL ASSETS - CASH AND CASH EQUIVALENTS*

Particulars	31 March 2022	31 March 2021
A) Cash and cash equivalents		
(i) Balances with banks:		
Balances with banks - current accounts **	1,545.42	3,139.36
	1,545.42	**3,139.36**
(ii) Cash on hand	10.39	11.35
	1,555.81	**3,150.71**
B) Bank balances other than above		
(i) Unpaid dividend account ***	10.21	7.49
(ii) Bank deposits (due for realisation within 12 months of the reporting date)	2,409.00	2,339.00
	2,419.21	**2,346.49**

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

** includes restricted cash balance of ₹ 129.23 lacs (previous year: ₹ 782.05 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 2022	31 March 2021
Current		
Loans to subsidiaries (refer note 42)		
Loans receivable considered good - unsecured **	1,081.00	112.00
Other receivables	54.20	53.25
	1,135.20	**165.25**

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

** Loans ganted to related parties that are repayable on demand

Type of borrower	As on 31 March 2022		As on 31 March 2021	
	Amount of loan outstanding	% of the total loans	Amount of loan outstanding	% of the total loans
Related parties	1,081.00	100%	112.00	100%

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14 OTHER CURRENT ASSETS*

Particulars	31 March 2022	31 March 2021
Unsecured, considered good		
Advances other than capital advances		
Advances to suppliers	408.40	535.81
Others		
Balances with government authorities	795.87	714.39
Prepaid expenses	220.15	211.42
Forward contracts receivable	38.55	16.16
Other receivables	369.85	19.52
	1,832.82	**1,497.30**

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

15A EQUITY SHARE CAPITAL

Particulars	31 March 2022	31 March 2021
Authorized shares		
205,000,000 equity shares of ₹ 2 each (31 March 2021: 41,000,000 equity shares of ₹ 10 each)	4,100.00	4,100.00
4,500,000 (31 March 2021: 4,500,000) unclassified equity shares of ₹ 100 each	4,500.00	4,500.00
	8,600.00	**8,600.00**
Issued, subscribed and fully paid-up shares		
163,798,614 equity shares of ₹ 2 each (31 March 2021: 32,536,798 equity shares of ₹ 10 each) (refer note 15A(g))	3,275.96	3,253.67
Total issued, subscribed and fully paid-up share capital	**3,275.96**	**3,253.67**

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

Equity shares of ₹2 each issued (31 March 2021 of ₹ 10 each), subscribed and fully paid	31 March 2022		31 March 2021	
	No. of shares	Amount	No of shares	Amount
Balance at the beginning of the year	3,25,36,798	3,253.67	3,22,75,073	3,227.50
Adjustment for sub division of equity shares	13,01,47,192	-	-	-
Shares issued to employee benefit trust	13,09,587	26.19	2,63,079	26.31
	16,39,93,577	**3,279.86**	**3,25,38,152**	**3,253.81**
Less: Treasury shares (refer note 33)	1,94,963	3.90	1,354	0.14
Balance at the end of the year	**16,37,98,614**	**3,275.96**	**3,25,36,798**	**3,253.67**

b) Terms/rights attached to equity shares

The Company has one class of equity shares having a par value of ₹ 2 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 2022		31 March 2021	
	% of Holding	No. of shares	% of Holding	No. of shares
Brett Enterprises Private Limited*	55.86%	9,16,04,491	55.85%	1,81,72,764
Nalanda India Fund Limited	10.24%	1,67,98,565	10.33%	33,59,713
Motilal Oswal Fund	6.78%	1,11,24,357	7.38%	24,02,104
Malabar India Fund Limited	5.43%	88,98,677	5.64%	18,36,723

* Ultimate Holding Company (also refer note 42)

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e) Shares reserved for issue under options

Particulars	31 March 2022		31 March 2021	
	No of shares	Amount	No of shares	Amount
Under VGL employee stock option scheme, 2006: Equity shares of ₹ 2 each, at a weighted average exercise price of ₹ 151.42 per share (31 March 2021: ₹ 752.62 per share) (refer note 15A(g) and 33)	51,20,190	102.40	12,68,022	126.80

f) Equity shares movement during the five years preceeding 31 March 2022:

The Company bought back 865,675 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). The shareholders had 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.

h) Shares holding of promoters

Shareholding of promoters as at 31 March 2022

Name of the Promoter	As at 31 March 2022		As at 31 March 2021		% Change during the year
	% of Holding	No. of shares	% of Holding	No. of shares	
Sheela Agarwal	0.07%	1,13,200	0.07%	1,12,250	0.00%
Nirmal Kumar Bardiya	0.37%	6,00,000	0.46%	7,52,905	-0.09%
Kusum Bardiya	0.34%	5,63,525	0.51%	8,26,025	-0.17%
Deepti Agrawal	1.30%	21,38,000	1.31%	21,38,000	-0.01%
Brett Enterprises Private Limited	55.86%	9,16,04,991	55.85%	9,08,63,820	0.01%
Sunil Agrawal	0.09%	1,40,700	0.09%	1,40,700	0.00%
Hursh Agrawal	0.03%	50,000	0.03%	50,000	0.00%
Sanjeev Agrawal	0.03%	42,100	0.03%	41,600	0.00%
Total	**58.09%**	**9,52,52,516**	**58.35%**	**9,49,25,300**	**-0.27%**

Shareholding of promoters as at 31 March 2021

Name of the Promoter	31 March 2021		31 March 2020		% Change during the year
	% of Holding	No. of shares	% of Holding	No. of shares	
Sheela Agarwal	0.07%	1,12,250	0.07%	1,12,250	0.00%
Nirmal Kumar Bardiya	0.46%	7,52,905	0.62%	10,02,905	-0.16%
Kusum Bardiya	0.51%	8,26,025	0.51%	8,26,025	0.00%
Deepti Agrawal	1.31%	21,38,000	1.01%	16,38,000	0.30%
Rahim Ullah	0.00%	-	0.31%	5,00,000	-0.31%
Brett Enterprises Private Limited	55.85%	9,08,63,820	55.94%	9,03,88,820	-0.09%
Sunil Agrawal	0.09%	1,40,700	0.09%	1,40,700	0.00%
Hursh Agrawal	0.03%	50,000	0.03%	50,000	0.00%
Sanjeev Agrawal	0.03%	41,600	0.03%	41,600	0.00%
Total	**58.35%**	**9,49,25,300**	**58.61%**	**9,47,00,300**	**-0.26%**

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15B OTHER EQUITY

Particulars	31 March 2022	31 March 2021
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	4,486.57
Movement during the year	-	-
Closing balance	**4,486.57**	**4,486.57**
Securities premium reserve:		
Opening balance	31,049.52	28,886.73
Security premium received on exercise of stock options	1,552.97	1,559.57
Transfer from share based payment reserve on allotment	604.61	612.36
Treasury shares (refer note 33)	(269.69)	(9.14)
Closing balance	**32,937.41**	**31,049.52**
Share based payment reserve:		
Opening balance	1,667.21	1,612.40
Expenses for the year	925.22	667.17
Transfer to securities premium reserve on allotment	(604.61)	(612.36)
Transfer to retained earnings	(826.99)	-
Closing balance	**1,160.83**	**1,667.21**
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	10,372.29	13,671.78
Net profit for the year	12,885.19	4,683.11
Other comprehensive income for the year	72.45	(34.04)
Final dividend for the year ended 31 March 2021	(2,448.12)	-
Interim dividends for the year ended 31 March 2022	(7,364.54)	-
Final dividend for the year ended 31 March 2020	-	(2,266.19)
Interim dividends for the year ended 31 March 2021	-	(5,682.37)
Transfer from Share based payment reserve	826.99	-
Closing balance	**14,344.26**	**10,372.29**
Total (a+b)	**55,038.18**	**49,684.70**

15C NATURE OF RESERVES

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.

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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.

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 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 2022	Year ended 31 March 2021
₹ 1.5 per equity share final dividend for the year ended 31 March 2021*	2,448.12	-
₹ 1.5 per equity share interim dividend for the year ended 31 March 2022*	2,450.23	-
₹ 1.5 per equity share second interim dividend for the year ended 31 March 2022*	2,455.07	-
₹ 1.5 per equity share third interim dividend for the year ended 31 March 2022*	2,459.24	-
₹ 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
	9,812.66	**7,948.57**

* Face value of ₹ 2 each

** Face value of ₹ 10 each

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.

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
₹ 1.5 per equity share having face value of ₹ 2/- each (31 March 2021: ₹ 1.5 per equity share having face value of ₹ 2/- each)*	2,459.90	2,440.36

* calculated on the basis number of shares outstanding (including treasury shares) as on 31 March 2022 i.e. 163,993,577 shares (face value of ₹ 2/- per share) (31 March 2021: 162,690,760 shares (face value of ₹ 2/- per share).

Notes to Standalone Financial Statements
for the year ended 31 March 2022

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

16 PROVISIONS

Particulars	Non-Current		Current	
	31 March 2022	31 March 2021	31 March 2022	31 March 2021
Provision for employee benefits (refer note 32)				
Provision for gratuity	111.66	186.28	216.54	126.25
Provision for compensated absences	205.84	200.35	89.38	54.56
Other provision				
Provision for expected sales return	-	-	-	18.96
	317.50	**386.63**	**305.92**	**199.77**

17 BORROWINGS

Particulars	31 March 2022	31 March 2021
Loan repayable on demand from banks:		
Pre-shipment credit (secured) ^	4,303.43	4,434.31
Post-shipment credit (secured) ^	5,079.30	1,212.06
	9,382.73	**5,646.37**

Notes

Information about company exposure to interest rate foreign currency and liquidity risk is given in note 44

^ 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 Global Limited, Hongkong (formerly STS Gems Limited).*

(v) Pledge of 12,576,633 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 42)

*During the year, the Company has received an approval from the lead bankers for releasing the securities pledged with bank subject to further approval by consortium bankers in their upcoming meeting.

18 TRADE PAYABLES

Particulars	31 March 2022	31 March 2021
Trade payables		
- Total outstanding dues of micro enterprises and small enterprises (refer note 34)	276.93	71.28
- Total outstanding dues of creditors other than micro enterprises and small enterprises	5,503.50	3,197.09
	5,780.43	**3,268.37**

Notes to Standalone Financial Statements
for the year ended 31 March 2022

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

Trade payables ageing schedule as at 31 March 2022

S. No.	Particulars	Outstanding for following periods from due date of payment					
		Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i)	MSME	276.93	-	-	-	-	276.93
(ii)	Others	4,486.63	918.37	0.23	0.50	-	5,405.73
(iii)	Disputed dues - MSME	-	-	-	-	-	-
(iv)	Disputed dues - Others	-	-	-	-	-	-
		4,763.56	**918.37**	**0.23**	**0.50**	**-**	**5,682.66**
	Accrued expenses						**97.77**
							5,780.43

Trade payables ageing schedule as at 31 March 2021

S. No.	Particulars	Outstanding for following periods from due date of payment					
		Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i)	MSME	71.28	-	-	-	-	71.28
(ii)	Others	2,800.36	300.18	1.54	-	-	3,102.08
(iii)	Disputed dues - MSME	-	-	-	-	-	-
(iv)	Disputed dues - Others	-	-	-	-	-	-
		2,871.64	**300.18**	**1.54**	**-**	**-**	**3,173.36**
	Accrued expenses						**95.01**
							3,268.37

19 OTHER FINANCIAL LIABILITIES

Particulars	31 March 2022	31 March 2021
Employee benefit payables	333.88	179.89
Capital creditors	12.29	72.98
Unclaimed dividend	10.21	7.49
Interest accrued but not due on borrowing	-	4.53
Other payables	11.09	28.53
	367.47	**293.42**

20 OTHER CURRENT LIABILITIES

Particulars	31 March 2022	31 March 2021
Statutory dues payable	422.62	323.06
Advance from customers (refer note 42)	155.79	361.05
Other liabilities	103.27	637.44
	681.68	**1,321.55**

21 REVENUE FROM OPERATIONS

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Sale of products (refer note 42)	47,717.65	41,405.71
Sale of services (refer note 42)	1,036.49	51.44
Other operating revenues	155.46	131.98
	48,909.60	**41,589.13**

Notes to Standalone Financial Statements
for the year ended 31 March 2022

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

22 OTHER INCOME

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Interest income on bank deposits and others	136.19	202.54
Interest income on loans and advances (refer note 42)	75.72	19.01
Dividend income from subsidiaries (refer note 42)	8,443.75	3,425.60
Gain on sale of current investments (including change in fair value)	0.02	7.27
Liabilities no longer required written back	5.51	15.25
Gain on foreign exchange difference (net)	707.51	497.76
Management fees	696.29	333.61
Miscellaneous income	105.97	83.35
	10,170.96	**4,584.39**

23 COST OF MATERIAL CONSUMED

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Opening stock of raw material*	9,866.85	9,164.84
Add: Purchases during the year	29,325.25	27,858.30
	39,192.10	**37,023.14**
Less: Closing stock of raw material	(9,739.19)	(9,866.85)
	29,452.91	**27,156.29**

24 PURCHASES OF STOCK-IN-TRADE

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Purchases of stock-in-trade	2,926.95	2,091.04
	2,926.95	**2,091.04**

25 CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK-IN-PROGRESS

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Inventory at the beginning of the year		
Work in progress	321.62	120.72
Finished goods *	1,520.09	1,273.04
	1,841.71	**1,393.76**
Inventory at the end of the year		
Work in progress	275.14	321.62
Finished goods *	1,270.92	1,520.09
	1,546.06	**1,841.71**
	295.65	**(447.95)**

* Finished goods includes goods purchased for re-sale, as both are stocked together

26 EMPLOYEE BENEFITS EXPENSE

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Salaries and wages	4,835.76	3,584.55
Contribution to provident and other funds	468.53	420.32
Share based payments to employees (refer note 33)	268.25	273.30
Staff welfare expenses	316.53	249.91
	5,889.07	**4,528.08**

Notes to Standalone Financial Statements
for the year ended 31 March 2022

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

27 FINANCE COSTS

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Interest on borrowings	150.70	98.94
Interest on lease liabilities	0.54	-
Other borrowing costs	107.54	79.94
	258.78	**178.88**

28 DEPRECIATION AND AMORTISATION EXPENSE

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Depreciation of property, plant and equipment	524.33	371.91
Depreciation of right-of-use assets	11.37	9.90
Amortisation of intangible assets	109.40	131.53
	645.10	**513.34**

29 OTHER EXPENSES

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
a. Manufacturing and direct expenses		
Job work charges	3,609.34	3,201.30
Stores and consumables	604.68	422.33
Power and fuel	294.56	395.58
Repair and maintenance- machinery	45.22	60.98
Other manufacturing and direct expenses	169.04	184.45
	4,722.84	**4,264.64**
b. Administrative and selling expenses		
Rent	36.71	19.32
Rates and taxes	40.46	87.43
Insurance	76.64	70.28
Travelling and conveyance	354.28	154.20
Legal and professional fees (refer note 29A)	270.90	169.93
Repairs and maintenance		
Buildings	11.11	9.05
Others	119.09	110.56
Advertising and sales promotion	107.08	32.81
Packing and forwarding	1,114.23	917.14
Postage and telephone	100.75	76.29
Printing and stationery	45.39	36.89
Security expenses	53.18	29.77
Directors' remuneration	125.38	124.55
Directors' sitting fees	31.70	32.20
Corporate social responsibility expenditure (refer note 29B)	171.45	173.26
Loss on sale / write off of property, plant and equipments	8.07	15.14
Information technology expenses	564.97	442.21
Miscellaneous expenses	375.20	269.83
	3,606.59	**2,770.86**
	8,329.43	**7,035.50**

Notes to Standalone Financial Statements
for the year ended 31 March 2022

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

29A PAYMENT TO AUDITORS

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Statutory audit	20.00	15.54
Limited review	14.56	8.93
Other services	47.73	9.30
Reimbursement of expenses	0.36	4.25
	82.65	**38.02**

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.

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
(i) Amount required to be spent by the company during the year	149.78	139.88
(ii) Amount of expenditure incurred on:		
a) Construction/ acquisition of any asset	-	-
b) On purpose other than (a) above	171.45	164.59
(iii) Shortfall at the end of the year	-	-
(iv) Total previous years shortfall	-	-
(v) Reasons for shortfall		
(vi) Nature of CSR activities	Education and health	Education and health
(vii) Details of related party transactions in relation to CSR expenditure as per relevant accounting standard	-	-

30 TAX EXPENSE

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

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Current tax	(159.84)	283.31
Deferred tax attributable to origination and reversal of temporary differences	(1,498.90)	151.92
	(1,658.74)	**435.23**

(b) Income tax charged to other comprehensive income

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Remeasurement of the net defined benefit liability	(38.92)	18.28

Notes to Standalone Financial Statements
for the year ended 31 March 2022

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

(c) Reconciliation of effective tax rate

Particulars	Year ended 31 March 2022		Year ended 31 March 2021	
	%	Amount	%	Amount
Profit before tax		11,226.45		5,118.34
Less: Dividend received u/s 115 - O(1A) as per Income Tax Act, 1961		(8,443.75)		(3,425.60)
Taxable income		2,782.70		1,692.74
Tax expense as per statutory income tax rate	34.94%	972.39	34.94%	591.51
Net tax impact on deduction/ disallowances in ascertaining taxable income as per Income Tax Act 1961	2.46%	68.39	2.58%	43.71
Net of timing difference reversed within tax exemption period and prior period deferred taxation	(1.38%)	(38.43)	3.84%	64.98
Add: Non recognition of deferred tax against foreign tax credit due to absence of reasonable certainty	42.78%	1,190.53	-	-
Less: Deferred tax against foreign tax credit for financial year 2020-21 and financial year 2021-22*	(74.53%)	(2,073.81)	-	-
Less: Net tax impact pursuant to favourable high court order**	(59.21%)	(1,647.54)	-	-
Less: Exempted tax as per provisions for section 10AA of income tax exemption	(5.50%)	(152.96)	(14.61%)	(247.23)
Less: Other adjustments	0.81%	22.67	(1.05%)	(17.74)
Income tax reported in statement of profit and loss and effective tax rate	**(59.61%)**	**(1,658.74)**	**25.71%**	**435.23**

* During the current year, the Company has reassessed tax benefits under section 91 of the Income tax Act, 1961 ('Act'), based on which incremental minimum alternate tax credit of ₹ 605.62 lacs is recognized for the financial year 2020-21.

** In earlier years, the Company had claimed losses incurred by its overseas subsidiary as business expenditure upto the extent of its investment in such overseas subsidiary. The Company's appeal on this issue was allowed by the Income-tax Appellate Tribunal ('ITAT') in earlier years, and the Honorable High Court (Rajasthan) dismissed the appeal filed by the Income-tax Department ('ITD') on this issue during the current year. Accordingly, the Company has recognised income-tax credit of ₹ 671.17 lacs under current tax and MAT credit of ₹ 976.37 lacs in current year.

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 2029 to 2036.

(d) MAT credit entitlement

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Opening balance	360.24	416.56
Add: MAT credit entitlement / (utilisation) during the year	1,660.07	(56.32)
Closing balance	**2,020.31**	**360.24**

Notes to Standalone Financial Statements
for the year ended 31 March 2022

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

(e) Recognised deferred tax assets / (liabilities)

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

Particulars	31 March 2022	31 March 2021
Property, plant and equipment	(485.28)	(311.36)
Provision for employee benefits	172.91	156.97
MAT credit entitlement	2,020.31	360.24
Other items	(23.85)	18.28
	1,684.11	**224.13**

(f) Movement in temporary differences

	Property, plant and equipment	Provision- employee benefits	MAT credit entitlement	Other items	Total
Balance as at 01 April 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**
Recognised in profit and loss during the year	(173.92)	15.94	-	15.11	(142.87)
Recognised in OCI during the year	-	-	-	(57.24)	(57.24)
MAT credit entitlement during the year	-	-	1,660.07	-	1,660.07
Balance as at 31 March 2022	**(485.28)**	**172.91**	**2,020.31**	**(23.85)**	**1,684.11**

31 EARNINGS PER SHARE

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
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	12,885.19	4,683.11
ii. Weighted average number of equity shares for basic EPS		
Opening balance*	16,26,83,990	16,13,75,365
Effect of share options exercised	6,08,078	6,62,239
Weighted average number of equity shares*	**16,32,92,068**	**16,20,37,604**
iii. Basic earnings per share	**7.89**	**2.89**
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	12,885.19	4,683.11
ii. Weighted average number of equity shares for diluted EPS		
Opening balance*	16,26,83,990	16,13,75,365
Effect of share options exercised	6,08,078	6,62,239
Dilution of equity	36,53,989	45,10,675
Weighted average number of equity shares (diluted) for the year*	**16,69,46,057**	**16,65,48,279**
iii. Diluted earnings per share	**7.72**	**2.81**

* Excludes treasury shares (refer note 33)

Notes to Standalone Financial Statements
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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 2022	Year ended 31 March 2021
Employer's contribution to Employee's Provident Fund	245.51	228.04
Employer's contribution to Employee's State Insurance	44.23	39.60
Employer's contribution to National Pension Scheme	9.68	10.84
	299.42	**278.48**

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 2022	Year ended 31 March 2021
Current service cost	147.55	117.83
Interest cost on benefit obligation	19.05	12.59
Net benefit expenses	**166.60**	**130.42**

(b) Position of the assets and obligation

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Present value of the obligations	(905.20)	(883.95)
Fair value of plan assets	577.00	571.42
Liability, recognised in balance sheet	**(328.20)**	**(312.53)**

(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 2022		
	Defined benefit obligation	Fair value of plan assets	Benefit liability / (assets)
Opening balance	883.95	571.42	312.53
Gratuity cost charged to profit or loss			
Service cost	147.55	-	147.55
Net interest expense	53.88	34.83	19.05
Benefits paid	(96.77)	(61.01)	(35.76)
Remeasurement gains / (losses) in other comprehensive income			
Return on plan assets (excluding amounts included in net interest expense)	-	27.96	(27.96)
Actuarial changes arising from changes in demographic assumptions	(22.70)	-	(22.70)
Actuarial changes arising from changes in financial assumptions	(11.24)	-	(11.24)
Experience adjustments	(49.47)	-	(49.47)
Contribution by employer	-	3.80	(3.80)
	905.20	**577.00**	**328.20**

Notes to Standalone Financial Statements
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B Defined benefit plan (Continued)

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**

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

Particulars	31 March 2022	31 March 2021
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 2022	Year ended 31 March 2021
Discount rate	6.00%	6.10%
Future salary increases	7.36%	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	23.14%	14.21%

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 2022 and 31 March 2021 are shown as below:

Impact on defined benefit obligation	31 March 2022	31 March 2021
Discount rate		
Increase by 1%	(35.28)	(52.92)
Decrease by 1%	38.16	59.34
Future salary		
Increase by 1%	35.73	55.42
Decrease by 1%	(33.97)	(51.10)

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.

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(g) Defined benefit liability and employer contributions :

Expected contributions to defined benefit obligation for the year ending 31 March 2023 are ₹ 460.12 lacs. The expected maturity analysis of defined benefit plan is as follows:

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Year		
- Within the next 12 months (next annual reporting period)	217.19	126.25
- Above 1 to 5 years	548.67	420.21
- More than 5 years	426.14	851.29
Total expected payments	**1,192.00**	**1,397.75**

The average duration of the defined benefit plan obligation at the end of the reporting period is 4 years (31 March 2021: 6 years).

(ii) Leave obligations

The amount of the provision of ₹ 295.22 lacs (31 March 2021: ₹ 254.91 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 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. During the year, the Nomination and Remuneration Committee has granted 276,541 RSU.

c) Vaibhav Global Limited, Employee Stock Options Plan - 2021

During the previous 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. During the year, the Company has granted 82,816 options under the ESOP Plan 2021.

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d) Vaibhav Global Limited, Management Stock Options Plan - 2021

During the previous 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. During the year, the Nomination and Remuneration Committee has granted 23,187 stock options.

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 2022		Year ended 31 March 2021	
	Number	WAEP	Number	WAEP
Outstanding at beginning of the year	12,68,022	752.62	12,08,714	625.75
Adjustment for sub division of equity shares (refer note 15A(g))	50,72,088	-	-	-
Granted during the year	3,82,544	123.23	4,05,900	1,021.88
Forfeited during the year	(4,87,840)	195.85	(84,867)	698.59
Exercised during the year *	(11,14,624)	96.73	(2,61,725)	601.76
Outstanding at the end of the year	**51,20,190**	**151.42**	**12,68,022**	**752.62**
Exercisable at 31 March	27,50,843	135.14	5,03,180	564.56

* The weighted average share price at the date of exercise of these options was ₹ 697.16 (previous year: ₹ 1,913.62)

The weighted average remaining contractual life for the share options outstanding as at 31 March 2022 was 5.81 years (31 March 2021: 6.82 years)

The weighted average fair value of options granted during the year was ₹ 740.51 (31 March 2021: ₹ 423.00).

The range of exercise prices for options outstanding at the end of the year was ₹ 9.06 to ₹ 263.56 (31 March 2021: ₹ 45.30 to ₹ 3,806.91)

The following tables list the inputs to the models used for the plans for the years ended 31 March 2022:

Series	31 March 2022					
	AH	AI	AJ	AK	AL	AM
Stock price of option as on grant date	974.10	974.10	798.40	696.30	696.30	506.60
Exercise price of option	2.00	2.00	2.00	562.00	2.00	2.00
Risk free rate	3.98% to 5.02%	5.55%	3.99% to 5.02%	5.01%	4.15% to 5.25%	4.63% to 5.63%
Volatility	42.8% to 47.8%	42.20%	43.1% to 47.8%	44.0%	42.6% to 43.5%	62.0% to 84.0%

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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	1007.20	1335.10	4013.70	4013.70	4,013.70
Exercise price of option	944.75	1317.82	1970.00	2644.36	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%

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

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Expense arising from equity-settled share-based payment transactions	268.25	273.30

There were no cancellations or modifications to the awards in 31 March 2022 or 31 March 2021

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

	Number of shares	Amount
Opening balance as on 01 April 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**
Adjustment for sub division of equity shares [refer note 15A(g)]	5,416	-
Add: Shares allotted by Company	13,02,817	26.05
Less: Shares exercised by employee	(11,14,624)	(22.29)
Closing balance as on 31 March 2022	**1,94,963**	**3.90**

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 2022	31 March 2021
i)	The principal amount and the interest due thereon remaining unpaid to any supplier at the end of accounting year: - Principal amount - Interest thereon	276.93 Nil	71.28 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);	3.66	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 2022	31 March 2021
(a) Demand / show cause notices received from Government authorities		
- Demand / show cause notice received under Income Tax Act	149.58	149.58
- Demand / show cause notice received under Customs Act	4.80	-
- Demand / show cause notice received under Goods and services Act	333.90	20.99
- Demand / show cause notice received under Services Tax Act	-	30.20
(b) Guarantees provided by the Company		
- Guarantee given by the bank on behalf of the Company	785.00	580.60
- Corporate guarantee to bank against borrowing taken by subsidiary	500.00	-
(c) Claims against the Company, not acknowledged as debt	Not quantifiable	Not quantifiable

A In earlier years, the Company received notice from the Income Tax Department under Section 148 of the Act for Assessment Year 2012-13. Subsequently the Company has also received similar notices for Assessment Year 2013-14 to Assessment Year 2015-16. The Honorable High Court of Rajasthan has granted stay order on the Company's petition for these Assessment Years mentioned above. 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 Income Tax Department ("the ITD") conducted a Survey proceeding under section 133A of the Act at the premises of the Company in November 2021. Subsequently, the Company provided all cooperation and necessary data / documents/ information, as requested by the ITD or otherwise. The ITD issued further queries post the conclusion of survey to which the Company has subsequently replied with. As on date, Based upon the nature and external expert opinion obtained by the Company, the management does not expect any liability to arise out of these proceedings.

C During the financial year 2019-20, pursuant to the shareholder's approval, the Company has bought back and extinguished a total of 865,675 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.

E The Company has certain pending litigations and claims filed by various forums/ authorities and third parties in the normal course of business. The Company has reviewed all pending litigations and claims files by various forums/ authorities and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable. In the opinion of management and legal advice obtained, the claims filed by third parties are speculative and frivolous and amount is unquantifiable at this point of time. The Company also believes that the above issues, when finally settled, are not likely to have any significant impact on the financial position of the Company.

b) Commitments:

	Particulars	31 March 2022	31 March 2021
A	Estimated amount of contracts remaining to be executed on capital account (net of advances ₹ 42.76 lacs (31 March 2021: ₹ 503.93 lacs)) and not provided for	3.57	110.13

B The Company has issued letter of support for financial assistance to its subsidiaries (Vaibhav Lifestyle Limited, Vaibhav Vistar Limited and Shop LC GmbH, Germany) for ongoing projects and operations for a period of not less than 12 months from the date of financial closure of accounts of the subsidiaries Companies for the year ended 31 March 2022.

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36 ASSETS HYPOTHECATED AS SECURITY

The carrying amount of assets hypothecated as security for short term borrowings are as under:

Particulars	31 March 2022	31 March 2021
Current assets	35,402.23	27,668.08
Non- current		
Property, plant and equipment (excluding freehold land)	5,163.96	4,364.83
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 Global Limited, Hongkong (formerly STS Gems Limited)*	1,575.00	1,575.00
- 12,576,633 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	98.28	76.75
Total non-current assets hypothecated as security	**21,316.53**	**20,495.87**
Total assets hypothecated as security	**56,718.76**	**48,163.95**

*During the year, the Company has received an approval from the lead bankers for releasing the securities pledged with bank subject to further approval by consortium bankers in their upcoming meeting.

The Company has filed quarterly return/statement of current assets with the banks. Summary of reconciliation and reasons for material discrepancies as mentioned below

Quarter	Name of bank	Particulars of securities provided	Amount as per books of account	Amount as reported in the quarterly return/statement	(Excess)/ shortage	Whether return/statement subsequently rectified
Q'1	Punjab National Bank, State Bank of India, and HDFC Bank Ltd.	Inventories	11,159.94	10,779.95	379.99	Yes*
		Trade receivables	8,814.21	8,745.17	69.04	Yes*
		Trade payables	4,261.32	3,331.12	930.20	Yes*
Q'2	Punjab National Bank, State Bank of India, HDFC Bank Ltd., and Yes Bank Limited	Inventories	11,326.37	10,642.98	683.39	Yes*
		Trade receivables	9,203.83	8,931.29	272.54	Yes*
		Trade payables	5,071.71	3,392.09	1,679.62	Yes*
Q'3	Punjab National Bank, State Bank of India, HDFC Bank Ltd., and Yes Bank Limited	Inventories	11,093.52	10,946.98	146.54	Yes*
		Trade receivables	10,201.52	9,742.85	458.67	Yes*
		Trade payables	4,573.59	3,055.01	1,518.58	Yes*

*The Company submits provisional drawing power (DP) statements on monthly basis to Punjab National Bank (PNB) being the lead bank latest by 15th of the next month and also to other member banks, in which DP limit is computed as per the terms and conditions of the sanction letter. The difference between DP statement and financial statement arise since DP statements are prepared on a provisional basis after exclusion of certain items of inventory, debtors, creditors and valuation of inventories is done as per the bank sanction letter. Further, the Company submit Quarterly Review Statements (QRS) to PNB which is tallied with the books of accounts and which could be different from DP statement submitted provisionally. In financial year 2021-22, the actual utilization of working capital remained within the bank sanction/DP limits.

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.

Notes to Standalone Financial Statements
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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 2022 is as follows:

Particulars	31 March 2022	31 March 2021
Borrowings (refer note 17)	9,382.73	5,646.37
Cash and cash equivalents (refer note 12A)	(1,555.81)	(3,150.71)
Bank balances other than above (refer note 7 and note 12B)	(2,419.21)	(2,346.49)
Net debt	**5,407.71**	**149.17**
Equity share capital (refer note 15A)	3,275.96	3,253.67
Other equity (refer note 15B)	55,038.18	49,684.70
Total Equity	**58,314.14**	**52,938.37**
Net debt to equity ratio	**9.27%**	**0.28%**

39 OTHER REGULATORY INFORMATION

(i) The Company does not have any benami property where any proceedings have been initiated or pending against the Company for holding such benami property.

(ii) The Company have following transactions with companies that have been struck off.

Name of the struck off company	Nature of Transactions with struck off company	Balance outstanding as at current period	Relationship with struck off company	Balance outstanding as at previous period	Relationship with struck off company
Salasar Securities Pvt.Ltd.	Shares held by struck off companies	0.05	Shareholder	0.01	Shareholder

(iii) The Company does not have any charges or satisfaction which are yet to be registered with ROC beyond the statutory period.

(iv) The Company has not traded or invested in Crypto currency or virtual currency during the financial year.

(v) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries); or

b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

(vi) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or;

b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,

(vii) The Company does not have not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961

(viii) The Company does not have any immovable property whose title deeds are not held in the name of the Company.

(ix) As per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016, the Company is not a Core Investment Company (CIC) and the group does not have any CIC.

Notes to Standalone Financial Statements

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40 DIVIDENDS

Dividends paid during the year ended 31 March 2022 include an amount of ₹ 1.5/- per equity share towards final dividend for the year ended 31 March 2021 and an amount of ₹ 4.5/- (₹ 1.5/- per quarter) per equity share towards interim dividends for the year ended 31 March 2022.

Dividends paid during the year ended 31 March 2021 include an amount of ₹ 7/- per equity share towards final dividend for the year ended 31 March 2020 and an amount of ₹ 17.5/- per equity share towards interim dividends for the year ended 31 March 2021. Dividends declared by the Company are based on the profit available for distribution.

On 23 May 2022, the Board of Directors of the Company have proposed a final dividend of ₹ 1.5/- per share in respect of the year ended 31 March 2022 subject to the approval of shareholders at the Annual General Meeting, and if approved, would result in a cash outflow of approximately ₹ 2,459.90 lacs.

All the dividends referred above are in compliance with section 123 of the Companies Act, 2013.

41 RATIOS

S.No.	Ratio	31 March 2022	31 March 2021	Variation
1	**Return on equity (in %)**			
	Profit for the year (A)	12,885.19	4,683.11	
	Equity share capital at the end of the year (B)	3,275.96	3,253.67	
	Other equity at the end of the year (C)	55,038.18	49,684.70	
	Total equity at the end of the year {(D) = (B) + (C)}	**58,314.14**	**52,938.37**	
	Equity share capital at the beginning of the year (E)	3,253.67	3,227.51	
	Other equity at the beginning of the year (F)	49,684.70	50,766.58	
	Total equity at the beginning of the year {(G) = (E) + (F)}	**52,938.37**	**53,994.09**	
	Average total equity [(H) = {(D) + (G)}/2]	55,626.26	53,466.23	
	Return on equity (in %) {A/H}	**23.16%**	**8.76%**	**164.46%**
	Variation is primarily due to increase in dividend received from foreign subsidiary and recognition of tax credits/refund pusuant to favourable high court order.			
2	**Trade receivables turnover ratio (in times)**			
	Revenue from operations (A)	48,909.60	41,589.13	
	Trade receivables at the beginning of the year (B)	5,954.89	4,577.95	
	Trade receivables at the end of the year (C)	13,739.71	5,954.89	
	Average trade receivables [(D) = {(B) + (C)}/2]	9,847.30	5,266.42	
	Trade receivables turnover ratio (in times) {A/D}	**4.97**	**7.90**	**-37.11%**
	Variation is primarily due to increase in trade receivables from group companies			
3	**Inventory turnover ratio (in times)**			
	Revenue from operations (A)	48,909.60	41,589.13	
	Inventories at the beginning of the year (B)	11,848.49	10,706.85	
	Inventories at the end of the year (C)	11,425.65	11,848.49	
	Average inventory [(D) = {(B) + (C)}/2]	11,637.07	11,277.67	
	Inventory turnover ratio (in times) {A/D}	**4.20**	**3.69**	**13.97%**
4	**Current ratio (in times)**			
	Total current assets (A)	35,402.23	27,668.08	
	Total current liabilities (B)	16,536.36	10,729.48	
	Current ratio (in times) {A/B}	**2.14**	**2.58**	**-16.98%**

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S.No.	Ratio	31 March 2022	31 March 2021	Variation
5	**Net profit ratio (in %)**			
	Profit for the year (A)	12,885.19	4,683.11	
	Revenue from operations (B)	48,909.60	41,589.13	
	Net profit ratio (in %) {A/B}	**26.34%**	**11.26%**	**133.96%**
	For variance refer reason mentioned against serial no. 1			
6	**Net capital turnover ratio (in times)**			
	Revenue from operations (A)	48,909.60	41,589.13	
	Total current assets (B)	35,402.23	27,668.08	
	Total current liabilities (C)	16,536.36	10,729.48	
	Working capital {(D) = (B) - (C)}	18,865.87	16,938.60	
	Net capital turnover ratio (in times) {A/D}	**2.59**	**2.46**	**5.59%**
7	**Return on capital employed (in %)**			
	Profit after exceptional items before tax (A)	11,226.45	5,118.34	
	Finance cost (B)	258.78	178.88	
	Profit before tax and finance cost {(C) = (A) + (B)}	**11,485.23**	**5,297.22**	
	Equity share capital (D)	3,275.96	3,253.67	
	Other equity (E)	55,038.18	49,684.70	
	Total equity at the end of the year {(F) = (D) + (E)}	**58,314.14**	**52,938.37**	
	Non current lease liabilities (G)	64.88	-	
	Capital employed = {(H) = (F) + (G)}	**58,379.02**	**52,938.37**	
	Return on capital employed (in %) {C/H}	**19.67%**	**10.01%**	**96.61%**
	For variance refer reason mentioned against serial no. 1			
8	**Creditors turnover ratio (in times)**			
	Cost of materials consumed (A)	29,452.91	27,156.29	
	Purchase of stock-in-trade (B)	2,926.95	2,091.04	
	Add: Closing stock (C)	9,879.59	10,006.78	
	Less: Opening stock (D)	(10,006.78)	(9,313.09)	
	Other expenses (E)	8,329.43	7,035.50	
	Total purchases {(F) = (A) + (B) + (C) - (D) + (E)}	**40,582.10**	**36,976.52**	
	Trade payables at the beginning of the year (G)	3,268.37	3,633.50	
	Trade payables at the end of the year (H)	5,780.43	3,268.37	
	Average trade payables [(I) = {(G) + (H)}/2]	4,524.40	3,450.94	
	Creditors turnover ratio (in times) {F/I}	**8.97**	**10.17**	**-16.29%**
9	**Debt equity ratio (in %)**			
	Borrowings (A)	9,382.73	5,646.37	
	Cash and cash equivalents (B)	(1,555.81)	(3,150.71)	
	Bank balances other than above (C)	2,419.21	2,346.49	
	Net debt {(D) = (A) - (B) - (C)}	**5,407.71**	**149.17**	
	Equity share capital (E)	3,275.96	3,253.67	
	Other equity (F)	55,038.18	49,684.70	
	Net equity {(G) = (E) + (F)}	**58,314.14**	**52,938.37**	
	Debt equity ratio (in %) {D/G}	**9.27%**	**0.28%**	**3191.01%**
	Variation is primarily due to cash flows on account of increase in group receivables and increase in level of borrowings.			

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S.No.	Ratio	31 March 2022	31 March 2021	Variation
10	**Debt service coverage ratio**			
	Profit for the year (A)	12,885.19	4,683.11	
	Depreciation and amortisation expense (B)	645.10	513.34	
	Interest on borrowings and lease liabilities (C)	151.24	98.94	
	Earning available for debt services {(D) = (A) + (B) + (C)}	**13,681.53**	**5,295.39**	
	Interest expenses (E)	150.70	98.94	
	Lease payments (F)	1.54	-	
	Principal repayments	-	-	
	Debt service {(G) = (E)+ (F)}	152.24	98.94	
	Debt service coverage ratio {D/G}	**89.87**	**53.52**	**67.91%**
	For variance refer reason mentioned against serial no. 1			
11	**Return on investment (in %)**			
	Dividend income from subsidiaries (A)	8,443.75	3,425.60	
	Gain on sale of current investments (B)	0.02	7.27	
	Interest income on bank deposits (C)	119.79	202.54	
	Income generated from investements {(D) = (A) + (B) + (C)}	8,563.56	3,635.41	
	Total investments (E)	32,164.52	33,126.54	
	Return on investment (in %) {D/E}	**26.62%**	**10.97%**	**142.61%**
	Variation is primarily due to increase in dividend received from foreign subsidiary			

42 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 2022	31 March 2021
Direct subsidiaries			
STS Global Supply Limited (formerly STS Gems Limited)	Hong Kong	100	100
STS Global Limited (formerly STS Gems Thai Limited)	Thailand	100	100
VGL Retail Ventures Limited	Mauritius	100	100
STS Global Limited (formerly STS Gems Japan Limited)	Japan	100	100
STS Jewels Inc.	USA	100	100
Vaibhav Vistar Limited (incorporated on 02 December 2020)	India	100	100
Vaibhav Lifestyle Limited (incorporated on 05 December 2020)	India	99.99	75
Shop LC GmbH (acquired from Shop TJC Limited, w.e.f. 19 July 2021)	Germany	100	-
Encase Packaging Private Limited (acquired on 15 March 2022)	India	60	-
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. (upto 18 July 2021) (acquired on 09 March 2021)	Germany	100	100

Notes to Standalone Financial Statements
for the year ended 31 March 2022

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

Key Management Personnel (KMP) :

Mr. Sunil Agrawal - Managing Director
Mr. Vineet Ganeriwala - Group Chief Financial Officer
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
Ms. Stephanie R Spong (w.e.f. 06 September 2021)
Ms. Monica Justice (upto 05 September 2021)
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)
Mr. Mukul Raniwala (daughter's husband of Mrs. Sheela Agarwal)
Mrs. Renu Raniwala (sister of Mr. Sunil Agrawal)
Mrs. Sheetal Sharma (wife of Mr. Sushil Sharma)
Mrs. Kusum Bardiya (wife of Mr. Nirmal Kumar Bardiya)
Ms. Garima Chordia (daughter of Mr. Nirmal Kumar Bardiya)

Others (significant influence)

VGL Softech Limited (the company has been struck off w.e.f. 21 March 2022)
Stone Age Private Limited

Employee benefit trust

Vaibhav Global Limited Employees Gratuity Fund

Notes to Standalone Financial Statements
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(All amount in lacs of Indian Rupees, except share data and as stated otherwise)

B. Details of material related party transactions and balances:

Particulars	Ultimate Holding Company	Subsidiaries / Step down subsidiaries													Total
	Brett Enterprises Private Limited	Shop TJC Limited	Shop LC Global Inc.	STS Jewels Inc.	STS Global Supply Limited	VGL Retail Ventures Limited	PT STS Bali	STS (Guangzhou) Trading Limited	STS Global Ltd Thai	Vaibhav Vistar Limited	Vaibhav Lifestyle Limited	STS Global Ltd Japan	Shop LC GmbH	Encase Pacakging Private Limited	
Transactions during the year ending 31 March 2022:															
Sale of goods	-	11,028.52	25,590.00	1,185.74	237.47	-	168.74	-	2,486.07	-	-	35.35	1,780.31	-	42,512.20
Sale of services	-	368.18	645.33	-	-	-	-	-	-	-	-	-	22.98	-	1,036.49
Purchase of goods	-	-	-	1,492.88	500.76	-	235.78	300.92	1,452.57	-	37.05	-	39.60	-	4,059.56
Expenses reimbursement (net)	-	1,138.46	2,201.16	101.43	198.25	10.74	31.69	0.61	41.91	40.31	99.93	-	510.01	-	4,374.50
Dividend paid	5,479.65	-	-	-	-	-	-	-	-	-	-	-	-	-	5,479.65
Dividend received	-	-	-	-	-	8,443.75	-	-	-	-	-	-	-	-	8,443.75
Interest Income	-	-	-	-	-	-	-	-	-	58.44	17.28	-	-	-	75.72
Grant of borrowing	-	-	-	-	-	-	-	-	-	817.16	1,039.00	-	-	-	1,856.16
Repayment of borrowing	-	-	-	-	-	-	-	-	-	177.16	710.00	-	-	-	887.16
Guarantee given	-	-	-	-	-	-	-	-	-	-	500.00	-	-	-	500.00
Guarantee commission received	-	-	-	-	-	-	-	-	-	-	2.53	-	-	-	2.53
Rent paid	1.54	-	-	-	-	-	-	-	-	-	-	-	-	-	1.54
Investment made	-	-	-	-	-	-	-	-	-	495.00	54.75	-	22.05	399.90	971.70
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
Sale of services		21.33	30.11	-	-	-	-	-	-	-	-	-	-	-	51.44
Purchase of goods	-	-	-	689.29	1,494.48	-	72.14	154.81	1,615.65	-	-	-	-	-	4,026.36
Expenses reimbursement (net)		718.96	1,728.65	-28.44	182.52	2.69	15.82	-	52.25	5.84	4.98	-	8.67	-	2,691.95
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

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

Particulars	Ultimate Holding Company	Subsidiaries / Step down subsidiaries													Total
	Brett Enterprises Private Limited	Shop TJC Limited	Shop LC Global Inc.	STS Jewels Inc.	STS Global Supply Limited	VGL Retail Ventures Limited	PT STS Bali	STS (Guangzhou) Trading Limited	STS Global Ltd Thai	Vaibhav Vistar Limited	Vaibhav Lifestyle Limited	STS Global Ltd Japan	Shop LC GmbH	Encase Pacakging Private Limited	
Balances as at year end 31 March 2022:															
Amount receivable	-	4,144.08	7,031.22	1,605.68	226.05	32.77	53.46	0.62	1,145.58	46.15	73.96	14.86	1,622.23	-	15,996.66
Amount payable	1.66	69.06	46.19	1,226.61	447.20	-	115.76	50.37	188.73	-	0.75	-	39.60	-	2,185.93
Advance received	-	-	-	-	154.86	-	-	-	-	-	-	-	-	-	154.86
Advance given	-	-	-	-	-	-	-	-	-	-	-	-	-	2.00	2.00
Commitments and guarantees	-	-	-	-	-	-	-	-	-	-	500.00	-	-	-	500.00
Interest receivable	-	-	-	-	-	-	-	-	-	52.60	16.98	-	-	-	69.58
Loan receivable	-	-	-	-	-	-	-	-	-	640.00	441.00	-	-	-	1,081.00
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

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. Vineet Ganeriwala	Mr. Sushil Sharma	Other directors	Total	Vaibhav Global Limited Employees' Gratuity Fund	Stone Age Private Limited	VGL Softech Limited	Total
Transaction during the year ending :									
Remuneration									
- 31 March 2022	-	212.55	34.64	125.38	372.57	-	-	-	-
- 31 March 2021	-	107.67	30.20	124.55	262.42	-	-	-	-
Share based payment to employees *									
- 31 March 2022	-	31.10	3.01	-	34.11	-	-	-	-
- 31 March 2021	-	24.78	3.37	-	28.15	-	-	-	-
Dividend paid									
- 31 March 2022	8.44	0.57	-	49.86	58.87	-	0.05	-	0.05
- 31 March 2021	6.89	0.33	-	56.68	63.90	-	-	-	-
Dividend paid to relatives of Key Managerial Persons									
- 31 March 2022	131.28	-	-	35.74	167.02	-	-	-	-
- 31 March 2021	107.21	-	-	40.48	147.69	-	-	-	-
Directors commission / sitting fees									
- 31 March 2022	-	-	-	31.70	31.70	-	-	-	-
- 31 March 2021	-	-	-	32.20	32.20	-	-	-	-
Balance as at year end:									
Payable as at year end:	-	-	-	29.37	29.37	326.94	-	52.07	379.01
- 31 March 2022	-	-	-	29.37	29.37	-	-	-	-
- 31 March 2021	-	-	-	27.74	27.74	-	-	-	-
Receivable as at year end:									
- 31 March 2022	-	-	-	-	-	326.94	-	52.07	379.01
- 31 March 2021	-	-	-	-	-	571.42	-	52.07	623.49
Less: Impairment loss recognised									
- 31 March 2022	-	-	-	-	-	-	-	(52.07)	(52.07)
- 31 March 2021	-	-	-	-	-	-	-	(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)

Notes to Standalone Financial Statements
for the year ended 31 March 2022

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43 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 2022	Note No.	FVTPL	FVTOCI	Amortised cost	Total carrying value
Financial assets					
Cash and cash equivalents	12A	-	-	1,555.81	1,555.81
Bank balance other than above	12B	-	-	2,419.21	2,419.21
Loans- current	13	-	-	1,135.20	1,135.20
Trade receivables	11	-	-	13,739.71	13,739.71
Other non current financial asset	7	-	-	194.37	194.37
Other current financial asset	7	-	-	3,293.83	3,293.83
		-	**-**	**22,338.13**	**22,338.13**
Financial liabilities					
Lease liabilities	4D	-	-	83.01	83.01
Borrowings- current	17	-	-	9,382.73	9,382.73
Trade payables	18	-	-	5,780.43	5,780.43
Other financial liabilities	19	-	-	367.47	367.47
		-	**-**	**15,613.64**	**15,613.64**

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
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					
Lease liabilities	4D	-	-	-	-
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**

* 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.

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(a) Financial assets and liabilities measured at fair value- recurring fair value measurements

Financial instruments	As at 31 March 2022		
	Level 1	Level 2	Level 3
Financial assets			
Investments (unquoted)	-	-	-
Total	**-**	**-**	**-**

Financial instruments	As at 31 March 2021		
	Level 1	Level 2	Level 3
Financial assets			
Investments (unquoted)		-	-
Total	**-**	**-**	**-**

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.

44 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

Notes to Standalone Financial Statements
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(All amount in lacs of Indian Rupees, except share data and as stated otherwise)

Treasury management

The Company's treasury function provides services to the business, co-ordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Company through internal risk reports which analyse exposures by degree and magnitude of risks. These risks include market risk (including currency risk, fair value interest rate risk and price risk), credit risk, liquidity risk and cash flow interest rate risk.

Treasury management focuses on capital protection, liquidity maintenance and yield maximization. The treasury operates as per the delegation of authority from the Board. Day-to-day treasury operations are managed by Company's finance team. Long-term fund raising including strategic treasury initiatives are handled by a Treasury team. A monthly reporting system exists to inform senior management of investments, debt, currency and interest rate derivatives. The Company has a strong system of internal control which enables effective monitoring of adherence to Company's policies.

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 2022			
	< 1 Year	1 - 3 Year	>3 Year	Total
Lease liabilities	12.64	31.38	38.99	**83.01**
Current borrowings	9,382.73	-	-	**9,382.73**
Trade and other payables	5,780.43	-	-	**5,780.43**
Other financials liabilities	367.47	-	-	**367.47**
Total	**15,543.27**	**31.38**	**38.99**	**15,613.64**

Financial Liabilities	As at 31 March 2021			
	< 1 Year	1 - 3 Year	>3 Year	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**

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.

Notes to Standalone Financial Statements
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(All amount in lacs of Indian Rupees, except share data and as stated otherwise)

(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.

Particulars	31 March 2022			
	USD	GBP	EURO	JPY
Financial assets	40,104.93	4,144.22	1,623.33	14.86
Financial liabilities	10,247.82	648.50	39.60	-

Particulars	31 March 2021			
	USD	GBP	EURO	JPY
Financial assets	35,935.57	1,647.94	61.18	-
Financial liabilities	2,434.85	53.48	0.11	-

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 2022 and 2021 by 1,745.25 lacs and ₹ 1,757.81 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 and GBP with floating rates of interest. The debt is of floating rates linked to LIBOR. These exposures are reviewed by appropriate levels of management on a monthly basis.

The exposure of the Company's financial liabilities as at balance sheet date to interest rate risk is as follows:

Particulars	31 March 2022	31 March 2021
Floating rate financial liabilities	9,382.73	5,646.37

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 2022	Year ended 31 March 2021
0.50%	46.91	28.23
1.00%	93.83	56.46
1.50%	140.74	84.70

(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

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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 Company's maximum exposure to credit risk at 31 March 2022 is ₹ 18,168.74 lacs (31 March 2021 is ₹ 8,825.09 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 ₹ 38.55 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 2022		31 March 2021	
	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	38.55	-	16.16	-
Net assets/ liability	**38.55**	**-**	**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.

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45 EXCEPTIONAL ITEMS

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Exceptional items*	56.22	-
	56.22	**-**

* The Company has done functional restructuring, in its pursuit of bringing in more efficiency. This primarily involved reduction in manpower and hence resulted in a one-time cost of ₹ 56.22 lacs.

Signatures to Notes 1 to 45.

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: Jaipur
Date: 23 May 2022

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

Sunil Agrawal
Managing Director
DIN: 00061142
Place: Jaipur
Date: 23 May 2022

Nirmal Kumar Bardiya
Non-Executive Director
DIN: 00044624
Place: Jaipur
Date: 23 May 2022

Vineet Ganeriwala
Group CFO
Place: Jaipur
Date: 23 May 2022

Sushil Sharma
Company Secretary
ICSI Membership No: F6535
Place: Jaipur
Date: 23 May 2022

Independent Auditor's Report

To the Members of
Vaibhav Global Limited

Report on the Audit of the 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") (in which are included financial statements of Vaibhav Global Employee Stock Option Welfare Trust") ("Trust"), which comprise the consolidated balance sheet as at 31 March 2022, 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 and trust 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 2022, 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 reports of other auditors referred to in paragraph (a) of the "Other Matters" section 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 and based on the consideration of reports of other auditors on separate financial statements of components audited by them, 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

The key audit matter	How the matter was addressed in our audit
Revenue recognition (See note 3(k) and note 21 to the consolidated financial statements): • 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 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 evidence: • Assessed the appropriateness of the accounting policy for revenue recognition as per relevant Indian 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.
Net realisable value (NRV) of Gemstone Inventory (See note 3(g) and note 10 to the consolidated financial statements): The Group deals primarily in fashion jewellery and lifestyle products 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 auditor's report thereon. The Holding Company's 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 Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and report the fact.

Management's and Board of Directors' Responsibilities 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 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 Board of 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 are responsible for overseeing the financial reporting process of each Company.

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by 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 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 the financial statements 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 paragraph (a) of the section titled "Other Matters" in this audit report.

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 auditor's 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

a) The consolidated financial statements include the audited financial statement of a Trust, whose financial statements reflects total assets (before consolidation adjustments) of ₹ 429.48 lacs as at 31 March 2022, total income (before consolidation adjustments) of ₹11.77 lacs and total excess of expenditure over income (before consolidation adjustments) of ₹ 0.01 lacs for the year ended on that date, as considered in the consolidated financial statements, which has been audited by its other auditor. The other auditor's report on financial statement of this Trust have been furnished to us by the management.

b) We did not audit the financial statements of six subsidiaries, whose financial statements reflect total assets (before consolidation adjustments) of ₹17,828.28 lacs as at 31 March 2022, total revenues (before consolidation adjustments) of ₹ 44,268.90 lacs, total net profit after tax (before consolidation adjustments) of ₹ 1,244.98 lacs and net cash inflows (before consolidation adjustments) amounting to ₹46.17 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 reports of the other auditors.

   Certain of these subsidiaries are located outside India whose financial statements have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Holding Company's management has converted the financial statements of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding 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 reports of other auditors and the conversion adjustments prepared by the management of the Holding Company and audited by us.

   Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements certified by the Management.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143 (11) of the Act, we report that there are no unfavorable answers or qualification, or adverse remarks included in the CARO report in respect of the standalone financial statements of Holding Company which is included in these consolidated financial statements.

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

   According to the information and explanations given to us and based on our examination, CARO 2020 is not applicable to subsidiaries and its step-down subsidiaries incorporated outside India, hence this report does not contain statement on the matter specified in clause 3(xxi) of CARO 2020 in relation to these companies.

2. (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 2022 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, none of the directors of the Group companies incorporated in India is disqualified as on 31 March 2022 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 B".

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:

a) The consolidated financial statements disclose the impact of pending litigations as at 31 March 2022 on the consolidated financial position of the Group. Refer Note 35 to the consolidated financial statements.

b) The Group did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended 31 March 2022.

c) 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 2022.

d) (i) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or its subsidiary companies incorporated in India to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:

- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Holding Company or its subsidiary companies incorporated in India or
- provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(ii) The management has represented, that, to the best of its knowledge and belief, no funds have been received by the Holding Company or its subsidiary companies incorporated in India from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or its subsidiary companies incorporated in India shall:

- directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Parties or
- provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries.

(iii) Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (d) (i) and (d) (ii) contain any material misstatement.

e) The interim dividend declared and paid by the Company during the year and until the date of this audit report is in accordance with section 123 of the Companies Act 2013.

f) As stated in note 47 to the financial statements, the Board of Directors of the Company has proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.

C. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us and based on the reports of the statutory auditors of such subsidiary companies incorporated in India which were not audited by us, the remuneration paid during the current year by the Holding Company and its subsidiary companies to its directors is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the Holding Company and its subsidiary companies is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act 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: 22094549AJKHLQ7972

Place: Jaipur
Date: 23 May 2022

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS OF VAIBHAV GLOBAL LIMITED FOR THE YEAR ENDED 31 MARCH 2022

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

(xxi) According to the information and explanations given to us, in respect of the following companies incorporated in India and included in the consolidated financial statements, the CARO report relating to them has not been issued by their auditors till date of this audit report:

Name of Entities	CIN	Relation
Vaibhav Vistar Limited	U36995RJ2020PLC072361	Subsidiary
Vaibhav Lifestyle Limited	U17299RJ2020PLC072409	Subsidiary
Encase Packaging Private Limited	U21000AP2021PTC119871	Subsidiary

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

Rajiv Goyal
Partner
Membership No.: 094549
ICAI UDIN: 22094549AJKHLQ7972

Place: Jaipur
Date: 23 May 2022

ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS OF VAIBHAV GLOBAL LIMITED FOR THE YEAR ENDED 31 MARCH 2022

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 2A(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 2022, 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 2022, 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 and the audit evidence 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: 22094549AJKHLQ7972

Place: Jaipur
Date: 23 May 2022

Consolidated Balance Sheet

as at 31 March 2022

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

Particulars	Note No.	31 March 2022	31 March 2021
ASSETS			
Non-current assets			
Property, plant and equipment	4A	25,756.35	8,268.43
Capital work-in-progress	4B	110.69	770.43
Right-of-use asset	4C	6,372.70	3,284.50
Goodwill	5A	3,049.32	2,868.32
Other intangible assets	5A	11,524.32	1,836.17
Intangible assets under development	5B	2,555.20	2,161.69
Financial assets			
Investments	6A	0.31	0.33
Others	7	1,048.68	747.69
Non-current tax assets (net)	8	2,326.65	745.05
Deferred tax assets (net)		2,684.14	1,934.66
Other non-current assets	9	66.84	35.63
Total non-current assets		**55,495.20**	**22,652.90**
Current assets			
Inventories	10	61,946.36	44,595.85
Financial assets			
Investments	6B	8,417.09	28,007.94
Trade receivables	11	23,150.15	16,710.94
Cash and cash equivalents	12A	4,306.61	7,206.75
Bank balances other than above	12B	6,391.40	11,626.41
Loans	13	122.27	135.11
Others	7	193.88	120.18
Other current assets	14	9,025.92	8,458.69
Total current assets		**1,13,553.68**	**1,16,861.87**
Total Assets		**1,69,048.88**	**1,39,514.77**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	15A	3,275.96	3,253.67
Other equity	15B	109,401.28	93,129.62
Equity attributable to owners of the Company		**1,12,677.24**	**96,383.29**
Non-controlling interest	15C	152.97	(1.61)
Total equity		**1,12,830.21**	**96,381.68**
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	17	261.31	-
Lease liabilities	4C	4,541.48	1,872.49
Deferred tax liabilities (net)		492.54	-
Provisions	16	434.03	483.36
Total non-current liabilities		**5,729.36**	**2,355.85**
Current liabilities			
Financial liabilities			
Borrowings	17	9,686.77	9,171.91
Lease liabilities	4C	1,986.15	1,404.07
Trade payables	18		
- Total outstanding dues of micro enterprises and small enterprises; and		309.56	71.28
- Total outstanding dues of creditors other than micro enterprises and small enterprises		27,648.82	16,000.02
Other financial liabilities	19	950.05	545.13
Other current liabilities	20	5,634.24	6,159.90
Provisions	16	3,598.24	5,105.80
Current tax liabilities (net)		675.48	2,319.13
Total current liabilities		**50,489.31**	**40,777.24**
Total liabilities		**56,218.67**	**43,133.09**
Total equity and liabilities		**1,69,048.88**	**1,39,514.77**
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: Jaipur
Date: 23 May 2022

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

Sunil Agrawal
Managing Director
DIN: 00061142
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DIN: 00044624
Place: Jaipur
Date: 23 May 2022

Vineet Ganeriwala
Group CFO

Place: Jaipur
Date: 23 May 2022

Sushil Sharma
Company Secretary
ICSI Membership No: F6535
Place: Jaipur
Date: 23 May 2022

Consolidated Statement of Profit and Loss

for the year ended 31 March 2022

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

Particulars	Note No.	Year ended 31 March 2022	Year ended 31 March 2021
Revenue from operations	21	2,75,243.16	2,54,007.02
Other income	22	2,183.95	1,769.98
Total income		**2,77,427.11**	**2,55,777.00**
EXPENSES			
Cost of materials consumed	23	29,898.27	27,217.95
Purchases of stock-in-trade	24	84,646.22	64,503.04
Changes in inventories of finished goods, stock-in-trade and work-in-progress	25	(16,805.61)	(1,453.03)
Employee benefits expense	26	50,942.32	43,604.57
Finance costs	27	609.69	462.94
Depreciation and amortisation expense	28	5,480.92	3,913.82
Other expenses	29	98,424.87	83,111.44
Total expenses		**2,53,196.68**	**2,21,360.73**
Profit before exceptional items and tax		**24,230.43**	**34,416.27**
Exceptional items	17b &46	2,824.16	-
Profit after exceptional items		**27,054.59**	**34,416.27**
Tax expense	30		
Current tax		3,672.92	7,080.01
Deferred tax		(329.49)	160.92
Total tax expense		**3,343.43**	**7,240.93**
Profit for the year (A)		**23,711.16**	**27,175.34**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
(i) Remeasurement of defined benefit plans		111.37	(52.32)
(ii) Tax relating to remeasurement of defined benefit plans		(38.92)	18.28
		72.45	**(34.04)**
Items that will be reclassified to profit or loss			
(i) Exchange difference on translation of foreign operations		534.70	(186.61)
(ii) Tax relating to exchange difference on translation of foreign operations		-	-
		534.70	**(186.61)**
Total other comprehensive income for the year, net of tax (B)		**607.15**	**(220.65)**
Total comprehensive income for the year (A) + (B)		**24,318.31**	**26,954.69**
Profit for the year attributable to owners of the parent			
- Owners of Vaibhav Global Limited		23,771.13	27,178.20
- Non-controlling interest		(59.97)	(2.86)
		23,711.16	**27,175.34**
Other comprehensive income attributable to:			
- Owners of Vaibhav Global Limited		607.15	(220.65)
- Non-controlling interest		-	-
		607.15	**(220.65)**
Total comprehensive income attributable to:			
- Owners of Vaibhav Global Limited		24,378.28	26,957.55
- Non-controlling interest		(59.97)	(2.86)
		24,318.31	**26,954.69**
Earnings per equity share	31		
Basic		14.56	16.77
Diluted		14.24	16.32
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: Jaipur
Date: 23 May 2022

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

Sunil Agrawal
Managing Director
DIN: 00061142
Place: Jaipur
Date: 23 May 2022

Nirmal Kumar Bardiya
Non-Executive Director
DIN: 00044624
Place: Jaipur
Date: 23 May 2022

Vineet Ganeriwala
Group CFO

Place: Jaipur
Date: 23 May 2022

Sushil Sharma
Company Secretary
ICSI Membership No: F6535
Place: Jaipur
Date: 23 May 2022

Consolidated statement of changes in Equity

for the year ended 31 March 2022

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

A. EQUITY SHARE CAPITAL

Balance as at 1 April 2021	Changes in equity share capital due to prior period errors	Restated balance as at 1 April 2021	Changes in equity share capital during the year (Refer note 15A(a))	Balance as at 31 March 2022	Treasury shares (Refer note 33)	Balance as at 31 March 2022
3,253.67	-	3,253.67	26.19	3,279.86	3.90	3,275.96

Balance as at 1 April 2020	Changes in equity share capital due to prior period errors	Restated balance as at 1 April 2020	Changes in equity share capital during the year (Refer note 15A(a))	Balance as at 31 March 2021	Treasury shares (Refer note 33)	Balance as at 31 March 2021
3,227.50	-	3,227.50	26.31	3,253.81	0.14	3,253.67

B. OTHER EQUITY

For the year ended 31 March 2022:

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 2021*	**31,049.52**	**1,666.60**	**4,486.57**	**954.76**	**1,296.47**	**52,145.64**	**1,530.06**	**93,129.62**
Profit of the year	-	-	-	-	-	23,771.13	-	23,771.13
Other comprehensive income (net of tax)	-	-	-	-	-	72.45	534.70	607.15
Total comprehensive income	**-**	**-**	**-**	**-**	**-**	**23,843.58**	**534.70**	**24,378.28**
Final dividend for the year ended 31 March 2021	-	-	-	-	-	(2,448.12)	-	(2,448.12)
Interim dividends for the year ended 31 March 2022	-	-	-	-	-	(7,364.54)	-	(7,364.54)
Securities premium received on shares issue	1,552.97	-	-	-	-	-	-	1,552.97
Transfer from share based payment reserve to securities premium on allotment	604.61	(604.61)	-	-	-	-	-	-
Transfer from share based payment reserve to retained earnings on lapse		(826.99)	-	-	-	826.99	-	-
Share based payments to employees	-	925.22	-	-	-	-	-	925.22
Decrease in reserves due to reduction in noncontrolling interest on purchase of further shares in subsidiaries	-	-	-	-	-	(52.32)	-	(52.32)
Dividend distribution tax	-	-	-	-	-	(450.14)	-	(450.14)
Treasury shares	(269.69)	-	-	-	-	-	-	(269.69)
Balance as at 31 March 2022	**32,937.41**	**1,160.22**	**4,486.57**	**954.76**	**1,296.47**	**66,501.09**	**2,064.76**	**109,401.28**

Consolidated statement of changes in Equity

for the year ended 31 March 2022

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

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)	-	-	-	-	-	(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)
Securities premium received on shares issue	1,559.57	-	-	-	-	-	-	1,559.57
Transfer from share based payment reserve to securities premium 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**

*There are no changes in other equity due to prior period errors.

Refer note 15D for nature and purpose of reserves.

Profit/(loss) of ₹ 72.45 Lacs and ₹ (34.04) Lacs on remeasurement of defined employee benefit plans (net of tax) is recognised as a part of retained earnings for the years ended 31 March 2022 and 2021, respectively.

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: Jaipur
Date: 23 May 2022

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

Sunil Agrawal
Managing Director
DIN: 00061142
Place: Jaipur
Date: 23 May 2022

Nirmal Kumar Bardiya
Non-Executive Director
DIN: 00044624
Place: Jaipur
Date: 23 May 2022

Vineet Ganeriwala
Group CFO

Place: Jaipur
Date: 23 May 2022

Sushil Sharma
Company Secretary
ICSI Membership No: F6535
Place: Jaipur
Date: 23 May 2022

Consolidated statement of cash flows
for the year ended 31 March 2022

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

	Particulars	Year ended 31 March 2022	Year ended 31 March 2021
A.	Cash flow from operating activities		
	Profit for the year	27,054.59	34,416.27
	Adjustment for :		
	Depreciation and amortisation expense	5,480.92	3,913.82
	Loss/(gain) on unrealised foreign exchange difference (net)	117.11	(5.97)
	Share based payments to employees	925.22	667.74
	Loss on sale of property, plant and equipment	0.77	17.70
	Liabilities no longer required written back	(160.26)	(95.95)
	Gain on sale of current investments (including change in fair value)	(0.02)	(7.27)
	Allowances for / write off doubtful debts and advances (net)	2,150.88	1,404.78
	Interest income	(432.11)	(322.17)
	Finance costs	609.69	462.94
	PPP loan waiver	(3,289.87)	-
	Operating profit before working capital changes	**32,456.92**	**40,451.89**
	Working capital adjustments :		
	(Increase) in trade receivable	(8,237.17)	(4,356.03)
	(Increase) in inventories	(17,109.07)	(2,054.01)
	(Increase) in other assets	(802.23)	(2,400.72)
	Increase in trade payables, provisions, other current liabilities	9,373.56	6,708.60
	Cash generated from operating activities	**15,682.01**	**38,349.73**
	Income taxes paid (net)	(6,887.86)	(5,769.83)
	Net cash generated from operating activities (A)	**8,794.15**	**32,579.90**
B.	Cash flow from investing activities		
	Purchase of property, plant and equipment and intangible assets	(30,060.96)	(5,692.13)
	Proceeds from sale of property, plant and equipment	8.60	0.05
	Payment for right-of-use of assets	(0.52)	-
	Payment for acquisition of subsidiaries	(413.40)	-
	Movement in deposits (net)	5,421.88	(1,303.95)
	Interest received	386.13	412.39
	Purchase of current investments	19,932.67	(28,598.93)
	Proceed from sale of current investments	225.02	8,394.18
	Net cash used in investing activities (B)	**(4,500.58)**	**(26,788.39)**
C.	Cash flow from financing activities		
	Proceeds from exercise of share options	1,305.07	1,576.60
	Proceeds from issue of equity shares to non-controlling interest	-	1.25
	Movement in short term borrowings (net)	3,816.13	2,766.45
	Dividend paid	(10,138.56)	(7,948.57)
	Payment of lease liabilities	(1,821.27)	(1,855.79)
	Interest paid	(376.02)	(288.72)
	Net cash used in financing activities (C)	**(7,214.65)**	**(5,748.78)**

Consolidated statement of cash flows
for the year ended 31 March 2022

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

	Particulars	Note	Year ended 31 March 2022	Year ended 31 March 2021
D.	Impact of movement of exchange rates			
	Exchange difference on translation of foreign operations (D)		20.94	105.73
	Net (decrease)/ increase in cash and cash equivalents (A+B+C+D)		**(2,900.14)**	**148.46**
	Opening balance of cash and cash equivalents		7,206.75	7,058.29
	Closing balance of cash and cash equivalents		**4,306.61**	**7,206.75**
	Cash and cash equivalents comprises			
	Balance with bank in current accounts		3,957.37	7,155.50
	Cash on hand		46.08	51.25
	Funds-in-transit		303.16	-
			4,306.61	**7,206.75**
	Significant accounting policies	3		

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

1. The statement of cash flows 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 2022	Year ended 31 March 2021
Opening balance of short term borrowings	9,171.91	6,443.23
Movement in short term borrowings	643.21	2,728.27
Non cash changes - effect of foreign currency translation	(128.35)	0.41
Closing balance of short term borrowings	**9,686.77**	**9,171.91**

3. Refer note 29B for amount spent during the year ended 31 March 2022 and 31 March 2021 on construction / acquisition of assets and other purposes relating to corporate social responsibility activities.

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: Jaipur
Date: 23 May 2022

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

Sunil Agrawal
Managing Director
DIN: 00061142
Place: Jaipur
Date: 23 May 2022

Nirmal Kumar Bardiya
Non-Executive Director
DIN: 00044624
Place: Jaipur
Date: 23 May 2022

Vineet Ganeriwala
Group CFO

Place: Jaipur
Date: 23 May 2022

Sushil Sharma
Company Secretary
ICSI Membership No: F6535
Place: Jaipur
Date: 23 May 2022

Notes to consolidated financial statements
for the year ended 31 March 2022

(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") (in which are included financial statements of Vaibhav Global Employee Stock Option Welfare Trust") ("Trust") for the year ended 31 March 2022. 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 23 May 2022.

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.

Financial reporting results rely on the estimate of the effect of certain matters that are inherently uncertain. Future events rarely develop exactly as forecast and the best estimates require adjustments, as actual results may differ from these estimates under different assumptions or conditions. Estimates and Judgments are continually evaluated and are based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances. The Management believes that the estimates used in preparation of these financial statements are prudent and reasonable. 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.

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 2022 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 41 – impairment of financial and non - financial assets

e. Measurement of fair value

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

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

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

Notes to consolidated financial statements
for the year ended 31 March 2022

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

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 recognized in business combination are measured at fair value initially and subsequently when there is an indicator of impairment, the impairment is recognized. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

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

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

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

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

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

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

c) Cost approach – Replacement cost method.

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

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. The Company has an established control framework with respect to the measurement of fair values. It regularly reviews significant inputs and valuation adjustments.

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

- Note 33 – share-based payment; and
- Note 40 – financial instruments;

f. Current and non-current classification

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

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

All other assets are classified as non-current.

A liability is current when:

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

The Group classifies all other liabilities as non-current.

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

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

Notes to consolidated financial statements
for the year ended 31 March 2022

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

3. SIGNIFICANT ACCOUNTING POLICIES

a. Basis of consolidation

The consolidated financial statements comprise the financial statements of VGL, the Parent Company, its Trust and its subsidiaries. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary.

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 31 March 2022, which are as follows:

Name of the Subsidiaries	Country of incorporation	% holding as at 31 March 2022	% holding as at 31 March 2021
Direct Subsidiaries:			
VGL Retail Ventures Limited	Mauritius	100%	100%
STS Global Limited (formerly known as STS Gems Limited)	Japan	100%	100%
STS Global Supply Limited (formerly known as STS Gems Limited)	Hong Kong	100%	100%
STS Global Limited, (formerly known as STS Gems Thai Limited)	Thailand	100%	100%
STS Jewels Inc., USA	USA	100%	100%
Vaibhav Vistar Limited	India	100%	100%
Vaibhav Lifestyle Limited	India	99.99%	75%
Shop LC GmbH	Germany	100%	100%
Encase Packaging Private Limited*	India	60%	-
Step-down Subsidiaries:			
Shop TJC Limited	United Kingdom	100%	100%
Shop LC Global Inc.,	USA	100%	100%
Pt. STS Bali	Indonesia	100%	100%
STS (Guangzhou) Trading Limited Company	China	100%	100%

* Acquired on 15 March 2022

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary.

Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

The financial statements of the subsidiaries in the Group are added on a line-by-line basis and intercompany balances and transactions including unrealized gain/ loss from such transactions are eliminated upon consolidation. Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that group member's financial statements in preparing the

Notes to consolidated financial statements
for the year ended 31 March 2022

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

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

The Group accounts for its business combinations under acquisition method of accounting. Acquisition related costs are recognised in the consolidated statement of profit and loss as incurred. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the condition for recognition are recognised at their fair values at the acquisition date.

Purchase consideration paid in excess of the fair value of net assets acquired is recognised as goodwill. Where the fair value of identifiable assets and liabilities exceed the cost of acquisition, after reassessing the fair values of the net assets and contingent liabilities, the excess is recognised as capital reserve.

The interest of non-controlling shareholders is initially measured either at fair value or at the non-controlling interests' proportionate share of the acquiree's identifiable net assets. The choice of measurement basis is made on an acquisition-by acquisition basis. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity of subsidiaries.

Business combinations arising from transfers of interests in entities that are under common control are accounted at historical cost. The difference between any consideration given and the aggregate historical carrying amounts of assets and liabilities of the acquired entity is recorded in shareholders' equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, after reassessing the fair values of the net assets, the excess is recognized as capital reserve.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

c. Foreign currency

i. Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currencies of Group companies at the exchange rates at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and 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 Other Comprehensive Income (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 Other Comprehensive Income (OCI) relating to that particular foreign operation is recognized in the Statement of Profit and Loss.

Notes to consolidated financial statements
for the year ended 31 March 2022

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

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.

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.

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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, accumulated impairment losses, non- refundable taxes and import duties 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.

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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	5-10	5-10
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 amortized over the period of lease. Building constructed on leasehold land are depreciated based on the useful life as stated above, where the lease period of land is beyond the life of the building. In other cases, buildings constructed on leasehold lands are amortised over the primary lease period of the lands.

f. Goodwill, other intangible assets, and intangible assets under development

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.

ii. 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	3-5
Broadcast rights	10

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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.

Intangible assets under development

Intangible assets under development includes software, website development, mobile app development etc. which is capitalized as per the milestones defined in the management plan or contract with the vendor.

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 realizable value involve technical judgments of the management supported by valuation from an independent valuer.

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

h. Impairment

i. Impairment of financial instruments

Financial instruments that potentially subject the Group to concentration of credit risk consist principally of cash and bank balances, short term deposits with banks, trade receivables, investment securities and derivative instruments. The cash resources of the Group are invested 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) recognized during the period is recognized 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

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reduce the carrying amounts of the other assets of the CGU (or group of CGUs) on a pro rata basis.

An impairment loss in respect of goodwill is not subsequently reversed. In respect of other assets for which impairment loss has been recognised in prior periods, the Group reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

i. Employee Benefits

i. Short-term employee benefits

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

ii. Share based payment

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

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

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

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

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

When the terms of an equity-settled award are modified, the minimum expense recognised is the expense had the terms 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. When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognised immediately in Statement of profit and Loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

v. Other long-term employee benefits

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

vi. Other foreign defined contribution plans

Contributions to other foreign defined contribution plans are recognized as expense when employees have rendered services entitling them to such benefits.

j. Provision (other than for employee benefits)

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the Statement of Profit and Loss net of any reimbursement. Provisions are not recognised for future operating losses.

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

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discounting of the consideration due to the present value if payment extends beyond normal credit terms. Revenue is recognised upon transfer of control of promised goods or services to customers in an amount that reflects the consideration which the group expects to receive in exchange for those products or services.

- Revenue from sales of goods is recognised on output basis measured by units delivered, number of transactions etc.

- Revenue from the sale of goods is recognised at the point in time when control is transferred to the customer which coincides with the performance obligation under the contract with the customer.

- Revenue from services is recognized in accordance with the terms of contract when the services are rendered, and the related costs are incurred

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.

Other operating revenues

Duty benefits are recognized 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.

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

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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.

Current tax is recognised in statement of profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current tax is also recognised in other comprehensive income or directly in equity respectively. "

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

The current income tax expense for overseas subsidiaries has been computed based on the tax laws applicable to each subsidiary in the respective jurisdiction in which it operates.

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

ii. Deferred Tax

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

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

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

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

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

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Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

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

iii. Minimum Alternative Tax (MAT)

Minimum Alternative Tax (MAT) is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognized as an asset the said asset is created by way of credit to the Statement of Profit and Loss and included in deferred tax assets. The 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 2021-22.

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.

When the Company borrows funds specifically for the purpose of obtaining a qualifying asset, the borrowing costs incurred are capitalized. When Company borrows funds generally and uses them for the purpose of obtaining a qualifying asset, the capitalization of the borrowing costs is computed based on the weighted average cost of general borrowing that are outstanding during the period and used for the acquisition of the qualifying asset.

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. Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

Notes to consolidated financial statements
for the year ended 31 March 2022

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

t. Dividend

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

u. 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

v. Operating Segments

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components, and for which discrete financial information is available. All operating segments' operating results are reviewed regularly by the Company's Chief Operating Decision Maker (CODM) to make decisions about resources to be allocated to the segments and assess their performance.

w. Recent Indian Accounting Standards (Ind AS)

On 23 March 2022, the Ministry of Corporate Affairs ("MCA") through notifications, amended to existing Ind AS. The same shall come into force from annual reporting period beginning on or after 1st April 2022. Key Amendments relating to the same whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

- Ind AS 16 Property, Plant and Equipment – For items produced during testing/trail phase, clarification added that revenue generated out of the same shall not be recognised in Statement of Profit and Loss and considered as part of cost of PPE.
- Ind AS 37 Provisions, Contingent Liabilities & Contingent Assets – Guidance on what constitutes cost of fulfilling contracts (to determine whether the contract is onerous or not) is included.
- Ind AS 41 Agriculture– This aligns the fair value measurement in Ind AS 41 with the requirements of Ind AS 113 Fair Value Measurement to use internally consistent cash flows and discount rates and enables preparers to determine whether to use pre-tax or post-tax cash flows and discount rates for the most appropriate fair value measurement.
- Ind AS 101 – First time Adoption of Ind AS – Measurement of Foreign Currency Translation Difference in case of subsidiary/associate/ JV's date of transition to Ind AS is subsequent to that of Parent – FCTR in the books of subsidiary/associate/JV can be measured based Consolidated Financial Statements.
- Ind AS 103 – Business Combination – Reference to revised Conceptual Framework. For contingent liabilities / levies, clarification is added on how to apply the principles for recognition of contingent liabilities from Ind AS 37. Recognition of contingent assets is not allowed.
- Ind AS 109 Financial Instruments – The amendment clarifies which fees an entity includes when it applies the '10 per cent' test in assessing whether to derecognise a financial liability.

The amendments are extensive, and the Company will evaluate the same to give effect to them as required by law.

Notes to consolidated financial statements
for the year ended 31 March 2022

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

4A PROPERTY, PLANT AND EQUIPMENT *
Reconciliation of carrying amount

Particulars	Freehold land	Leasehold improvement	Building	Plant and equipment	Furniture and fixtures	Office equipment	Computers	Vehicles	Total
Balance as at 01 April 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**
Additions (pursuant to acquisition) (refer note 42)	100.00	-	173.56	348.98	5.45	1.90	0.98	-	630.87
Additions	10,312.23	356.22	841.29	6,618.39	311.78	276.92	720.10	84.83	19,521.76
Written off / disposals	-	(1.88)	-	(12.37)	(0.40)	(3.07)	(10.17)	-	(27.89)
Exchange differences on translation of foreign operations	-	68.16	(3.31)	47.21	37.86	15.51	70.16	(0.54)	235.05
Balance as at 31 March 2022	**10,474.13**	**2,904.11**	**3,192.00**	**13,559.94**	**1,676.34**	**1,479.13**	**3,423.87**	**344.62**	**37,054.14**
Accumulated depreciation									
Balance as at 01 April 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**
Depreciation charge for the year	-	475.48	94.63	1,157.62	168.11	280.66	461.20	33.91	2,671.61
Exchange differences on translation of foreign operations	-	58.97	(0.78)	37.79	32.30	10.14	62.34	(0.50)	200.26
Balance as at 31 March 2022	**-**	**2,069.91**	**486.49**	**4,052.13**	**1,134.59**	**892.39**	**2,478.94**	**183.34**	**11,297.79**
Carrying amount (net)									
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**
Balance as at 31 March 2022	**10,474.13**	**834.20**	**2,705.51**	**9,507.81**	**541.75**	**586.74**	**944.93**	**161.28**	**25,756.35**

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

Notes to consolidated financial statements
for the year ended 31 March 2022

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

4B CAPITAL WORK- IN- PROGRESS

Particulars	31 March 2022	31 March 2021
Opening balance	770.43	364.10
Additions during the year	3,341.16	782.22
Capitalisation during the year	(3,997.77)	(375.89)
Exchange differences on translation of foreign operations	(3.13)	-
Closing balance	**110.69**	**770.43**

Capital work- in- progress ageing

Ageing for capital work-in-progress as at March 31, 2022 is as follows:

Capital work- in- progress	Amount in capital work-in-progress for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Project in progress	110.69	-	-	-	110.69

Ageing for capital work-in-progress as at March 31, 2021 is as follows:

Capital work- in- progress	Amount in capital work-in-progress for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Project in progress	770.43	-	-	-	770.43

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 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**
Additions during the year	-	4,817.44	4,817.44
Depreciation charge for the year	(9.96)	(1,748.17)	(1,758.13)
Exchange differences on translation of foreign operations	0.82	28.07	28.89
Balance as at 31 March 2022	**849.24**	**5,523.46**	**6,372.70**

The aggregate depreciation expense on Right-of-use assets amounting to ₹ 1,758.13 lacs (previous year ₹ 1,379.62 lacs) is included under depreciation and amortization expense in the statement of profit and loss.

The following is the movement in lease liabilities during the year:

Particulars	31 March 2022	31 March 2021
Opening balance	3,276.56	3,730.67
Additions during the year	4,733.59	1,074.10
Interest expenses for the year (refer note 27)	310.06	179.77
Payment of lease liability during the year	(1,821.27)	(1,880.86)
Exchange differences on translation of foreign operations	28.69	172.88
Closing Balance	**6,527.63**	**3,276.56**
Current	1,986.15	1,404.07
Non - current	4,541.48	1,872.49

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 statement of cash flows.

Notes to consolidated financial statements
for the year ended 31 March 2022

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

The table below provides details regarding the contractual maturities of lease liabilities on an undiscounted basis:

Particulars	31 March 2022	31 March 2021
Less than one year	1,986.15	1,404.07
After one year but not longer than five years	4,541.48	1,872.49
Total	**6,527.63**	**3,276.56**

The Group 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 amounting to ₹ 1,036.31 lacs (previous year: ₹ 483.03 lacs) is classified as rent expenses in statement of profit and loss.

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 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**
Additions*	181.00	3,448.82	7,289.47	10,738.29
Written off / disposals	-	(7.99)	-	(7.99)
Exchange differences on translation of foreign operations	-	155.36	(17.92)	137.44
Balance as at 31 March 2022	**3,049.32**	**11,407.82**	**9,102.66**	**20,510.48**
Accumulated amortisation				
Balance as at 01 April 2020	**-**	**5,820.43**	**1,227.39**	**7,047.82**
Amortisation charge for the year	-	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**
Amortisation charge for the period	-	806.71	244.47	1,051.18
Exchange differences on translation of foreign operations	-	145.04	(16.63)	128.41
Balance as at 31 March 2022	**-**	**7,374.26**	**1,611.90**	**8,986.16**
Carrying amount (net)				
Balance as at 31 March 2021	**2,868.32**	**1,389.12**	**447.05**	**1,836.17**
Balance as at 31 March 2022	**3,049.32**	**4,033.56**	**7,490.76**	**11,524.32**

*Parent Company has acquired 60% stake in Encase Packaging Private Limited for a total consideration of ₹ 399.90 lacs. Based on purchase price allocation, goodwill amounting to ₹ 181.00 lacs has been recognised.

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.

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.

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 2022	31 March 2021
Discount rate	16.25%	9.30%
Terminal value rate	7.70%	5.00%
Budgeted EBITDA growth rate	10.00% to 12.00%	9.00% to 10.00%

Notes to consolidated financial statements
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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 2022	31 March 2021
Opening balance	**2,161.69**	**493.40**
Addition during the year	3,481.00	2,503.12
Capitalisation during the year	(3,129.43)	(834.83)
Exchange differences on transaction of foreign operations	41.94	-
Closing balance	**2,555.20**	**2,161.69**

Ageing for Intangible asset under development as at March 31, 2022 is as follows:

Intangible asset under development	Amount in Intangible asset under development for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Project in progress	2,073.27	472.00	9.92	-	2,555.20

Ageing for Intangible asset under development as at March 31, 2021 is as follows:

Intangible asset under development	Amount in Intangible asset under development for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Project in progress	2,151.61	10.08	-	-	2,161.69

6 FINANCIAL ASSETS - INVESTMENTS

	Particulars	31 March 2022	31 March 2021
A	**Non-current investments**		
	Unquoted investment		
	Investment in equity instruments at FVTPL		
	1,000 (31 March 2021: 1,000) equity shares of Yen 50 each Asahi Shinkin Bank Stock	0.31	0.33
	360,000 (31 March 2021: 360,000) equity shares of ₹10 each of VGL Softech Limited	52.07	52.07
	Less: Impairment loss recognised on unquoted investment	(52.07)	(52.07)
		-	-
	Total unquoted non current investments	**0.31**	**0.33**
	Note:		
	Aggregate amount of unquoted non-current investments	**0.31**	**0.33**
	Aggregate amount of impairment in value of non-current investments	**52.07**	**52.07**
B	**Current investments**		
	Unquoted investments at FVTPL		
	Investment in liquid mutual funds:		
	WF Heritage Sel 3801- Nil units (31 March 2021 - 15,926,924.48 units)	-	11,721.63
	JPMorgan Prime MM C3605 - 2,515,186.19 units (31 March 2021 - 8,992,805.75 units)	1,899.47	6,590.68
	Goldman FS MM Inst 474 - 7,631.19 units (31 March 2021 - 5,997,001.50 units)	5.76	4,393.79
	Goldman FS Tr Ob Ins 468 - 1,500,000 units (31 March 2021 - 3,001,560.5 units)	1,134.30	2,198.04
	Wells Fargo Treasury Plus Money Market Fund - I	0.08	-
	Investment in corporate bonds:		
	Bharat Petrol SR unsec regs 4.625% - 1,200,000 units (31 March 2021 - 1,200,000 units)	914.67	940.61
	NTPC LTD FGN 3.75%- 1,000,000 units (31 March 2021 - 1,000,000 units)	756.78	785.84
	Bharat Petrol SR unsec regs 4.625% - 1,000,000 units (31 March 2021 - 1,000,000 units)	762.22	785.72
	ADVANTAGE BANK DEPOSIT FDIC- 59,169.40 unit (31 March 2021 - Nil units)	44.68	
	ONGC VIDESH LTD 3.75% - 380,000 units (31 March 2021 - Nil units)	288.96	-
	ONGC VIDESH LTD 3.75% - 1,000,000 units (31 March 2021 - Nil units)	760.41	-
	INDIAN OIL CORP 5.75% - 1,000,000 units (31 March 2021 - Nil units)	780.27	-
	INDIAN OIL CORP 5.75% - 620,000 units (31 March 2021 - Nil units)	483.77	
	ICICI Bank Dubai 3.25% - 775,000 units (31 March 2021 - 775,000 units)	585.72	591.63
	Total current investments at FVTPL	**8,417.09**	**28,007.94**

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

Particulars	31 March 2022	31 March 2021
Note:		
Aggregate amount of unquoted current investments	8,417.09	28,007.94
Aggregate amount of impairment in value of current investments	-	-

* VGL Softech Limited has been struck off from the register of companies and has dissolved via notice dated 27 October 2021 w.e.f. 21 March 2022

7 FINANCIAL ASSETS - OTHERS

Particulars	31 March 2022	31 March 2021
Non- current		
Balance with bank to the extent held as security *	98.28	76.75
Prepaid expenses	211.13	-
Security deposits, unsecured, considered good	739.27	670.94
	1,048.68	**747.69**
Current		
Interest accrued on bank deposits	193.88	120.18
	193.88	**120.18**

* 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 2022	31 March 2021
Deposits with tax authorities	2,326.65	745.05
	2,326.65	**745.05**

9 OTHER NON- CURRENT ASSETS

Particulars	31 March 2022	31 March 2021
Capital advances	66.84	35.63
	66.84	**35.63**

10 INVENTORIES*

Particulars	31 March 2022	31 March 2021
Raw materials (including gemstone inventory of ₹ 7,552.96 lacs (31 March 2021: ₹ 8,535.07 lacs)	9,956.40	9,883.89
Semi finished goods	326.95	341.01
Finished goods**	51,496.72	34,228.84
Stores and consumables	166.29	142.11
Total inventories at the lower of cost and net realisable value	**61,946.36**	**44,595.85**

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

**Finished goods includes goods purchased for re-sale, as both are stocked together.

11 FINANCIAL ASSETS - TRADE RECEIVABLES*

Particulars	31 March 2022	31 March 2021
Unsecured, considered good	23,150.15	16,710.94
Trade receivables - credit impaired	1,990.60	1,338.23
Loss allowance	(1,990.60)	(1,338.23)
	-	-
Net trade receivables	**23,150.15**	**16,710.94**

* 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 2022	31 March 2021
Balance at the beginning of the year	1,338.23	695.78
Movement in allowance for expected credit loss and credit impairment	652.37	642.45
Balance at the end of the year	**1,990.60**	**1,338.23**

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	Particulars	Outstanding for following periods from due date of payment						
		Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i)	Undisputed Trade receivables – considered good	17,398.57	5,310.64	1,302.36	935.07	150.41	20.52	25,117.57
(ii)	Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii)	Undisputed Trade Receivables – credit impaired	-	-	-	13.67	-	-	13.67
(iv)	Disputed Trade Receivables–considered good	-	-	-	-	-	-	-
(v)	Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi)	Disputed Trade Receivables – credit impaired	-	-	-		9.51	-	9.51
		17,398.57	**5,310.64**	**1,302.36**	**948.74**	**159.92**	**20.52**	**25,140.75**
	Less: Loss allowance							(1,990.60)
								23,150.15

Trade receivables ageing schedule as on 31 March 2021

	Particulars	Outstanding for following periods from due date of payment						
		Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i)	Undisputed Trade receivables – considered good	10,717.65	6,616.63	334.46	335.41	7.85	27.66	18,039.66
(ii)	Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii)	Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
(iv)	Disputed Trade Receivables–considered good	-	-	-	-	-	-	-
(v)	Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi)	Disputed Trade Receivables – credit impaired	-	-	-	9.51	-	-	9.51
		10,717.65	**6,616.63**	**334.46**	**344.92**	**7.85**	**27.66**	**18,049.17**
	Less: Loss allowance							(1,338.23)
								16,710.94

12 FINANCIAL ASSETS - CASH AND CASH EQUIVALENTS*

Particulars	31 March 2022	31 March 2021
A) Cash and cash equivalents		
(i) Balances with banks:		
Balances with banks - current accounts **	3,957.37	7,155.50
Bank deposits with original maturity of less than 3 months	-	-
	3,957.37	**7,155.50**
(ii) Cash on hand	46.08	51.25
(iii) Funds-in-transit	303.16	-
	4,306.61	**7,206.75**
B) Bank balances other than above		
(i) Unpaid dividend account ***	10.21	7.49
(ii) Bank deposits (due for realisation within 12 months of the reporting date)	6,381.19	11,618.92
	6,391.40	**11,626.41**

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

** includes restricted cash balance of ₹ 129.23 lacs (previous year: ₹ 782.05 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.

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13 FINANCIAL ASSETS - LOANS*

Particulars	31 March 2022	31 March 2021
Current		
Other receivables	122.27	135.11
	122.27	**135.11**

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

14 OTHER CURRENT ASSETS*

Particulars	31 March 2022	31 March 2021
Unsecured, considered good		
Advances other than capital advances		
Advances to suppliers	4,387.61	4,052.24
Others		
Balances with government authorities	2,118.23	926.26
Prepaid expenses	2,074.65	2,164.12
Forward contracts receivable	38.55	16.16
Other receivables	406.88	1,299.91
	9,025.92	**8,458.69**

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

15A EQUITY SHARE CAPITAL

Particulars	31 March 2022	31 March 2021
Authorised shares		
205,000,000 equity shares of ₹ 2 each (31 March 2021: 41,000,000 equity shares of ₹ 10 each)	4,100.00	4,100.00
4,500,000 (31 March 2021: 4,500,000) unclassified equity shares of ₹100 each	4,500.00	4,500.00
	8,600.00	**8,600.00**
Issued, subscribed and fully paid-up shares		
163,798,614 equity shares of ₹ 2 each (31 March 2021: 32,536,798 equity shares of ₹ 10 each) (refer note 15A(g))	3,275.96	3,253.67
Total issued, subscribed and fully paid-up share capital	**3,275.96**	**3,253.67**

a) Reconciliation of number of shares outstanding at the beginning and at the end of financial period/year:

Equity shares of ₹2 each issued (31 March 2021 of ₹ 10 each), subscribed and fully paid	31 March 2022		31 March 2021	
	No of shares	Amount	No of shares	Amount
Balance at the beginning of the year	3,25,36,798	3,253.67	3,22,75,073	3,227.50
Adjustment for sub division of equity shares	13,01,47,192	-		
Shares issued to employee benefit trust	13,09,587	26.19	2,63,079	26.31
	16,39,93,577	**3,279.86**	**3,25,38,152**	**3,253.81**
Less: Treasury shares (refer note 33)	1,94,963	3.90	1,354	0.14
Balance at the end of the year	**16,37,98,614**	**3,275.96**	**3,25,36,798**	**3,253.67**

b) Terms/rights attached to equity shares

The Company has one class of equity shares having a par value of ₹2 per share (31 March 2021 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.

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

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

Name of the shareholder	31 March 2022		31 March 2021	
	% of Holding	No. of shares	% of Holding	No. of shares
Brett Enterprises Private Limited*	55.86%	9,16,04,491	55.85%	1,81,72,764
Nalanda India Fund Limited	10.24%	1,67,98,565	10.33%	33,59,713
Motilal Oswal Fund	6.78%	1,11,24,357	7.38%	24,02,104
Malabar India Fund Limited	5.43%	88,98,677	5.64%	18,36,723

* Ultimate Holding Company (also refer note 39)

e) Shares reserved for issue under options

Particulars	31 March 2022		31 March 2021	
	No of shares	Amount	No of shares	Amount
Under VGL employee stock option scheme, 2006: Equity shares of ₹ 2 each, at a weighted average exercise price of ₹ 151.42 per share (31 March 2021: ₹ 752.62 per share) (refer note 15A(g) and 33)	51,20,190	102.40	12,68,022	126.80

f) Equity shares movement during the five years preceeding 31 March 2022:

The Company bought back 865,675 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). The shareholders had 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.

h) Disclosure of Shareholding of Promoters:

Disclosure of shareholding of promoters as at 31 March 2022 is as follows:

Name of the Promoter	31 March 2022		31 March 2021		% Change during the year
	No. of shares	% of Holding	No. of shares	% of Holding	
Sheela Agarwal	1,13,200	0.07%	1,12,250	0.07%	0.00%
Nirmal Kumar Bardiya	6,00,000	0.37%	7,52,905	0.46%	-0.09%
Kusum Bardiya	5,63,525	0.34%	8,26,025	0.51%	-0.17%
Deepti Agrawal	21,38,000	1.30%	21,38,000	1.31%	-0.01%
Brett Enterprises Private Limited	9,16,04,991	55.86%	9,08,63,820	55.85%	0.01%
Sunil Agrawal	1,40,700	0.09%	1,40,700	0.09%	0.00%
Hursh Agrawal	50,000	0.03%	50,000	0.03%	0.00%
Sanjeev Agrawal	42,100	0.03%	41,600	0.03%	0.00%
Total	**9,52,52,516**	**58.09%**	**9,49,25,300**	**58.35%**	**-0.26%**

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

Disclosure of shareholding of promoters as at 31 March 2021 is as follows:

Name of the Promoter	31 March 2021		31 March 2020		% Change during the year
	No. of shares	% of Holding	No. of shares	% of Holding	
Sheela Agarwal	1,12,250	0.07%	1,12,250	0.07%	0.00%
Nirmal Kumar Bardiya	7,52,905	0.46%	10,02,905	0.62%	-0.16%
Kusum Bardiya	8,26,025	0.51%	8,26,025	0.51%	0.00%
Deepti Agrawal	21,38,000	1.31%	16,38,000	1.01%	0.30%
Rahim Ullah	-	0.00%	5,00,000	0.31%	-0.31%
Brett Enterprises Private Limited	9,08,63,820	55.85%	9,03,88,820	55.94%	-0.09%
Sunil Agrawal	1,40,700	0.09%	1,40,700	0.09%	0.00%
Hursh Agrawal	50,000	0.03%	50,000	0.03%	0.00%
Sanjeev Agrawal	41,600	0.03%	41,600	0.03%	0.00%
Total	**9,49,25,300**	**58.35%**	**9,47,00,300**	**58.61%**	**-0.26%**

15B OTHER EQUITY

Particulars	31 March 2022	31 March 2021
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	4,486.57
Movement during the year	-	-
Closing balance	**4,486.57**	**4,486.57**
Securities premium reserve:		
Opening balance	31,049.52	28,886.73
Security premium received on share issue	1,552.97	1,559.57
Transfer from share based payment reserve on allotment	604.61	612.36
Treasury shares	(269.69)	(9.14)
Closing balance	**32,937.41**	**31,049.52**
Share based payment reserve:		
Opening balance	1,666.60	1,612.45
Expenses for the year	925.22	666.51
Transfer to securities premium reserve on allotment	(604.61)	(612.36)
Transfer from share based payment reserve to retained earnings	(826.99)	-
Closing balance	**1,160.22**	**1,666.60**
General reserve:		
Opening balance	1,296.47	1,296.47
Movement during the year	-	-
Closing balance	**1,296.47**	**1,296.47**

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

Particulars	31 March 2022	31 March 2021
Retained earnings :		
Opening balance	52,145.64	32,950.05
Net profit for the year	23,771.13	27,178.20
Other comprehensive income for the year	72.45	(34.04)
Final dividend for the year ended 31 March 2021	(2,448.12)	-
Interim dividends for the year ended 31 March 2022	(7,364.54)	-
Final dividend for the year ended 31 March 2020	-	(2,266.20)
Interim dividends for the year ended 31 March 2021	-	(5,682.37)
Transfer from share based payment reserve to retained earnings	826.99	-
Decrease in reserves due to reduction in noncontrolling interest on purchase of further shares in subsidiary	(52.32)	-
Dividend distribution tax	(450.14)	-
Closing balance	**66,501.09**	**52,145.64**
b) Items of other comprehensive income (net of tax)		
Foreign Currency Translation Reserve		
Opening balance	1,530.06	1,716.67
Movement during the year	534.70	(186.61)
Closing balance	**2,064.76**	**1,530.06**
Total (a+b)	**1,09,401.28**	**93,129.62**

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)**
Loss for the year	(59.97)
Pursuant to acquisition during the year (refer note 42 & 43)	175.73
Reduction in non-controlling interest on purchase of further shares in subsidiaries	38.82
Balance as at 31 March 2022	**152.97**

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 note 33 for further details of the plan.

Notes to consolidated financial statements
for the year ended 31 March 2022

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

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 2022	Year ended 31 March 2021
₹ 1.5 per equity share final dividend for the year ended 31 March 2021	2,448.12	-
₹ 1.5 per equity share interim dividend for the year ended 31 March 2022	2,450.23	-
₹ 1.5 per equity share second interim dividend for the year ended 31 March 2022	2,455.07	-
₹ 1.5 per equity share third interim dividend for the year ended 31 March 2022	2,459.24	-
₹ 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
	9,812.66	**7,948.57**

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 2022	Year ended 31 March 2021
₹ 1.5 per equity share having face value of ₹ 2/- each (31 March 2021: ₹ 1.5 per equity share having face value of ₹ 2/- each)*	2,459.90	2,440.36

* calculated on the basis number of shares outstanding (including treasury shares) as on 31 March 2022 i.e. 163,993,577 shares (face value of ₹ 2/- per share) (31 March 2021: 162,690,760 shares (face value of ₹ 2/- per share)).

16 PROVISIONS

Particulars	Non-Current		Current	
	31 March 2022	31 March 2021	31 March 2022	31 March 2021
Provision for employee benefits (refer note 32)				
Provision for gratuity	227.17	283.01	217.10	126.25
Provision for compensated absences	206.86	200.35	89.51	54.56
Other provision				
Provision for expected sales return	-	-	3,291.63	4,924.99
	434.03	**483.36**	**3,598.24**	**5,105.80**

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for the year ended 31 March 2022

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

17 BORROWINGS

Particulars	Non-Current		Current	
	31 March 2022	31 March 2021	31 March 2022	31 March 2021
Loan repayable on demand from banks:				
Pre-shipment credit (secured)	-	-	4,512.24	4,434.31
Post-shipment credit (secured)	-	-	5,079.30	1,212.06
Term loan from bank:				
Bank loan	246.51	-	95.23	3,525.54
Loan from Others	14.80	-	-	-
Total borrowings	**261.31**	**-**	**9,686.77**	**9,171.91**

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 Global Limited, Hongkong (formerly STS Gems Limited)*

(v) Pledge of 12,576,633 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 39)

*During the year, the Parent Company has received an approval from the lead bankers for releasing the securities pledged with bank subject to further approval by consortium bankers in their upcoming meeting.

b) Bank loan:

During the previous year, Shop LC Global Inc. (USA) (wholly owned step-down subsidiary of the Parent Company) had availed a loan of USD 48.07 lacs (equivalent to INR 3,520.33 lacs) at 1% interest under Paycheck Protection Program ('PPP') of US Small Business Administration (SBA) under CARES Act of USA. Under SBA guidelines, this loan was eligible for waiver subject to certain conditions, pending which it was classified as borrowings as at 31 March 2021. During the current year. Shop LC Global Inc. has received approval for waiver of entire loan which has been disclosed as exceptional item amounting to ₹ 3,289.97 lacs (net of expenses) (equivalent to USD 44.70 lacs). Waiver of accrued interest of₹ 32.46 lacs is netted offfrom finance cost.

18 TRADE PAYABLES

Particulars	31 March 2022	31 March 2021
Trade payables		
- Total outstanding dues of micro enterprises and small enterprises (refer note 34)	309.56	71.28
- Total outstanding dues of creditors other than micro enterprises and small enterprises	27,648.82	16,000.02
	27,958.38	**16,071.30**

Notes to consolidated financial statements
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(All amount in lacs of Indian Rupees, except share data and as stated otherwise)

Trade payables ageing schedule as on 31 March 2022

Particulars	Outstanding for following periods from due date of payment					
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
MSME	309.56	-	-	-	-	309.56
Others	11,378.97	10,354.27	1,461.33	261.87	114.83	23,571.27
Disputed dues - MSME	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-
	11,688.53	**10,354.27**	**1,461.33**	**261.87**	**114.83**	**23,880.83**
Accrued expenses						4,077.55
						27,958.38

Trade payables ageing schedule as on 31 March 2021

Particulars	Outstanding for following periods from due date of payment					
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
MSME	71.28	-	-	-	-	71.28
Others	5,442.96	5268.19	779.13	482.14	0.06	11,972.48
Disputed dues - MSME	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-
	5,514.24	**5,268.19**	**779.13**	**482.14**	**0.06**	**12,043.76**
Accrued expenses						4,027.54
						16,071.30

19 OTHER FINANCIAL LIABILITIES

Particulars	31 March 2022	31 March 2021
Employee benefit payables	616.84	417.42
Capital creditors	310.53	72.98
Unclaimed dividend	10.21	7.49
Interest accrued but not due on borrowing	1.36	4.53
Other payables	11.11	42.71
	950.05	**545.13**

20 OTHER CURRENT LIABILITIES

Particulars	31 March 2022	31 March 2021
Statutory dues payable	2,092.12	2,318.50
Advance received from customers	1,256.28	983.11
Other liabilities	2,285.84	2,858.29
	5,634.24	**6,159.90**

21 REVENUE FROM OPERATIONS

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Sale of products	2,74,197.94	2,53,716.12
Other operating revenues	1,045.22	290.90
	2,75,243.16	**2,54,007.02**

Notes to consolidated financial statements
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22 OTHER INCOME

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Interest income on bank deposits	432.11	322.17
Dividend received from non - current investment	0.01	0.01
Gain on sale of current investments (including change in fair value) (net)	0.02	7.27
Gain on sale of property plant and equipment (net)	7.69	-
Liabilities no longer required written back	160.26	95.95
Gain on foreign exchange difference (net)	459.40	579.38
Miscellaneous income	1,124.46	765.20
	2,183.95	**1,769.98**

23 COST OF MATERIAL CONSUMED

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Opening stock of raw material*	9,899.48	9,164.84
Add: Purchases during the year	29,955.19	27,937.00
	39,854.67	**37,101.84**
Less: Closing stock of raw material	(9,956.40)	(9,883.89)
	29,898.27	**27,217.95**

* Includes inventory on account of acquisition made during FY21-22 is ₹ 15.59.

24 PURCHASES OF STOCK-IN-TRADE

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Purchases of stock-in-trade	84,646.22	64,503.04
	84,646.22	**64,503.04**

25 CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK-IN-PROGRESS

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Inventory at the beginning of the period**		
Work in progress	346.05	120.72
Finished goods *	34,289.10	32,583.55
Inventory at the end of the period		
Work in progress	326.95	341.01
Finished goods *	51,496.72	34,229.26
Loss on translation of stock at average rate	382.91	412.97
	(16,805.61)	**(1,453.03)**

** Includes inventory on account of acquisition made during FY21-22 is ₹ 64.88.

* Finished goods includes goods purchased for re-sale, as both are stocked together.

26 EMPLOYEE BENEFITS EXPENSE

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Salaries and wages	42,963.15	37,183.45
Contribution to provident and other funds	4,272.77	3,231.62
Share based payments to employees (refer note 33)	925.22	667.74
Staff welfare expenses	2,781.18	2,521.76
	50,942.32	**43,604.57**

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27 FINANCE COSTS

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Interest on debts and borrowings	168.30	137.94
Interest on lease liabilities	310.06	179.77
Other borrowing costs	131.33	145.23
	609.69	**462.94**

28 DEPRECIATION AND AMORTISATION EXPENSE

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Deprecitaion of property, plant and equipment	2,671.61	1,813.11
Depreciation of right-of-use assets	1,758.13	1,379.62
Amortisation of intangible assets	1,051.18	721.09
	5,480.92	**3,913.82**

29 OTHER EXPENSES

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
a. Manufacturing and direct expenses		
Job work charges	4,738.27	4,166.98
Stores and consumables	640.38	423.61
Power and fuel	313.96	396.73
Repairs and maintenance - machinery	47.14	61.27
Other manufacturing and direct expenses	352.02	402.51
	6,091.77	**5,451.10**
b. Administrative and selling expenses		
Rent	1,036.31	483.03
Rates and taxes	405.00	717.73
Insurance	592.17	443.81
Travelling and conveyance	723.32	374.61
Legal and professional fees (refer note 29A)	1,140.42	1,844.15
Repairs and maintenance - building and others	475.07	456.67
Advertising and sales promotion	4,906.43	3,995.52
Packing and forwarding	6,600.87	3,863.80
Postage and telephone	728.11	599.66
Printing and stationery	163.55	150.59
Security expenses	301.27	365.22
Directors' remuneration	126.80	124.55
Directors' sitting fees	41.03	46.78
Charitable expenses (refer note 29B)	821.47	676.56
Allowances for doubtful debts and advances (including written off) (net)	2,150.88	1,404.78
Loss on sale / write off of property, plant and equipments	8.46	17.70
Content and broadcasting	34,750.58	24,639.94
Call handling and collection charges	8,467.15	9,764.34
Packing and distribution charges	24,198.13	24,329.61
Information technology expenses	2,380.35	1,811.50
Miscellaneous expenses	2,315.73	1,549.79
	92,333.10	**77,660.34**
	98,424.87	**83,111.44**

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29A PAYMENT TO AUDITORS

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Statutory audit	81.00	71.48
Limited review	57.00	51.00
Other services	21.00	5.00
Reimbursement of expenses	22.00	30.12
	181.00	**157.60**

29B CORPORATE SOCIAL RESPONSIBILITY (CSR) AND DONATION:

As per Section 135 of Companies Act, 2013, 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.

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
(i) Amount required to be spent by the company during the year	149.78	139.88
(ii) Amount of expenditure incurred on:	-	-
a) Construction/ acquisition of any asset	-	-
b) On purpose other than (a) above	821.47	676.56
(iii) Shortfall at the end of the year	-	-
(iv) Total previous years shortfall	-	-
(v) Reasons for shortfall	-	-
(vi) Nature of CSR activities	Education and health	Education and health
(vii) Details of related party transactions in relation to CSR expenditure as per relevant accounting standard	-	-

30 TAX EXPENSE

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

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Current tax	3,672.92	7,080.01
Deferred tax attributable to origination and reversal of temporary differences	(329.49)	160.92
	3,343.43	**7,240.93**

(b) Income tax charged to other comprehensive income

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Remeasurement of the net defined benefit liability	(38.92)	18.28

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

(c) Reconciliation of effective tax rate

Particulars	Year ended 31 March 2022		Year ended 31 March 2021	
	%	Amount	%	Amount
Profit before tax		27,054.59		34,416.27
Tax expense as per statutory income tax rate	34.94%	9,453.97	34.94%	12,026.42
Differences in tax rates in foreign jurisdictions	(15.36%)	(4,156.55)	(13.03%)	(4,484.41)
Net tax impact on deduction/ disallowances in ascertaining taxable income as per Income Tax Act 1961	0.25%	68.39	0.13%	43.71
Net of timing difference reversed within tax exemption period and prior period deferred taxation	(0.14%)	(38.43)	0.19%	64.98
Add: Non recognition of deferred tax against losses due to absence of taxable profit in subsidiary (Shop LC GmbH)#	5.67%	1,532.82	0.00%	-
Add: Non recognition of deferred tax against foreign tax credit due to absence of reasonable certainty	4.40%	1,190.53	0.00%	-
Less: Deferred tax against foreign tax credit for financial year 2020-21 and financial year 2021-22*	(7.67%)	(2,073.81)	0.00%	-
Less: Exempted tax as per provisions for section 10AA of income tax exemption	(0.57%)	(152.96)	(0.72%)	(247.23)
Less: Net tax impact pursuant to favourable high court order**	(6.09%)	(1,647.54)	0.00%	-
Less: Net tax impact pursuant to PPA Loan waiver	(2.78%)	(750.88)	0.00%	-
Less: Other adjustments	(0.30%)	(82.11)	(0.47%)	(162.54)
Income tax reported in statement of profit and loss and effective tax rate	**12.36%**	**3,343.43**	**21.04%**	**7,240.93**

* During the current year, the Parent Company has reassessed tax benefits under section 91 of the Income tax Act, 1961 ('Act'), based on which incremental minimum alternate tax credit of ₹ 605.62 lacs is recognized for the financial year 2020-21.

** In earlier years, the Parent Company had claimed losses incurred by its overseas subsidiary as business expenditure upto the extent of its investment in such overseas subsidiary. The Parent Company's appeal on this issue was allowed by the Income-tax Appellate Tribunal ('ITAT') in earlier years, and the Honorable High Court (Rajasthan) dismissed the appeal filed by the Income-tax Department ('ITD') on this issue during the current year. Accordingly, the Company has recognised income-tax credit of ₹ 671.17 lacs under current tax and MAT credit of ₹ 976.37 lacs in current year.

The Parent 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 Parent 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 2029 to 2036.

Shop LC GmbH ("the entity") has not recognised any deferred tax on carried forward losses as it has recently become operational and trend of profitability is yet to be established.

(d) MAT credit entitlement

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Opening balance	360.24	416.54
Add: MAT credit entitlement / (utilised) for current year	1,660.07	(56.31)
	2,020.31	**360.23**

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(e) Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

Particulars	31 March 2022	31 March 2021
Property, plant and equipment	(1,996.27)	(215.41)
Provision for employee benefits	172.91	166.70
MAT credit entitlement	2,020.31	360.23
Tax losses carried forward	178.37	162.46
Other items	1,816.28	1,460.68
	2,191.60	**1,934.66**

(f) Movement in temporary differences

	Property, plant and equipment	Provision-employee benefits	Other items	MAT credit entitlement and tax losses carried forward	Total
Balance as at 01 April 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 utilised 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**
Recognised in profit and loss during the year	(1,780.86)	6.21	412.84	-	(1,361.81)
Recognised in OCI during the year	-	-	(57.24)	-	(57.24)
MAT credit entitlement during the year	-	-		1,676.00	1,676.00
Balance as at 31 March 2022	**(1,996.27)**	**172.91**	**1,816.28**	**2,198.68**	**2,191.60**

31 EARNINGS PER SHARE

	Particulars	Year ended 31 March 2022	Year ended 31 March 2021
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	23,771.13	27,178.20
ii.	Weighted average number of equity shares for basic EPS		
	Opening balance *	162,683,990	161,375,365
	Effect of share options excercised	608,078	662,240
	Weighted average number of equity shares *	**163,292,068**	**162,037,605**
iii.	**Basic earnings per share**	**14.56**	**16.77**
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	23,771.13	27,178.20
ii.	Weighted average number of equity shares for diluted EPS		
	Opening balance *	162,683,990	161,375,365
	Effect of share options excercised	608,078	662,240
	Dilution of equity	3,653,989	4,510,675
	Weighted average number of equity shares (diluted) for the year *	**166,946,057**	**166,548,280**
iii.	**Diluted earnings per share**	**14.24**	**16.32**

* Excludes treasury shares (refer note 33)

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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 2022	Year ended 31 March 2021
Employer's contribution to Employee's Provident Fund	282.36	228.04
Employer's contribution to Employee's State Insurance	58.58	39.60
Employer's contribution to National Pension Scheme	9.68	10.84
	350.62	**278.48**

The Group has contributed ₹ 2,073.53 lacs (31 March 2021: ₹ 1,343.46 lacs) towards defined contribution plans of subsidiaries companies.

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 as under:

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

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Current service cost	166.89	117.83
Interest cost on benefit obligation	19.05	12.59
Net benefit expenses	**185.94**	**130.42**

(b) Position of the assets and obligation

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Defined benefit obligation	(1,021.26)	(980.68)
Fair value of plan assets	576.99	571.42
Liability recognised in balance sheet	**(444.27)**	**(409.26)**

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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 2022		
	Defined benefit obligation	Fair value of plan assets	Benefit liability / (assets)
Opening balance	980.68	571.42	409.26
Gratuity cost charged to profit or loss			
Service cost	166.89	-	166.89
Net interest expense	53.88	34.83	19.05
Benefits paid	(96.78)	(61.01)	(35.77)
Remeasurement gains/(losses) in other comprehensive income			
Return on plan assets (excluding amounts included in net interest expense)	-	27.96	(27.96)
Actuarial changes arising from changes in demographic assumptions	(22.70)	-	(22.70)
Actuarial changes arising from changes in financial assumptions	(11.24)	-	(11.24)
Experience adjustments	(49.47)	-	(49.47)
Contributions by employer	-	3.79	(3.79)
	1,021.26	**576.99**	**444.27**

Particulars	Year ended 31 March 2021		
	Defined benefit obligation	Fair value of plan assets	Benefit liability / (assets)
Opening balance	790.52	522.54	267.98
Gratuity cost charged to profit or loss			
Service cost	140.33	-	140.33
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)
	980.68	**571.42**	**409.26**

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

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
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 2022	Year ended 31 March 2021
Discount rate	6.00% - 6.90%	6.10%
Future salary increases	7.00% - 7.36%	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	10.00% - 23.14%	14.21%

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 2022 and 31 March 2021 are shown as below:

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Impact on defined benefit obligation		
Discount rate		
Increase by 1%	(35.28)	(52.92)
Decrease by 1%	38.16	59.34
Future salary		
Increase by 1%	35.73	55.42
Decrease by 1%	(33.97)	(51.10)

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 contributions :

Expected contributions to defined benefit obligation for the year ending 31 March 2022 are ₹ 460.12 lacs. The expected maturity analysis of defined benefit plan is as follows:

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Year		
- Within the next 12 months (next annual reporting period)	217.75	126.25
- Above 1 to 5 years	550.73	420.21
- More than 5 years	435.06	851.29
Total expected payments	**1,203.53**	**1,397.75**

The average duration of the defined benefit plan obligation at the end of the reporting period is 4 years (31 March 2021: 6 years).

(ii) Leave obligations

The amount of the provision of ₹ 296.37 lacs (31 March 2021: ₹ 254.91 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 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. During the year, the Nomination and Remuneration Committee has granted 276,541 RSU.

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c) Vaibhav Global Limited, Employee Stock Options Plan - 2021

During the previous 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. During the year, the Company has granted 82,816 options under the ESOP Plan 2021.

d) Vaibhav Global Limited, Management Stock Options Plan - 2021

During the previous 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. During the year, the Nomination and Remuneration Committee has granted 23,187 stock options.

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 2022		Year ended 31 March 2021	
	Number	WAEP	Number	WAEP
Outstanding at beginning of the year	12,68,022	752.62	12,08,714	625.75
Adjustment for sub division of equity shares	50,72,088	-	-	-
Granted during the year	3,82,544	123.23	4,05,900	1,021.88
Forfeited during the year	(4,87,840)	195.85	(84,867)	698.59
Exercised during the year *	(11,14,624)	96.73	(2,61,725)	601.76
Outstanding at the end of the year	**51,20,190**	**151.42**	**12,68,022**	**752.62**
Exercisable at 31 March	27,50,843	135.14	5,03,180	564.56

* The weighted average share price at the date of exercise of these options was ₹ 697.16 (previous year: ₹ 1,913.62)

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The weighted average remaining contractual life for the share options outstanding as at 31 March 2022 was 5.81 years (31 March 2021: 6.82 years)

The weighted average fair value of options granted during the year was ₹ 740.51 (31 March 2021: ₹ 423.00).

The range of exercise prices for options outstanding at the end of the year was ₹ 9.06 to ₹ 263.56 (31 March 2021: ₹ 45.30 to ₹ 3,806.91)

The following tables list the inputs to the models used for the plans for the years ended 31 March 2022:

Series	31 March 2022					
	AH	AI	AJ	AK	AL	AM
Stock price of option as on grant date	974.10	974.10	798.40	696.30	696.30	506.60
Exercise price of option	2.00	2.00	2.00	562.00	2.00	2.00
Risk free rate	3.98% to 5.02%	5.55%	3.99% to 5.02%	5.01%	4.15% to 5.25%	4.63% to 5.63%
Volatility	42.8% to 47.8%	42.20%	43.1% to 47.8%	44.0%	42.6% to 43.5%	62.0% to 84.0%

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	9,44.75	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%

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

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Expense arising from equity-settled share-based payment transactions	925.22	667.74

There were no cancellations or modifications to the awards in 31 March 2022 or 31 March 2021.

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

	Number of shares	Amount
Opening balance as on 01 April 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**
Adjustment for sub division of equity shares [refer note 15A(g)]	5,416	-
Add: Shares allotted by Company	13,02,817	26.05
Less: Shares exercised by employee	(11,14,624)	(22.29)
Closing balance as on 31 March 2022	**1,94,963**	**3.90**

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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 Company.

S. No.	Particulars	31 March 2022	31 March 2021
i)	The principal amount and the interest due thereon remaining unpaid to any supplier at the end of accounting year: - Principal amount - Interest thereon	309.56 Nil	71.28 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);	3.66	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 2022	31 March 2021
(a) Demand / show cause notices received from Government authorities		
- Demand / show cause notice received under Income Tax Act	149.58	149.58
- Demand / show cause notice received under Customs Act	4.80	-
- Demand / show cause notice received under Goods and services Act	333.90	20.99
- Demand / show cause notice received under Service Tax Act	-	30.20
(b) Guarantees provided by the Company		
(i) Guarantee given by the bank on behalf of the company	785.00	580.60
(ii) Corporate guarantee to bank against borrowing taken by subsidiary	500.00	-
(c) Claims against the Group, not acknowledged as debt	Not quantifiable	Not quantifiable

A In earlier years, the Parent Company received notice from the Income Tax Department under Section 148 of the Act for Assessment Year 2012-13. Subsequently the Parent Company has also received similar notices for Assessment Year 2013-14 to Assessment Year 2015-16. The Honorable High Court of Rajasthan has granted stay order on the Company's petition for these Assessment Years mentioned above. 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 Income Tax Department ("the ITD") conducted a Survey proceeding under section 133A of the Act at the premises of the Parent Company in November 2021. Subsequently, the Parent Company provided all cooperation and necessary data / documents/ information, as requested by the ITD or otherwise. The ITD issued further queries post the conclusion of survey to which the Company has subsequently replied with. As on date, Based upon the nature and external expert opinion obtained by the Parent Company, the management does not expect any liability to arise out of these proceedings.

C During the financial year 2019-20, pursuant to the shareholder's approval, the Parent Company has bought back and extinguished a total of 865,675 equity shares at an average buyback price of ₹ 831.72 per equity share. Basis external opinion obtained by the Parent Company, the Parent Company believes that provisions of Section 115QA of Income Tax Act 1961 is not applicable to the Parent Company.

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D The Parent Company is required to comply with the transfer pricing regulations, which are contemporaneous in nature. The Parent 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.

E The Parent Company has certain pending litigations and claims filed by various forums/ authorities and third parties in the normal course of business. The Company has reviewed all pending litigations and claims files by various forums/ authorities and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable. In the opinion of management and legal advice obtained, the claims filed by third parties are speculative and frivolous and amount is unquantifiable at this point of time. The Company also believes that the above issues, when finally settled, are not likely to have any significant impact on the financial position of the Company.

b) Commitments

Particulars	31 March 2022	31 March 2021
(a) Estimated amount of contracts remaining to be executed on capital account (net of advances of ₹ 42.76 lacs (31 March 2021: ₹ 503.93 lacs)) and not provided for	30.02	3,151.34

(b) The Parent Company has issued letter of support for financial assistance to its subsidiaries (Vaibhav Lifestyle Limited, Vaibhav Vistar Limited and Shop LC GmbH, Germany) for ongoing projects and operations for a period of not less than 12 months from the date of financial closure of accounts of the subsidiaries Companies for the year ended 31 March 2022.

36 ASSETS HYPOTHECATED AS SECURITY

The carrying amount of assets hypothecated as security for short term borrowings are as under:

Particulars	31 March 2022	31 March 2021
Current assets	35,402.23	27,668.08
Non-current assets		
Property, plant and equipment (excluding freehold land)	5,163.96	4,364.83
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 Global Limited, Hongkong (formerly STS Gems Limited)	1,575.00	1,575.00
- 12,576,633 equity shares of US $ 1 each of equity investment of VGL Retail	6,135.39	6,135.39
Ventures Limited, Mauritius (formerly Genoa Jewelers Limited)*		
Other financial assets - bank deposits	98.28	76.75
Total non-current assets hypothecated as security	**21,316.53**	**20,495.87**
Total assets hypothecated as security	**56,718.76**	**48,163.95**

*During the year, the Parent Company has received an approval from the lead bankers for releasing the securities pledged with bank subject to further approval by consortium bankers in their upcoming meeting.

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The Parent Company has filed quarterly return/statement of current assets with the banks. Summary of reconciliation and reasons for material discrepencies as mentiond below

Quarter	Name of bank	Particulars of securities provided	Amount as per books of account	Amount as reported in the quarterly return/ statement	(Excess)/ shortage	Whether return/ statement subsequently rectified
Q'1	Punjab National Bank, State Bank of India, and HDFC Bank Ltd.	Inventories	11,159.94	10,779.95	379.99	Yes*
		Trade receivables	8,814.21	8,745.17	69.04	Yes*
		Trade payables	4,261.32	3,331.12	930.20	Yes*
Q'2	Punjab National Bank, State Bank of India, HDFC Bank Ltd., and Yes Bank Limited	Inventories	11,326.37	10,642.98	683.39	Yes*
		Trade receivables	9,203.83	8,931.29	272.54	Yes*
		Trade payables	5,071.71	3,392.09	1,679.62	Yes*
Q'3	Punjab National Bank, State Bank of India, HDFC Bank Ltd., and Yes Bank Limited	Inventories	11,093.52	10,946.98	146.54	Yes*
		Trade receivables	10,201.52	9,742.85	458.67	Yes*
		Trade payables	4,573.59	3,055.01	1,518.58	Yes*

*The Parent Company submits provisional drawing power (DP) statements on monthly basis to Punjab National Bank (PNB) being the lead bank latest by 15th of the next month and also to other member banks, in which DP limit is computed as per the terms and conditions of the sanction letter. The difference between DP statement and financial statement arise since DP statements are prepared on a provisional basis after exclusion of certain items of inventory, debtors, creditors and valuation of inventories is done as per the bank sanction letter. Further, the Parent Company submit Quarterly Review Statements (QRS) to PNB which is tallied with the books of accounts and which could be different from DP statement submitted provisionally. In financial year 2021-22, the actual utilization of working capital remained within the bank sanction/DP limits.

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), Germany, India and others.

Segment revenue from customers by geographic area based on location of the customer is as follows:

Geography	Year ended 31 March 2022	Year ended 31 March 2021
United States of America (USA)	1,83,308.47	1,73,850.97
United Kingdom (UK)	81,875.16	77,575.47
Germany	3,492.19	-
India	5,436.71	2,004.72
Others	1,130.63	575.86
Total	**2,75,243.16**	**2,54,007.02**

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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.

The Group's adjusted net debt to equity ratio as at 31 March 2022 is as follows:

Particulars	31 March 2022	31 March 2021
Borrowings (refer note 17)	9,948.08	9,171.91
Cash and cash equivalents (refer note 12A)	(4,306.61)	(7,206.75)
Bank balances other than above (refer note 12B and note 7)	(6,489.68)	(11,703.16)
Net debt	**(848.21)**	**(9,738.00)**
Equity share capital (refer note 15A)	3,275.96	3,253.67
Other equity (refer note 15B)	1,09,401.28	93,129.62
Total equity	**1,12,677.24**	**96,383.29**
Net debt to equity ratio	**-0.75%**	**-10.10%**

39 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
3 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 Ms. Monica Justice (up to 5 September 2021)
6 Ms. Stephanie Renee Spong (w.e.f. 6 September 2021)

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 (daughter of Mrs. Sheela Agarwal)
5 Mr. Mukul Raniwala (daughter's husband of Mrs. Sheela Agarwal)
6 Mrs. Sheetal Sharma (wife of Mr. Sushil Sharma)
7 Mrs. Kusum Bardiya (wife of Mr. Nirmal Kumar Bardiya)
8 Ms. Garima Chordia (daughter of Mr. Nirmal Kumar Bardiya)

Others (significant influence)

1 VGL Softech Limited (the company has been struck off w.e.f. 21 March 2022)
2 Stone Age Private Limited

Employee benefit trust

1 Vaibhav Global Limited Employees' Gratuity Fund

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

B. Details of related party transactions

Type of transactions	Ultimate Holding Company	Others			Key Managerial Persons (KMP) and their relatives			
	Brett Enterprises Private Limited	Vaibhav Global Limited Employees' Gratuity Fund	Stone Age Private Limited	VGL Softech Limited (the company has been struck off w.e.f. 21 March 2022)	Mr. Sunil Agrawal	Mr. Vineet Ganeriwala	Mr. Sushil Sharma	Other Directors
Transaction during the year ending :								
Remuneration								
- 31 March 2022	-	-	-	-	519.27	212.55	34.64	125.38
- 31 March 2021	-	-	-	-	426.11	107.67	30.20	124.55
Share based payment to KMP **								
- 31 March 2022	-	-	-	-	-	31.10	3.01	-
- 31 March 2021	-	-	-	-	-	24.78	3.37	-
Dividend paid								
- 31 March 2022	5,479.65	-	0.05	-	8.44	0.57	-	49.86
- 31 March 2021	4,429.05	-	-	-	6.89	0.33	-	56.68
Dividend paid to relatives of KMP								
- 31 March 2022	-	-	-	-	131.28	-	0.00	35.73
- 31 March 2021	-	-	-	-	107.21	-	0.00	40.48
Directors commission / sitting fees								
- 31 March 2022	-	-	-	-	-	-	-	31.70
- 31 March 2021	-	-	-	-	-	-	-	32.20
Balance as at year end:								
Payable at year end								
- 31 March 2022	-	-	-	-	-	-	-	29.37
- 31 March 2021	-	-	-	-	-	-	-	27.74
Receivable at year end								
Gross balance								
- 31 March 2022	-	326.94	-	52.07	-	-	-	-
- 31 March 2021	-	571.42	-	52.07	-	-	-	-
Less: Impairment loss recognised								
- 31 March 2022	-	-	-	(52.07)	-	-	-	-
- 31 March 2021	-	-	-	(52.07)	-	-	-	-

** Refer note 3(i)(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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40 FAIR VALUE MEASUREMENTS

(i) Financial assets and liabilities:

The accounting classification of each category of financial instruments, and their carrying amounts are set out below:

As on 31 March 2022	Notes No	FVTPL	FVTOCI	Amortised cost	Total carrying value
Financial assets					
Cash and cash equivalents	12A	-	-	4,306.61	4,306.61
Bank balance other than above	12B	-	-	6,391.40	6,391.40
Loans- current	13	-	-	122.27	122.27
Trade receivables	11	-	-	23,150.15	23,150.15
Investments	6A and 6B	8,417.40	-	-	8,417.40
Other non current financial asset	7	-	-	1,048.68	1,048.68
Other current financial asset	7	-	-	193.88	193.88
		8,417.40	**-**	**35,212.99**	**43,630.39**
Financial liabilities					
Borrowings	17	-	-	9,948.08	9,948.08
Trade payables	18	-	-	27,958.38	27,958.38
Lease liabilities	4C	-	-	6,527.63	6,527.63
Other financials liabilities	19	-	-	950.05	950.05
		-	**-**	**45,384.14**	**45,384.14**

As on 31 March 2021	Notes 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
Lease liabilities	4C	-	-	3,276.56	3,276.56
Other financials liabilities	19	-	-	545.13	545.13
		-	**-**	**29,064.90**	**29,064.90**

(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.

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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	31 March 2022		
	Level 1	Level 2	Level 3
Financial assets			
Investments (unquoted)	-	8,417.09	0.31
Total	**-**	**8,417.09**	**0.31**

Financial instruments	31 March 2021		
	Level 1	Level 2	Level 3
Financial assets			
Investments (Unquoted)	-	28,007.94	0.33
Total	**-**	**28,007.94**	**0.33**

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.

41 FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES

This section gives an overview of the significance of financial instruments for the Group and provides additional information on the balance sheet. Details of significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in Note 6, 7, 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

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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.

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	31 March 2022			
	< 1 Year	1 - 3 Year	>3 Year	Total
Borrowings	9,686.77	261.31	-	9,948.08
Trade and other payables	27,958.38	-	-	27,958.38
Lease liabilities	1,986.15	4,541.48	-	6,527.63
Other financials liabilities	950.05	-	-	950.05
Total	**40,581.35**	**4,802.79**	**-**	**45,384.14**

Financial Liabilities	31 March 2021			
	< 1 Year	1 - 3 Year	>3 Year	Total
Borrowings	9,171.91	-	-	9,171.91
Trade and other payables	16,071.30	-	-	16,071.30
Lease liabilities	1,404.07	1,872.49	-	3,276.56
Other financials liabilities	545.13	-	-	545.13
Total	**27,192.41**	**1,872.49**	**-**	**29,064.90**

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.

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(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 2022	31 March 2021
HKD to USD	204.25	218.61
INR to USD	868.20	324.66
INR to GBP	-	0.34
EURO to USD	106.08	-
EURO to GBP	4.30	-
GBP to EURO	51.63	-
GBP to USD	124.27	-
THB to USD	446.20	188.08
Others	1.38	2.98

Particulars	Financial Liabilities	
	31 March 2022	31 March 2021
INR to USD	753.04	1,152.46
GBP to USD	304.51	-
GBP to EURO	25.84	11.60
Others	0.26	0.34

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 2022 and 2021 by ₹ 46.35 lacs and ₹ 21.49 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 2022	31 March 2021
Floating rate financial liabilities	9,948.08	9,171.91

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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 2022	Year ended 31 March 2021
0.50%	49.74	45.86
1.00%	99.48	91.72
1.50%	149.22	137.58

(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 2022 is ₹ 9,683.95 lacs; 31 March 2021 is ₹ 28,934.50 lacs.

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 ₹ 38.55 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.

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

Particulars	31 March 2022		31 March 2021	
	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	38.55	-	16.16	-
Net assets/ liability	**38.55**	**-**	**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.

42 BUSINESS COMBINATIONS

(a) Acquisitions during the year ended 31 March 2022

On 15 March, 2022, the Parent Company has acquired 60% stake in Encase Packaging Private Limited. The Acquiree is engaged in the business of manufacturing and trading of all kind of packing materials. This acquisition will help the Group in further strengthening its supply chain network providing requisite flexibility, cost advantage and speeding up efforts to develop sustainable packaging.

(b) Total consideration for business combinations were paid in cash.

(c) Identifiable assets acquired and liabilities assumed

The fair values of the identifiable assets and liabilities of M/s Encase Packaging Private Limited as at the date of acquisition were:

	Fair value recognised on acquisition
Assets	
Property, plant and equipment	630.87
Other Non Current financial assets	17.61
Inventories	80.48
Trade receivables	102.23
Cash and cash equivalents	403.43
Other assets	85.44
	1,320.06
Liabilities	
Trade payables	91.68
Borrowings - Non current	258.12
Borrowings - Current	93.69
Other financial liabilities	154.84
Other current liabilities	316.81
	915.14
Net assets acquired	**404.92**
% Holding by Parent Company	**60%**
Total identifiable net assets at fair value	**242.95**
Goodwill (excluding deferred tax)- A	156.94
Purchase consideration transferred	**399.89**
Deferred tax recognised on difference between carrying value and fair value (DTL)- B	**24.06**
Goodwill (including deferred tax impact) (A+B)	**181.00**

From the date of acquisition, Encase Packaging Private Limited has contributed ₹ 20.02 lacs of revenue and ₹ (22.52) lacs to the profit before tax of the Group. If the combination had taken place at the beginning of the year, revenue would have been increased by ₹ 224.01 lacs and the profit before tax for the Group would have been decreased by ₹ (48.90) lacs.

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43 ACQUISITION OF FURTHER STAKE IN SUBSIDIARY

During the quarter ended 31 March 2022, the Parent Company has agreed to acquire additional 25% stake in Vaibhav Lifestyle Limited (Subsidiary Company) for a total consideration of ₹ 13.50 lacs. Out of which, 24.99% stake has been acquired before 31 March 2022. Parent Company now hold 99.99% in the Subsidiary Company.

44 During the current year, Vaibhav Vistar Limited (Subsidiary of Vaibhav Global Limited) had acquired assets from Pattern India against the payament of ₹ 1,215.00 lacs. Details of assets are as below:

	Value of Assets acquired
Assets	
Land	767.04
Building	293.06
Inventories	131.15
Plant and machinery	23.75
	1,215.00

45 REGULATORY INFORMATION

(i) The Group does not have any benami property where any proceedings have been initiated or pending against the Group for holding such benami property.

(ii) The Group have following transactions with companies that have been struck off.

Name of the struck off company	Nature of Transactions with struck off company	Balance outstanding as at current period	Relationship with struck off company	Balance outstanding as at previous period	Relationship with struck off company
Salasar Securities Pvt. Ltd.	Shares held by struck off companies	0.05	Shareholder	0.01	Shareholder

(iii) The Group does not have any charges or satisfaction which are yet to be registered with ROC beyond the statutory period.

(iv) The Group has not traded or invested in Crypto currency or virtual currency during the financial year.

(v) The Group has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries); or

b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

(vi) The Group has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:

a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or;

b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,

(vii) The Group does not have not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

(viii) The Group does not have any immovable property whose title deeds are not held in the name of the Group.

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46 EXCEPTIONAL ITEMS

Exceptional items	Year ended 31 March 2022	Year ended 31 March 2021
PPP loan waiver (refer note 17(b))	3,289.97	-
Restructuring cost*	(465.71)	-
Other	(0.10)	-
	2,824.16	**-**

*Group has done functional restructuring at its Parent Company, two subsidiaries (Shop LC Global Inc. and STS Global Supply Limited, (formerly STS Gems Limited)) and its step-down subsidiary STS (Guangzhou) Trading Limited, in its pursuit of bringing in more efficiency. This involved reduction in manpower and hence resulted in a one-time cost of ₹ 465.71 lacs.

47 DIVIDENDS

Dividends paid during the year ended 31 March 2022 include an amount of ₹ 1.5/- per equity share towards final dividend for the year ended 31 March 2021 and an amount of ₹ 4.5/- (₹ 1.5/- per quarter) per equity share towards interim dividends for the year ended 31 March 2022.

Dividends paid during the year ended 31 March 2021 include an amount of ₹ 7/- per equity share towards final dividend for the year ended 31 March 2020 and an amount of ₹ 17.5/- per equity share towards interim dividends for the year ended 31 March 2021. Dividends declared by the Company are based on the profit available for distribution.

On 23 May 2022, the Board of Directors of the Company have proposed a final dividend of ₹ 1.5/- per share in respect of the year ended 31 March 2022 subject to the approval of shareholders at the Annual General Meeting, and if approved, would result in a cash outflow of approximately ₹ 2,459.90 lacs.

All dividends referred above are in compliance with section 123 of the Companes Act, 2013.

Notes to consolidated financial statements

for the year ended 31 March 2022

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

48 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 2022:

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	34.76%	58,314.14	26.67%	12,885.19	100.00%	72.45
Subsidiaries						
STS Jewels Inc., USA	2.17%	3,642.30	2.38%	1,148.22	-	-
STS Global Limited, Thailand (formerly STS Gems Thai Limited)	1.31%	2,198.22	1.30%	630.40	-	-
STS Global Supply Limited, Hong Kong (formerly STS Gems Limited)	2.77%	4,653.12	(0.66%)	(319.66)	-	-
STS Global Limited, Japan (formerly STS Gems Limited)	(0.01%)	(18.41)	(0.03%)	(13.09)	-	-
VGL Retail Ventures Limited, Mauritius	12.91%	21,655.47	17.58%	8,493.19	-	-
Vaibhav Vistar Limited, India	0.26%	439.77	(0.11%)	(53.19)	-	-
Vaibhav Lifestyle Limited, India	(0.09%)	(156.55)	(0.42%)	(203.82)	-	-
Shop LC GmbH, Germany	(2.90%)	(4,871.25)	(10.16%)	(4,910.31)	-	-
Encase Packaging Private Limited, India	0.08%	130.87	0.08%	37.45	-	-
Minority interest in Encase Packaging Private Limited, India	0.09%	152.97	(0.12%)	(59.97)	-	-
Step down subsidiaries						
Pt. STS Bali, Indonesia	0.93%	1,555.73	0.64%	309.52	-	-
Shop TJC Limited, UK	19.31%	32,397.11	28.33%	13,688.65	-	-
Shop LC Global Inc., USA	27.20%	45,629.85	33.16%	16,023.72	-	-
STS (Guangzhou) Trading Limited, China	1.23%	2,056.74	1.37%	660.33	-	-
Sub total	**100.00%**	**1,67,780.08**	**100.00%**	**48,316.63**	**100.00%**	**72.45**
Less: Adjustments on acccount of consolidation		(54,949.87)		(24,605.47)		534.70
Net of adjustments		**1,12,830.21**		**23,711.16**		**607.15**

Notes to consolidated financial statements

for the year ended 31 March 2022

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

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)**

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

Rajiv Goyal
Partner
Membership No. : 094549
Place: Jaipur
Date: 23 May 2022

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

Sunil Agrawal
Managing Director
DIN: 00061142
Place: Jaipur
Date: 23 May 2022

Nirmal Kumar Bardiya
Non-Executive Director
DIN: 00044624
Place: Jaipur
Date: 23 May 2022

Vineet Ganeriwala
Group CFO
Place: Jaipur
Date: 23 May 2022

Sushil Sharma
Company Secretary
ICSI Membership No: F6535
Place: Jaipur
Date: 23 May 2022

NOTES

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