VAIBHAV GLOBAL LIMITED

(Formerly Vaibhav Gems Limited)

25th Annual Report
2013-2014

FORWARD LOOKING STATEMENT

All statements that address expectations or projections about the future, product development, market position, expenditures and financial results, are forward looking statements. These statements are based on certain assumptions and expectations of future conditions. The Company cannot guarantee the accuracy of these assumptions and expectations. Therefore, actual performance may differ form the projected performance as there are certain factors affecting the Company's performance such as international market conditions, Government policies and laws, changes in the economic conditions affecting demand and supply etc. The Company does not take any responsibility to change/modify any forward-looking statement on the basis of any subsequent developments or events.

Board of Directors

Sunil Agrawal
Chairman & Managing Director

Rahimullah
Whole Time Director

Mitha Lal Mehta
Director

Surendra Singh Bhandari
Director

Nirmal Kumar Bardiya
Director

Sheela Agarwal
Director

Vikram Kaushik
Director

Pulak Chandan Prasad
Director

Mahendra Kumar Doogar
Director

Peter Duncan Whitford
Director

Company Secretary
Brahm Prakash

Key Management Team

Sri Burugapalli
Senior Vice President – Group Strategy

Hemant Sultania
Group Chief Financial Officer

Gerald Tempton
President – Liquidation Channel, USA

Colin Wagstaffe
Managing Director – The Jewellery Channel, UK

Pushpendra Singh
Vice President – Human Resources Asia

Gaurav Vishal Soni
Chief Operating Officer – VGL

Praveen Tiwary
Vice President – STS Gems Ltd. Hongkong

Nitin Dugar
Vice President Strategy – Liquidation Channel, USA

Statutory Auditors
Haribhakti & Co., Mumbai
B. Khosla & Co., Jaipur

Bankers
Punjab National Bank, Jaipur
State Bank of Bikaner and Jaipur, Jaipur
Union Bank of India, Jaipur

Registrar & Share Transfer Agent
Karvy Computershare Pvt. Limited
Plot No. 17-24, Vittal Rao Nagar, Madhapur
Hyderabad – 500 081

Registered Office :
Vaibhav Global Limited
(Formerly Vaibhav Gems Limited)
CIN : L36911RJ1989PLC004945
K-6B, Fateh Tiba, Adarsh Nagar, Jaipur – 302004
E-mail : vgl@vaibhavglobal.com | Website : www.vaibhavglobal.com
Tel: +91-141-2601020 | Fax: +91-141-2770510

Corporate Office :
E-69, EPIP, Sitapura, Jaipur-302022
Tel: +91-141-2771948-49; Fax: +91-141-2770510

Vision

Be the Value Leader in Electronic Retailing of Jewelry and Life Style Products

Mission

WE WILL
Build a Learning Organisation with High Performing People
Offer Low Priced High Quality Products
Delight Our Customers Every Day

Core Values

Team Work
Honesty
Commitment
Passion
Positive Attitude

CONTENTS

Page No.	CONTENTS
3	Chairman's Message
4	Performance Highlights
8	Boards' Profile
11	Directors' Report
18	Management Discussion and Analysis
21	Corporate Governance Report & Other Declarations
35	Financial Statements - Standalone
65	Financial Statements - Consolidated
89	Notice

Chairman's Message

Dear Shareholders,

It is with great pleasure that I present to you the financial highlights of Vaibhav Global Limited for the year 2013-14. During the year, our consolidated total revenue grew by 45% to ₹ 1298 crores, EBITDA margin (excluding exchange gain/loss) increased from 9% to 12 % at ₹ 157 crores and profit after tax was higher by 95% to ₹ 153 crore. Free cash flow of ₹ 160 crores was generated which was used judiciously to grow the business and rationalize business liabilities. During 2013-14, outstanding net debt reduced by ₹ 63 crores and preference shares including dividend thereon of ₹ 46.9 crores were redeemed entirely out of internal accruals. We expect to further pay down our outstanding debt in the current year to emerge as zero net debt company. Strong cash generation from the business has allowed us to expand returns on the capital employed in the business from 34% to 60% over the last year.

Underlying this strong performance is the growing customer engagement with our proprietary television and e-commerce platforms. We delivered significant value driven by taking a vertically integrated business model to over 1.3 million customers over the last seven years in the developed markets of the US, UK, Canada, and Ireland. Our TV Business & Web Business grew by 23% and 90% respectively during the year in dollar terms. We believe that we have hit the sweet spot on product pricing, creating a unique customer proposition that has seen retail sales volumes grow by 35% last year and by more than four times over the last three years. Currently, we ship out over 25,000 unique products every day on an average to our customers who have been constantly increasing their repeat buying on our sales platforms. These gains are based on steady market-share expansion as customers continue to turn to value conscious buying decisions. The deep discount value segment that we address has historically displayed stable growth across every stage of the market cycle. We believe that there is further opportunity to expand the life-time value that we currently derive from our deepening engagement with our customers.

We continue to make meaningful investments in our transition to the next level of competence and performance as a global corporation. This includes expansion and improvement in customer offerings, sales platforms, supply chain mechanisms, physical infrastructure and management resources. Last year, we introduced 2.4 million new unique products to our collection across fashion jewelry and lifestyle accessory offerings, closely following market trends. We initiated work on a robust SAP web platform that will become operational this year. During the year, we expanded our integrated US operations located in Austin, Texas, to over 65,000 sq. ft. and also moved our UK operations to a new 30,000 sq. ft. facility in London, which is an integrated operation comprising of warehouse, studio, customer service, IT and management resources. These facilities will support our growing volumes over the next few years. Further, we continue to expand our supply chain establishments in India, China, Thailand and Indonesia. We have also expanded our manufacturing capacity in Jaipur, India to 4 million pieces annually, which increases our annual aggregate global supply capability to 12 million units.

Following up on the additions to the senior management team last year, we have appointed Pulak Prasad, Vikram Kaushik, Mahendra Kumar Doogar and Peter Duncan Whitford to our Board of Directors and Hemant Sultania as Group CFO. They bring significant experience in management, finance and operations domain and we look forward to their continuing contribution to our onward journey of evolution. We also continue to invest in a robust senior and middle management team at both strategic and operational levels that will help create a strong bandwidth of capability.

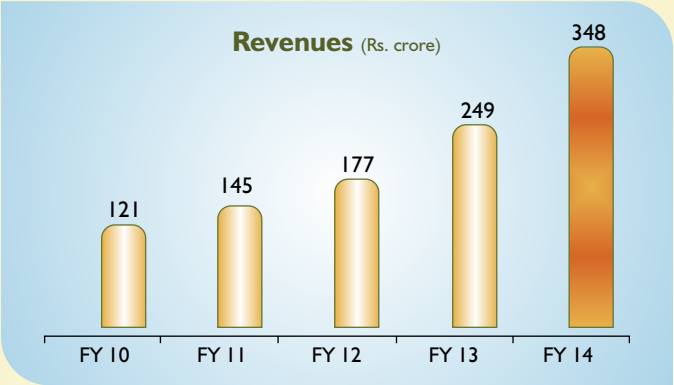
We believe that we have some significant achievements to our credit. One, we are one of the very few Indian companies in any sector to have created a successful retail franchise in developed markets. Two, we are one of the very few profitable Indian companies within the emerging online/TV retail platforms.

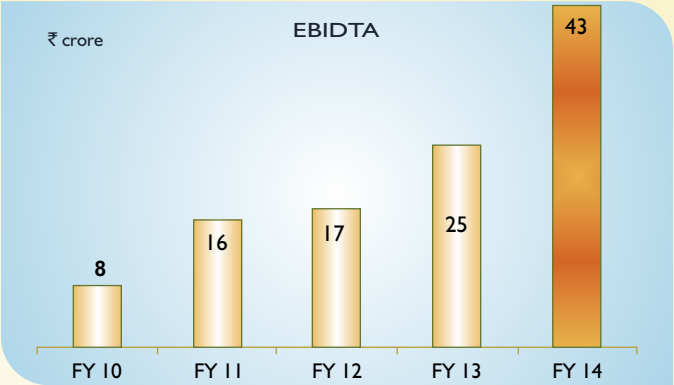
Going forward, we will continue to invest in products, operations, facilities, people development, marketing and technology to build on our strong execution capabilities and customer experience. We are also committed to follow the highest standards of corporate governance and organizational integrity, while consistently creating value for all stakeholders.

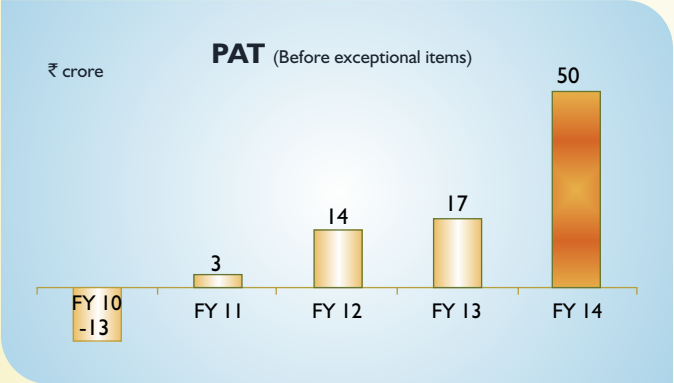
Thank you,

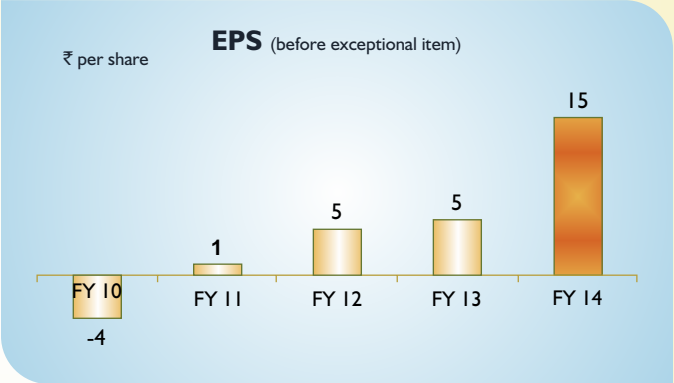
Sunil Agrawal
Chairman & Managing Director

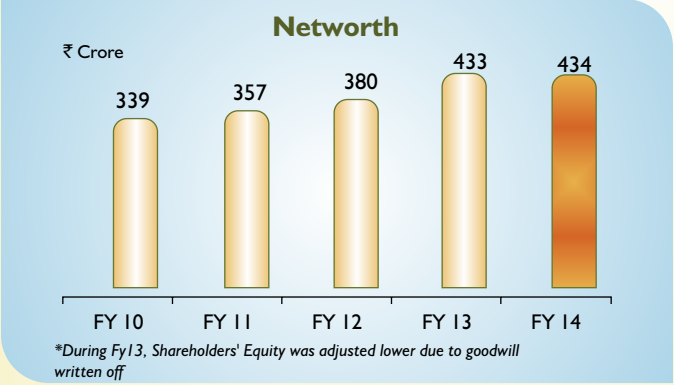
Performance Highlights - Standalone

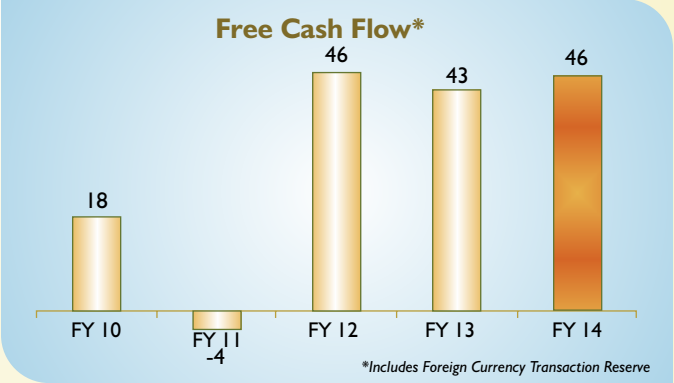


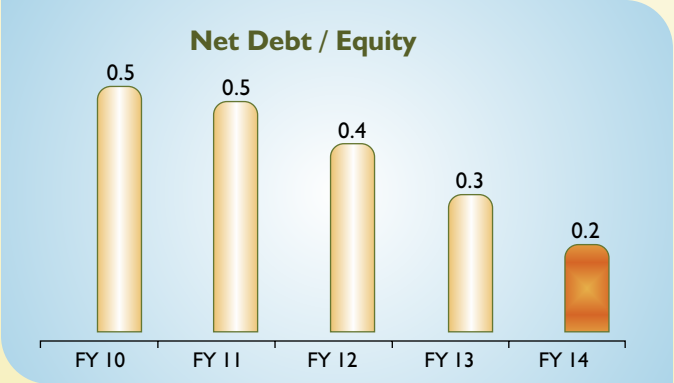


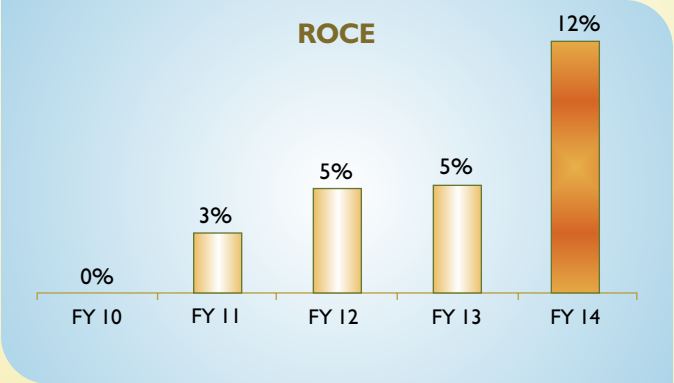




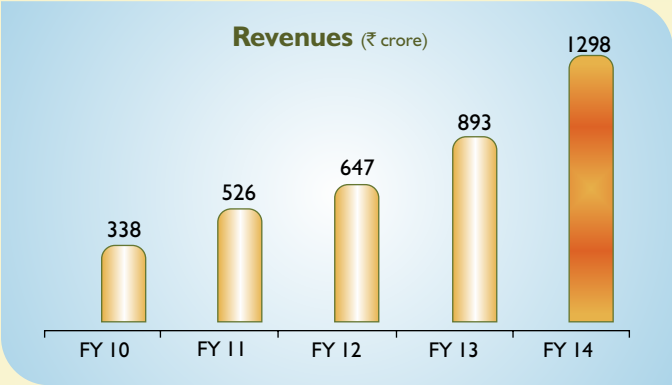


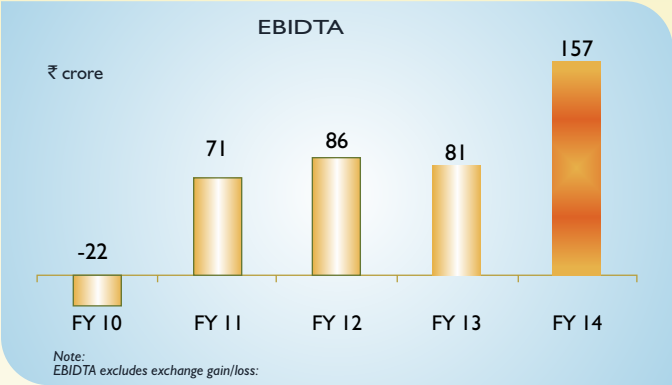


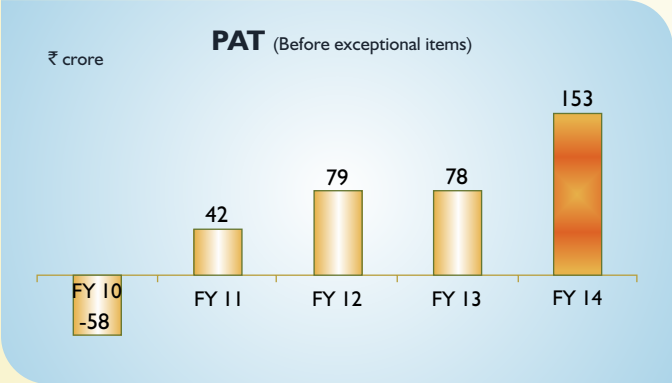


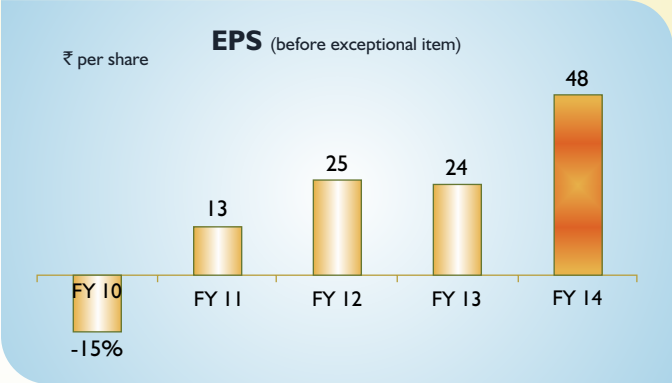


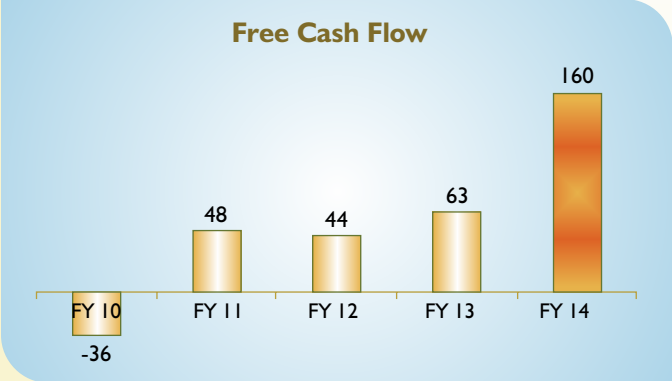
Performance Highlights - Consolidated

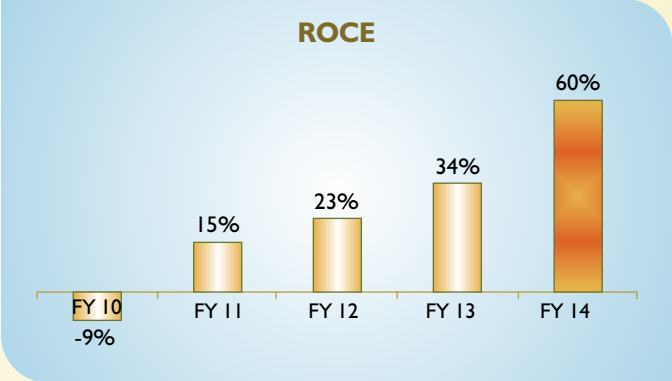


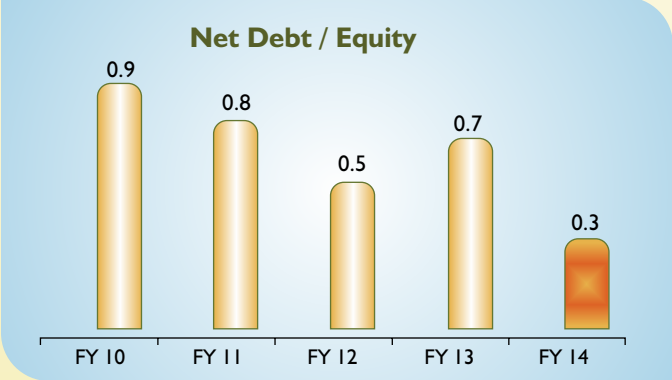


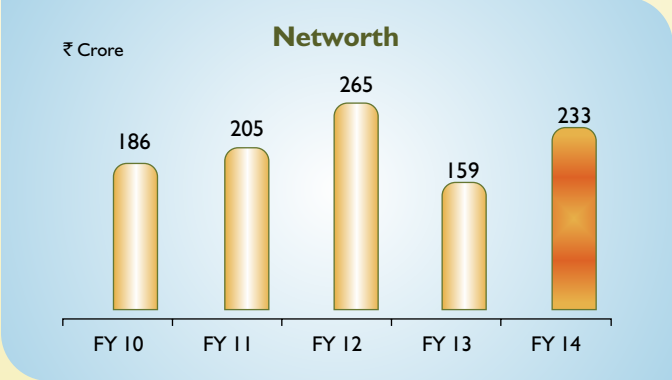












Five Year Review : Standalone

₹ in Crores

Results for Financial Year	2013-14	2012-13	2011-12	2010-11	2009-10
REVENUE ACCOUNTS					
Net Sales	348.27	249.12	176.68	145.15	120.84
Growth %	40%	41%	22%	20%	-29%
Other Income	9.78	2.10	1.06	1.22	0.68
Expenditure	315.29	226.23	160.86	130.58	113.91
EBITDA (without exchange gain/loss)	42.76	25.00	16.88	15.79	7.61
Growth %	71%	48%	7%	108%	-166%
EBITDA Margin *(In %)*	12%	10%	10%	11%	6%
Exchange Gain/(Loss)	21.36	6.27	11.18	0.46	-6.15
Depreciation & Amortisation	2.46	2.19	1.53	1.20	1.21
EBIT	61.66	29.07	26.53	15.05	0.25
EBIT Margin *(In %)*	18%	12%	15%	10%	0%
Finance Cost	11.75	11.66	11.94	12.01	13.86
Profit Before Tax	49.91	17.42	14.59	3.04	-13.61
Tax	0.14	0.01	0.23	-0.01	-0.18
Profit After Tax	49.77	17.40	14.37	3.04	-13.43
Growth %	186%	21%	372%	-123%	-41%
Net Profit Margins (In %)	14%	7%	8%	2%	-11%
Exceptional Items	3.39	8.98	-0.27	14.32	15.57
Reported PAT	53.16	26.38	14.10	17.37	2.14
CAPITAL ACCOUNTS					
Share Capital (Eq+Pref)	32.18	76.06	75.70	75.70	75.70
Reserves & Surplus	401.69	357.26	304.49	281.47	263.74
Deferred Tax Liability (Net)	-0.03	-0.16	-0.26	-0.38	-0.28
Borrowings (Long Term + Short Term)	72.61	113.19	127.37	173.63	169.66
Fixed Assets	17.58	16.13	13.03	11.27	9.12
Investments	212.26	214.94	258.34	258.35	277.25
Market Capitalisation	2,060.65	362.72	130.72	103.94	87.15
PER SHARE DATA					
Earnings Per Share *(EPS before exceptional item* on closing No. of Equity Shares)	15.47	5.44	4.53	0.96	-4.24
No. of shares	3.22	3.20	3.17	3.17	3.17
Market Price *(As on 31st Mar)*	641	113	41	33	28

Five Year Review : Consolidated

₹ in Crores

Results for Financial Year	2013-14	2012-13	2011-12	2010-11	2009-10
REVENUE ACCOUNTS					
Net Sales	1298.27	892.89	646.50	525.50	338.20
Growth %	45%	38%	23%	55%	-41%
Other Income	15.27	16.64	12.04	11.95	5.21
Expenditure	1156.05	828.99	572.52	466.56	365.91
EBITDA (without exchange gain/loss)	157.49	80.54	86.02	70.89	-22.50
Growth %	96%	-6%	21%	-415%	-76%
EBITA Margin *(In %)*	12%	9%	13%	13%	-7%
Exchange gain/(loss)	19.77	21.02	16.27	-5.89	-9.98
Depreciation & Amortisation	7.47	7.32	9.10	8.10	8.74
EBIT	169.79	94.24	93.19	56.90	-41.22
EBIT Margin *(In %)*	13%	11%	14%	11%	-12%
Finance Cost	14.50	14.46	14.40	14.50	16.30
Profit Before Tax	155.29	79.78	78.79	42.40	-57.52
Tax	2.75	1.66	0.20	-	-
Profit After Tax	152.54	78.12	78.59	42.40	-57.52
Growth %	95%	-1%	85%	-174%	-63%
Net Profit Margins *(In %)*	0.12	0.09	0.12	0.08	-0.17
Exceptional Items/Minority Interest	-	163.73	10.05	-0.69	10.50
Reported PAT	152.54	-85.61	68.53	43.09	-68.02
CAPITAL ACCOUNTS					
Share Capital (Eq+Pref)	32.18	76.06	75.70	75.70	75.70
Reserves & Surplus	200.81	83.09	189.60	129.39	109.96
Deferred Tax Liability (Net)	-0.03	-0.16	-0.26	-0.38	-0.27
Borrowings (Long Term + Short Term)	96.39	143.18	159.85	201.59	200.50
Fixed Assets	66.14	57.65	202.63	204.51	206.78
Investments	2.95	0.08	13.10	17.18	13.18
Market Capitalisation	2060.65	362.72	130.72	103.94	87.15
PER SHARE DATA					
Earnings Per Share *(EPS before exceptional item* on closing No. of Equity Shares)	47.42	24.41	24.80	13.38	-18.15
No of equity shares	3.22	3.20	3.17	3.17	3.17
Market Price *(As on 31st Mar)*	641	113	41	33	28

Mr. Sunil Agrawal, Chairman & Managing Director

He is a commerce graduate with an MBA from Columbia University, New York (USA). A first generation entrepreneur, he established Vaibhav in 1980 with the objective to professionalize the Gems and Jewelry trade. He has travelled widely, and gained an immense knowledge of gemstones and jewelry. He has brought this expertise to bear on the success of the Company. He has represented the Company at all major international trade shows and jewellery fairs. He is credited with the pioneering commercialization of popular gemstones like Tanzanite.

Mr. Rahimullah, Whole Time Director

Beginning his career in his emerald trading and export business, he has gained considerable experience and knowledge in this field, and has travelled extensively in Africa, Europe and the Far East to source rough stones. He brings with him 40 years of industry experience. His dedication, vision and acumen have been responsible for the Company's impressive growth.

Mr. Nirmal Kumar Bardiya, Director

One of the most renowned jewellers of Jaipur with a vast experience in the manufacturing of coloured gemstones, he is associated with the Company since 2001. He is highly specialized in high volume gemstones and beads, and is one of the leading global players in this segment. Mr. Bardiya is the President of Jewellers Association, Jaipur & also working committee member of GJEPC, Mumbai.

Mr. Mitha Lal Mehta, Director

A retired IAS officer and a renowned public administrator, social activist and human resource developer, he is a gold medalist in MSC (Physics) from the University of Rajasthan. He is also a P.G. Diploma Holder in urbanisation from the University of London with merit and a Graduate of the National Defence College, New Delhi. He has served in various senior government positions culminating in his becoming Chief Secretary of Rajasthan in 1994. He has won prestigious awards like Indira Gandhi Priyadarshni Vriksha Mitra Award (1986), Acharya Jai Mal Gyan Award (1988), Mewar Gaurav Award (1994) and Chanakya Award (2010). He has headed state public undertakings like RSMM, RSCB, RSWC, Spin Fed, Tilam Sangh of RSSC & RKCL. He had been Director of NABARD, Prasar Bharti, Local Area (Northern Region) and Board of RBI.

Mr. Surendra Singh Bhandari, Director

Mr. S.S. Bhandari, B. Com., FCA, is a Practicing Chartered Accountant since 1970 with meritorious academic record. He is Founder Partner of M/s. S. Bhandari & Co., Chartered Accountants, Jaipur and is one of the leading consultants to various companies in the areas of banking, audit, assurance, tax assignments, corporate restructuring and other advisory services. Mr. Bhandari is presently on the Board of Directors of Bank of Baroda and M/s. Asian Hotels (West) Ltd., Mumbai as Independent Director and has worked as Nominee Director on the Board of Central Bank of India and as Trustee of the PNB Mutual Fund and also as Director of Bank of Rajasthan Ltd. He is also deeply involved in various social and philanthropic activities through Shri Bhagwan Mahaveer Viklang Sahayata Samiti and other institutions.

Mrs. Sheela Agrawal, Director

An active social worker, she possesses great acumen and business understanding. She is a religious lady and is the mother of Mr. Sunil Agrawal, Chairman and Managing Director.

Mr. Vikram Kaushik, Director

Mr. Vikram Kaushik is B.A (Hons) History & Economics, M. A, Diploma in Mandarin Chinese and Diploma in French. He has an overall rich experience of approx. 40 years in various industries. He started his career from Hindustan Uniliver Ltd. where he spent 16 years and has handled various brands i.e Lux, Liril, Fair & Lovely, Clinic, Sunsilk, Dalda & Flora. He has been Managing Director in Enterprise Advertising from 1989 to 1994, Vice President – Marketing & Exports in "Britannia Industries Limited" from 1994 to 1999, Director and Executive Vice President Marketing in "Colgate Palmolive (India) Limited from 1999 to 2004, Managing Director and Chief Executive Officer in "Tata Sky Ltd" from 2004 to 2010 and Director on the Board of "Prasar Bharti"" from May 2011 to November, 2013. He has also acted as management consultant / advisor to various groups like Voltas, Tata Strategic Management Group, Price Water house coopers, AMAGI Media Labs and also has done shorter assignments for HSBC, Standard Chartered Bank and Warburg Pincus. He is currently holding directorship in Sistema Shyam Teleservices Limited from July 2011 and India Capital Growth Fund from June 2012.

Mr. Pulak Chandan Prasad, Director

Mr. Pulak Chandan Prasad is the founder of Nalanda Capital. Nalanda Capital takes large and long-term stakes in small to mid-cap listed companies in India on behalf of US and European institutional investors (primarily Endowments and Foundations). Prior to Nalanda, Pulak was with the global private equity firm Warburg Pincus for more than eight years where he was Managing Director and co-head of India. Before Warburg Pincus, Pulak spent 6 years at McKinsey in India, South Africa and the US. He joined McKinsey in 1992 from IIM Ahmedabad. Prior to the IIM, he was at Unilever in India as a Production management Trainee. He has an engineering degree from IIT Delhi.

Mr. Mahendra Kumar Doogar, Director

Mr. Mahendra Kumar Doogar is a Chartered Accountant and having rich experience of about 38 years in Corporate Finance, Taxation, Statutory and Internal Audit, Merchant banking, financial structuring, project consultancy and fund management. He is presently on the Board of various Companies including PHD Chamber of Commerce and Industry, Shri Natraj Ceramics & Chemical Industries Limited, Frick India Limited, Morgan Ventures Limited, Kamdhenu Ispat Limited, D & A Financial Services (P) Ltd., and Radico Khaitan Limited. He has been member of Corporate Governance Committee constituted by Securities & Exchange Board of India under the Chairmanship of Mr. Narayan Murti. He has also been Chairman of the Capital Market Committee & Banking & Finance Committee of PHD Chamber of Commerce & Industry.He has been appointed as Co Chairman, Financial Services Committee of Indo American Chamber of Commerce .He successfully managed various international assignments with leading funds in Singapore, Hong Kong, UAE, USA, Japan, France, Italy and Nigeria and authored books on (a) Guide to Capital Issues (b) Guide to Sick Industrial Companies(c) Practice & Procedure of Public Issues.

Mr. Peter Duncan Whitford, Director

Mr. Peter Duncan Whitford has an International career and brings almost 34 years of extensive experience in various public and private companies in various fields including consumer products, marketing, merchandising, planning and allocation, global branding, sourcing strategies, licensing strategies, media strategies, social compliance programs, growing and re-inventing organizations internationally. Peter has a strong international track record with global experience spanning multiple industries and deep expertise in emerging markets.

Peter has Bachelor of Business degree from University of Technology, Austraila, Post Graduate Studies from Oregon State University, Australia and Post Graduate Diploma in Direct Marketing from Monash University, Australia. In his career, Peter has held senior positions in various Companies. He has been Group Chief Executive Officer & Chairman of The Wet Sea Inc., President Worldwide of The Walt Disney Company Inc., President and Chief Executive Officer of Structure Inc./The Limited Inc., President and Chief Executive Officer of Country Road Australia Limited for United States and General Manager at Sheridan Textiles, which is a part of Textile Industries, Australia.

Peter has also served on a number of company boards, including The Wet Seal Inc, Kelato Animal Health, Lenox China and Dansk. He is presently on the Board of many Companies including Chairman of Whitmarks, LLC, Chairman of Parker and Morgan LLC, Chairman of Meridian Rapid Defense Group LLC and Lead Director of Normandy Capital LLC.

DIRECTORS' REPORT

Dear Members,
Your Directors have pleasure in presenting the 25th Annual Report together with the audited financial accounts for the year ended on 31st March, 2014.

FINANCIAL PERFORMANCE AND HIGHLIGHTS

The Standalone and Consolidated audited financial results of the Company for year ended March 31, 2014 are as follows:

₹ in Lacs

	Standalone (F.Y)		Consolidated (F.Y)	
Particulars	**2013-14**	**2012-13***	**2013-14**	**2012-13***
Revenue from Operations and Other Income	37,941.79	25,749.88	1,33,330.51	93,055.79
Less: Operating Cost	31,630.03	22,725.76	1,15,838.79	83,103.62
Operating Profit / PBDIT	6,311.76	3,024.12	17,491.72	9,952.17
Less: Interest	1,074.82	1,063.19	1,215.90	1,241.95
Less: Depreciation & Amortization Expenses	246.44	219.40	747.46	732.03
Profit Before Tax and Exceptional Items	**4,990.50**	**1,741.53**	**1,55,28.36**	**7,978.19**
Add : Exceptional Items	339.35	898.10	-	(16,372.74)
Profit Before Tax	**5,329.85**	**2,639.63**	**1,55,28.36**	**(8,394.55)**
Less: Tax Expenses	13.82	1.46	275.22	166.46
Profit After Tax and Exceptional Item	**5,316.03**	**2,638.17**	**15,253.14**	**(8,561.01)**

* Previous year figure have been re grouped and re- arranged wherever necessary.

BUSINESS REVIEW

Your Company is a vertically integrated electronic retailer of fashion Jewelery and lifestyle accessories in the US, Canada, UK and Republic of Ireland. We have access to over 100 million households in these countries through our own TV Shopping networks - The Liquidation Channel in USA and Canada and The Jewellery Channel in UK and Republic of Ireland as well through ecommerce in these advanced countries. Our TV shopping channels reach customers directly 24x7 on all the major cable, satellite and DTH platforms – Dish TV, DirecTV, Comcast, Verizon Fios, Time Warner, AT&T, Sky, Virgin, Free view, Freesat etc.

In addition to electronic retailing, VGL Group engages in traditional B2B wholesale distribution including sale through STS Jewels, which serves various retail chains in US and UK.

Our strategy is to deliver a deep value proposition to the customer, through lowest price guarantee. Our focus is on the discount seeking buyer, a market that has historically delivered secular growth across various stages of the economic cycle. Our customer proposition is supported by vertical integration with a strong supply chain infrastructure, which includes manufacturing operations in Jaipur and direct sourcing from micro markets in China, India, Thailand, Indonesia and other SE Asian, African & American countries.

Your company gave a strong performance during the year covering all financial parameters, leveraging its corporate strategy of creating multiple drivers of growth. This performance is even more encouraging against the backdrop of the extremely challenging business context in which it was achieved including the economic slowdown in the advanced markets.

Consolidated Gross revenue for the year grew by 45% to ₹ 1298.27 crores primarily driven by the impressive growth in all the business segments as stated below.

BUSINESS SEGMENTS:

A. RETAIL VIA 24x7 TV SHOPPING NETWORK

TV Sale comprises of 70% of the total sale. TV Sale takes place through live shows on all major cable, satellite and DTH platforms. Your company sold 6.4 million pieces during the current year against 5.2 million pieces during the last year. Average selling price per piece remained more or less constant.

B. WEB SALE

17% of the total sale came from Web Sale which increased from ₹ 107 crores to ₹ 225 crores in the current year. Web Sale comprises of Catalogue sale, rising auction and Live TV streaming on Web. Volume under this segment increased by 74% from 1.7 million pieces to 3.0 million pieces.

C. B2B SALE

B2B Sale comprises of wholesale distribution to various retails chains in US and UK as well as sale of rough stones to various parties. B2B sale increased from ₹ 119 crores to ₹ 162 crores which is an increase of 36%.

DIVIDEND

In view of accumulated losses brought forward and commitment of your company to repay the long term debts, your Directors do not recommend any dividend for the financial year 2013-14.

CONSOLIDATED FINANCIAL STATEMENTS

The Consolidated Financial Statements presented by the Company include financial information of its subsidiaries prepared in accordance with the Accounting Standard-21 issued by Institute of Chartered Accountants of India (ICAI) and Listing Agreement, as prescribed by SEBI and the same have been provided in the Annual Report of the Company.

DISCLOSURES

In accordance with general circular issued by the Ministry of Corporate Affairs, Government of India, the Balance Sheet, the statement of Profit and Loss and other documents of the subsidiary companies are not being attached with the Balance Sheet of the Company. However, the financial information of the subsidiary companies is disclosed in the Annual Report in compliance with the said circular.

The Company will provide the annual accounts of the subsidiaries to any member of the Company who may be interested in obtaining the same. The annual accounts of the subsidiary companies are also available for inspection by any member. The same shall also be kept for inspection by any shareholder at the registered office of the Company and that of the subsidiary companies concerned.

DETAILS OF SUBSIDIARIES

The Company has the following major operating Subsidiaries and Step Down Subsidiaries . :

a) **Genoa Jewelers Limited, British Virgin Islands**, a 100 percent subsidiary, which in turn holds 100% in The Liquidation Channel USA, The Jewellery Channel, UK and Jewel Gems USA Inc.

b) **STS Jewels Inc., USA,** a 100 per cent subsidiary, engaged in selling jewelry to the departmental stores, TV channels and others in USA on wholesale basis.

c) **STS Gems Limited, Hong Kong**, a 100 per cent subsidiary, engaged in outsourcing jewelry and lifestyle products for the group from China and Hongkong

d) **STS Gems Thai Limited**- a 100 percent subsidiary of Vaibhav Global Limited, engaged in outsourcing products for the group from Thailand.

e) **Jewel Gems USA Inc**. a wholly owned step down subsidiary of Vaibhav Global Limited engaged in providing call centre and other support services to the VGL Group companies.

f) **The Jewelery Channel Ltd. UK (TJC UK)**, a wholly owned step down subsidiary of Vaibhav Global Limited, engaged in sale and marketing of fashion jewelry and life style products through electronic media and operates a dedicated 24x7 hours TV shopping channel and Internet shopping website (www.tjc.co.uk) in UK.

g) **The Liquidation Channel Inc, USA (TJC USA)**, a wholly owned step down subsidiary of Vaibhav Global Limited is engaged in marketing of fashion jewelry and life style products through electronic media and operates a dedicated 24x7 hours TV shopping channel and Internet shopping website (www.liquidationchannel.com) in USA.

RESTRUCTURING

During the year, due to substantial reduction in net worth of Jewel Gem USA, Inc, a wholly owned subsidiary, the Company has sold its entire equity investment in Jewel Gem USA Inc. to Genoa Jewelers Limited, another wholly owned subsidiary Company for ₹ 1.98 crores. Pursuant to this sale, the loan of ₹ 11.67 crores given to Jewel Gem USA Inc., has also been assigned to Genoa Jewelers Limited.

REPAYMENT OF LOAN GIVEN TO GENOA JEWELERS LIMITED, WHOLLY OWNED SUBSIDIARY OF THE COMPANY

During the year, Genoa Jewelers Limited has partly repaid the loan of ₹ 48.90 crores to the Company, which strengthened the cash flow of the Company. This has also resulted in a foreign exchange gain of ₹ 25.38 crores.

CORPORATE DEBT RESTRUCTURING MECHANISM (CDR)

Subsequent to the approval of proposal for exit from CDR mechanism in the meeting of CDR Empowered group held on 25th March, 2013, the Company paid recompense interest amounting to ₹ 11.17 crores during the period under review, provision of which was duly made in the financial year 2012-13.

INCOME TAX & CENTRAL EXCISE

During the year, your Company got a demand of ₹ 16.15 crores for the financial year 2008-09 on account of certain transfer pricing adjustments namely exports, loan and bank guarantee to wholly owned subsidiaries.

The company also got a demand notice from Central Excise department of ₹ 6.3 crores along with penalty in connection with

non-fulfillment of export obligations for the period 2000-01 to 2008-09.

In all the above instances, your Directors are of the view that your Company has a strong case and the demands are not sustainable.

CHANGE IN CAPITAL STRUCTURE

a) Redemption of Preference Shares

During the year under review, the Company has redeemed 44,00,000 non-convertible 1% redeemable cumulative preference shares of ₹ 100/- in accordance with the terms & conditions of the issue. These Preference Shares were allotted on 31st October, 2006 on preferential basis for a period of 7 years.

b) Allotment of Equity Shares

During the year, pursuant to exercise of 1,11,417 stock options, the Company has allotted 1,11,417 Equity Shares of ₹ 10 each to the employees of the Company and Subsidiaries and consequently, the paid up equity share capital increased from ₹ 32,06,42,010 (Thirty Two Crores Six Lac Forty Two Thousand Ten) to ₹ 32,17,56,180 (Thirty Two Crores Seventeen Lac Fifty Six Thousand One Hundred Eighty).

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

During the year, the Compensation Committee of the Board of Directors of the Company at their meetings held during the year granted 2,05,895 stock options convertible into 2,05,895 Equity Share of ₹ 10 each to various employees of the Company and its Subsidiaries.

Details are set out in Annexure-I to this report.

INVESTOR RELATIONS

Your Company interacted with numerous Indian and overseas investors and analyst in many ways, including one on one meetings, attendance at investor conferences, regular quarterly meetings and annual analyst meet during the year.

CREDIT RATING

Your Company's credit rating has been strengthened for long term facilities from CARE BB (Double B) to CARE BB+(Double B Plus) and for short term facilities from CARE A4 (A Four) to CARE A4+(A Four Plus) by CARE (Credit Analysis & Research Limited).

DIRECTORS

Your Company has appointed Mr. Pulak Chandan Prasad, Mr. Vikram Kaushik, Mr. Mahendra Kumar Doogar and Mr. Peter Duncan Whitford as Additional Directors w.e.f. 29th October, 2013, 21st December, 2013, 23rd January, 2014 and 14th May, 2014 respectively. Pursuant to Section 149 of the Companies Act, 2013, the Board at its meeting held on 14th May, 2014 recommended the appointment of Mr. Vikram Kaushik, Mr. Mahendra Kumar Doogar and Mr. Peter Duncan Whitford as Independent Directors of the Company, not liable to retire by rotation. These Directors have given the declarations to the Board that they meet the criteria of independence as provided under Section 149 of the said Act. Also, the Board has recommended the appointment of Mr. Pulak Chandan Prasad as a Director, liable to retire by rotation. Brief profile of the said Directors is as follows:

Profile of Mr. Pulak Chandan Prasad

Mr. Pulak is the founder of Nalanda Capital. Nalanda Capital takes large and long-term stakes in small to mid-cap listed companies in India on behalf of US and European institutional investors (primarily Endowments and Foundations). Prior to Nalanda, Pulak was with the global private equity firm Warburg Pincus for more than eight years where he was Managing Director and co-head of India. Before Warburg Pincus, Pulak spent 6 years at McKinsey in India, South Africa and the US. He joined McKinsey in 1992 from IIM Ahmedabad. Prior to the IIM, he was at Unilever India as a Production management Trainee. He has an engineering degree from IIT Delhi.

Profile of Mr. Vikram Kaushik

Mr. Vikram Kaushik is B.A (Hons) History & Economics, M. A, Diploma in Mandarin Chinese and Diploma in French. He has an overall rich experience of approx. 40 years in various industries. He started his career from Hindustan Uniliver Ltd. where he spent 16 years and has handled various brands i.e Lux, Liril, Fair & Lovely, Clinic, Sunsilk, Dalda & Flora. He has been Managing Director in Enterprise Advertising from 1989 to 1994, Vice President – Marketing & Exports in "Britannia Industries Limited" from 1994 to 1999, Director and Executive Vice President Marketing in "Colgate Palmolive (India) Limited from 1999 to 2004, Managing Director and Chief Executive Officer in "Tata Sky Ltd" from 2004 to 2010 and Director on the Board of "Prasar Bharti"" from May 2011 to November, 2013. He has also acted as management consultant / advisor to various groups like Voltas, Tata Strategic Management Group, Price Waterhouse coopers, AMAGI Media Labs and also has done shorter assignments for HSBC, Standard Chartered Bank and Warburg Pincus. He is currently holding directorship in Sistema Shyam Teleservices Limited from July 2011 and India Capital Growth Fund from June 2012.

Profile of Mr. Mahendra Kumar Doogar

Mr. Mahendra Kumar Doogar is a Chartered Accountant and having rich experience of about 38 years in Corporate Finance, Taxation, Statutory and Internal Audit, Merchant banking, financial structuring, project consultancy and fund management. He is presently on the Board of various Companies including PHD Chamber of Commerce and Industry, Shri Natraj Ceramics & Chemical Industries Limited, Frick India Limited, Morgan Ventures Limited, Kamdhenu Ispat Limited, D & A Financial Services (P) Ltd., and Radico Khaitan Limited. He has been member of Corporate Governance Committee constituted by Securities & Exchange Board of India under the Chairmanship of Mr. Narayan Murti. He has also been Chairman of the Capital Market

Committee and Banking & Finance Committee of PHD Chamber of Commerce & Industry.He has been appointed as Co Chairman, Financial Services Committee of Indo American Chamber of Commerce .He successfully managed various international assignments with leading funds in Singapore, Hong Kong, UAE, USA, Japan, France, Italy and Nigeria and authored books on (a) Guide to Capital Issues (b) Guide to Sick Industrial Companies(c) Practice & Procedure of Public Issues.

Profile of Mr. Peter Duncan Whitford

Mr. Peter has an International career and brings almost 34 years of extensive experience in various public and private companies in various fields including consumer products, marketing, merchandising, planning and allocation, global branding, sourcing strategies, licensing strategies, media strategies, social compliance programs, growing and re-inventing organizations internationally. Peter has a strong international track record with global experience spanning multiple industries and deep expertise in emerging markets.

Mr. Whitford has Bachelor of Business degree from University of Technology, Austraila, Post Graduate Studies from Oregon State University, Australia and Post Graduate Diploma in Direct Marketing from Monash University, Australia. In his career, Peter has held senior positions in various Companies. He has been Group Chief Executive Officer of The Wet Sea Inc., President Worldwide of The Walt Disney Company Inc., Executive Vice President and General Merchandise Manager, President and Chief Executive Officer of The Limited, Inc., President and Chief Executive Officer of Country Road Australia Limited for United States and General Manager at Sheridan Textiles, which is a part of Textile Industries, Australia.

Peter has also served on a number of company boards, including The Wet Seal Inc, Kelato Animal Health, Lenox China and Dansk. He is presently on the Board of many Companies including Chairman of Whitmarks, LLC, Chairman of Parker and Morgan LLC, Chairman of Meridian Rapid Defense Group LLC and Lead Director of Normandy Capital LLC.

Peter's rich experience in emerging markets, as well as his vast public and private Company Board experience, will complement our existing Board's skills and further support successful execution and accomplishment of our strategies for delivering sustainable long-term growth.

Further, Mr. Mitha Lal Mehta and Mr. Surendra Singh Bhandari, Non Executive Independent Directors have been recommended by the Board as Independent Directors under Section 149 of the Companies Act, 2013. They have given the declarations to the Board that they meet the criteria of independence as provided under Section 149 of the said Act.

Mrs. Sheela Agarwal, Director of the Company retire by rotation and being eligible, has offered herself for re-appointment.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under section 217(2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, your Directors confirmed that:

1. In the preparation of the annual Financial statements, the applicable accounting standards have been followed along with proper explanations to material departure;

2. The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give true and fair view of the state of affairs of the Company at the end of the financial year ended on 31st March 2014 and the Company's profit for the year ending on that date;

3. The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the Company's assets and for preventing and detecting fraud and other irregularities;

4. The Directors have prepared the Annual Accounts for the financial year ended 31st March 2014 on a "going concern basis."

LISTING OF SHARES

Your Company's shares are listed at BSE Limited & National Stock Exchange of India Ltd. and the listing fee for the year 2014-15 has been duly paid.

FIXED DEPOSITS

The Company has not accepted any fixed deposits from public, shareholders or employees during the period under the review.

AUDITORS AND AUDITORS' REPORT

M/s Haribhakti & Company, Chartered Accountants, Mumbai and M/s B. Khosla & Co., Chartered Accountants, Jaipur, Joint Statutory Auditors of the Company will retire at the ensuing Annual General Meeting and are eligible for re-appointment. The Company had received a letter from M/s Haribhakti & Company, Chartered Accountants, Mumbai and M/s B. Khosla & Co., Chartered Accountants, Jaipur, Joint Statutory Auditors to the effect that their re-appointment, if made, would be within the prescribed limits under Section 139 of the Companies Act, 2013 and that they are not disqualified for such re-appointment within the meaning of Section 141 of the Act. As per the new provisions of Companies Act, 2013, they are being re-appointed for 1 year.

There are no reservations, qualifications or adverse remarks contained in the Auditor's Report attached to Balance Sheet as at 31st March, 2014. Information referred in Auditor's Report are self-explanatory and don't call for any further comments.

COST AUDITOR

Pursuant to the order No. 52/26/CAB-2010 dated 6th November, 2012 issued By the Ministry of Corporate Affairs (MCA), M/S Rajesh & Co., Cost Accountants, Jaipur were appointed as Cost

Auditors to carry out an audit of Cost Accounting Records of the Company for the financial year 2013 -14. The due date for filing the Cost Audit Report for the financial year 2013-14 with the Ministry of Corporate Affairs (MCA) is 180 days from the end of Company's financial year i.e 27th September, 2014.

Further, the Board of Directors has appointed M/s Rajesh & Co., Cost Accountants, Jaipur as Cost Auditors of the Company for the financial year 2014 -15.

INTERNAL AUDITOR

As per Section 138 of the Companies Act 2013, every Listed Company shall be required to appoint an Internal Auditor or a firm of Internal Auditors.

At present M/s S.S Surana & Co., Chartered Accountants, Jaipur are Internal Auditors of the Company who will act as Internal Auditors of the Company in line with the provisions of Section 138 of the Companies Act, 2013.

SECRETARIAL AUDITOR

As per section 204 of Companies Act 2013, every listed company is required to annex with its Board's report, a Secretarial Audit report given by a Company Secretary in practice.

In line with this requirement, the Board of Directors has appointed M/s JAKS & Associates, Company Secretaries, Jaipur as Secretarial Auditor of the Company for the financial year 2014-15.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

Your Company has always discharged its social responsibility as a part of its Corporate Governance philosophy. Ethically and socially motivated VGL has contributed towards the economic development of the society at large. It follows the global practice of addressing CSR activities in an integrated multi stakeholders approach covering the education, mid day meals and health care services. As required under Section 135 of the Companies Act, 2013, the Board of Directors has constituted a Corporate Social Responsibility (CSR) Committee to formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the company as specified in Schedule VII of the Companies Act, 2013, to recommend the amount of expenditure to be incurred on the activities and to monitor the Corporate Social Responsibility Policy of the company from time to time. During the year, the Company has contributed a sum of ₹ 26.63 lacs to various social institutions.

TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

The Company has transferred a sum of ₹ 52,808 (₹ Fifty Thousand Eight Hundred Eight only) during the year to the Investor Education and Protection Fund (IEPF) established by the Central Government under Section 205(C) the Companies Act, 1956 The said amount represents unclaimed dividend pertaining to financial year 2005-06 which was lying in unpaid dividend account of the Company for a period of seven years.

TRADE RELATIONS

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

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Management Discussion and Analysis Report of the financial condition and results of operations of the Company for the year under review as required under Clause 49 of the Listing Agreement with the Stock Exchanges, is given as a separate statement forming part of this Annual Report.

CORPORATE GOVERNANCE

The Company has complied with the corporate governance requirements as stipulated under the Listing Agreement with the stock exchanges. A separate section on corporate governance, along with certificate from the auditors confirming the compliance is annexed and forms part of the annual report. The Chairman & Managing Director has confirmed and declared that all the members of the board and the senior management have affirmed compliance with the code of conduct.

PERSONNEL

Particulars of Employees required under Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 as amended, form part of this report. However, in terms of Section 217(2A) of the Companies Act, 1956, the Annual Report is being sent to the Shareholders excluding the statement of particulars under Section 217(2A). The said statement is available for inspection at the registered office of the Company during working hours and a copy of the same may be obtained by writing to the Company at its registered office.

HUMAN RESOURCE DEVELOPMENT

Your Company believes in attracting and retention of high quality talent. Your company has undertaken engagement initiatives with premier campuses in order to attract both high quality entry level talent from premier technology and management institutes. Your Company's unique management trainee programme has helped in developing a robust talent and leadership pipeline which has helped in the rapid growth of the business. Your Company sincerely believes that the growth depend largely on the ability to innovate, connect with customers and deliver superior and unmatched customer value. To achieve this, your Company has built a culture of continuous learning, coaching, mentoring and on the job training. The performance management system adopted by your Company has helped in creating a strong performance culture. Your Company has believe in alignment of

all employees towards a shared vision of the organization and in building harmonious employee relations.

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Information in accordance with the provisions of Section 217(1)(e) of the Companies Act, 1956 :

A. Conservation of Energy

The operations of your Company are not energy-intensive. However, significant measures are taken to reduce energy consumption by using energy efficient equipment. We regularly evaluate and use new energy efficient technologies and make necessary investment in these equipments to make our infrastructure more energy-efficient.

B. Technology Absorption

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

C. Foreign Exchange Earnings and Outgo

The information on foreign exchange earnings and outgo is furnished in the notes to accounts.

ACKNOWLEDGEMENT

Your Company has been able to operate efficiently because of the culture of professionalism, creativity, integrity and continuous improvement in all functions and area as well as the efficient utilization of the Company's resources for sustainable and profitable growth.

We thank the Government of India, Ministry of Commerce & Industry, Ministry of Corporate Affairs, Ministry of Finance, Department of Economic affairs, Custom & Excise Department, Income Tax Department, Reserve Bank of India, BSE, NSE, NSDL, CDSL, all stakeholders, Bankers, various State Governments and other Government Agencies for their continuing support and look forward for the same support in the future.

For and on behalf of the Board of Directors

Place: Jaipur

Date: 14th May, 2014

Sunil Agrawal

Chairman & Managing Director

DIN NO. 00061142

Annexure I : VGL ESOP (AS AMENDED) 2006

<table>
<tr><th>No.</th><th>Item of Disclosure</th><th>Remarks</th></tr>
<tr><td>(a)</td><td>Options Granted</td><td>During the year 2,05,895 Stock Options were granted to the eligible employees of the Company and Subsidiaries i.e.
<table>
<tr><th>Date of Grant</th><th>No. of Options</th><th>Option Price (₹)</th></tr>
<tr><td>9th April, 2013</td><td>98,537</td><td>119.05</td></tr>
<tr><td>25th May, 2013</td><td>43,329</td><td>126.35</td></tr>
<tr><td>11th December, 2013</td><td>64,029</td><td>418.40</td></tr>
</table></td></tr>
<tr><td>(b)</td><td>The Pricing Formula</td><td>The exercise price 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 equity shares on the date prior to the date of meeting of the Compensation Committee at which the options are granted.</td></tr>
<tr><td>(c)</td><td>Options Vested during the year</td><td>68,386</td></tr>
<tr><td>(d)</td><td>Options exercised during the year</td><td>111,417</td></tr>
<tr><td>(e)</td><td>The total number of shares arising as a result of exercise of option</td><td>111,417</td></tr>
<tr><td>(f)</td><td>Options forfeited & lapsed (reissuable)</td><td>84,741</td></tr>
<tr><td>(g)</td><td>Variation of terms of options</td><td>-</td></tr>
<tr><td>(h)</td><td>Money realized by exercise of options</td><td>₹ 42,28,498</td></tr>
<tr><td>(i)</td><td>Total number of options in force as on 31st March, 2014</td><td>5,49,658</td></tr>
<tr><td>(j)</td><td>Employee wise details of options granted :
(i) Senior Managerial Personnel;</td><td>
<table>
<tr><th>Name of the Employee</th><th>No. of Stock Option Granted</th></tr>
<tr><td>Gaurav Vishal Soni</td><td>7,000</td></tr>
<tr><td>Pushpendra Singh</td><td>14,009</td></tr>
<tr><td>Colin Wagstaffe</td><td>25,000</td></tr>
<tr><td>Hemant Sultania</td><td>20,000</td></tr>
<tr><td>Charlie Curnow</td><td>20,000</td></tr>
</table></td></tr>
<tr><td></td><td>(ii) Any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year.</td><td>NIL</td></tr>
<tr><td></td><td>(iii) Identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant;</td><td>NIL</td></tr>
<tr><td>(k)</td><td>Diluted Earnings Per Share (EPS) pursuant to issue of shares on exercise of option calculated in accordance with Accounting Standard (AS) 20 'Earnings Per Share'</td><td>As disclosed in the Financial Statements of the Company</td></tr>
</table>

MANAGEMENT DISCUSSION AND ANALYSIS

Industry Structure and Developments

The global retail industry is undergoing a process of dynamic evolution that is impacting traditional business models and consumer behavior. Technology is changing the retail paradigm, taking it beyond time and location. New and innovative ways of customer engagement are being created with new technologies including TV shopping and e-commerce gaining mainstream acceptance and social media & mobile commerce driving the next wave of change. Integration of various media to capture a larger customer mindshare is important for ongoing growth for any player in the sector.

US retail is a mature market valued at almost $ 5* trillion, growing in line with GDP growth. Within this framework, the US e-commerce retail market is valued at over $ 250* billion, growing over 10% as customers increasingly turn to the internet for their buying decisions along with TV-based home shopping.

UK's online B2C market is valued at over £ 87** biilion annually the largest e-commerce market in Europe. In line with the global trend, customers in the UK have also displayed an increasing propensity to buy online. This trend continues to gather momentum across various categories of buying activity.

The jewelry industry is undergoing a gradual transformation from 'valuable investment' to 'fashion statement', a process that is impacting traditional business models and consumer behavior. Within the jewelry industry, fashion jewelry is seen as a segment that is clearly receptive to online sales platforms. This is even more true for fast fashion players that rapidly take new trends to the mass market in quick time. Vaibhav Global's electronic retail channels are operating in the fashion jewelry and lifestyle accessories space in the U.S. and U.K. markets and are slated to benefit significantly from these changing trends.

Business Overview

Vaibhav Global Limited (VGL) is a global retailer of fashion jewelry and lifestyle accessories on its proprietary Home TV and e-commerce platforms with live telecasts in the US, UK, Canada and Ireland.

The Home TV platform provides direct customer access to over 100 million households in our principal operating markets. Further, the fashion jewelry portfolio has been extended to incorporate lifestyle accessories, an adjacent market with similar price points and customer behavior. Products are outsourced from micro-markets across India, China, Thailand and Indonesia, while core manufacturing operations are in Jaipur, India.

Source: * U.S Census Bureau News; ** IMRG Capgemini e-Retail Sales, Jan 2013

During 2013-14, revenues grew 45% to ₹ 1298 crores, EBITDA margins expanded from 9% to 12% and profit after tax (before exceptional items) increased by 95% to ₹ 153 crores.

Revenue growth was driven by the retail segment with strong contribution from both Home TV and e-commerce sales that increased by 23% and 90% respectively in dollar terms. TV volumes constituted 70% of retail volumes with the balance coming from e-commerce. The TV/web mix continues to get more balanced, which we see as a positive because we see TV and Web converging down the road and this will prepare us very well for that scenario.

In 2013-14, realizations on TV came in at $ 24 compared to $ 23 in the previous year and Web realizations were at $ 13 compared to $ 12 in the previous year. Realizations have stabilized and last year's growth has been achieved on expanding volumes after successfully transitioning from a fine jewelry based business profile to one that now predominantly includes fashion jewelry and lifestyle accessories. Our volume growth of 35% to 9.4 million units in 2013-14 also corroborates with our objective of taking market share from the competition by ingraining deeply into customers seeking value in their purchase decisions. We believe we have had a very successful year from this perspective.

These growth achievements have been delivered on the back of substantial efficiencies in the employment of resources. Our cash accretive business model has generated positive free cash flows during the year which has allowed us to reduce our outstanding debt (at a net debt basis) to ₹ 52 crores as on 31st March, 2014 as compared to ₹ 115 crores at the end of last financial year. Net debt to Shareholder's Equity improved from 0.72 to 0.22 and return on capital employed expanded from 34% to 60%. We believe that our internal accruals are adequate to reach zero net debt level in the current year. This will be another key milestone towards the creation of long-term value for our stakeholders.

The VGL management believes that 2013-14 has been a positive milestone in its corporate journey. It remains fully committed to developing a significant pool of capabilities for long-term sustainable growth to emerge as a leading, globally competitive enterprise.

The primary emphasis of the Company is on increasing market share in existing geographies through ongoing investment in strategic initiatives. By commissioning constant innovation in all facets of its operations, VGL has delivered strong business performance and is moving forward in its objective of becoming a sizeable player in the electronic retail market within its vertical segments.

We will continue to invest in expanding marketing, operations, facilities, people development and hardware/software technologies to build the critical infrastructure needed to refine our execution capabilities and our customer experience.

Company SWOT Analysis

Strengths

- Exclusive end-to-end business model in the entire electronic retail industry across the US & UK. Delivering strong growth momentum, expanding market-share, maintaining stable margins and generating robust cash flows.
- Low cost of operations at both retail and manufacturing levels.
- Efficient sourcing units that allow expansion in other product categories.
- Successfully built and nurtured in-house own brands such as ILIANA, Rhapsody, J Francis, FH, Karis Elanza, Strada, Genoa and Eon1865 which have gained recognition within registered customer base of over 1.3 million in the US and UK.
- Scalable business model with limited capex requirement.
- Strong managerial and talent pool across operations, technical and strategy functions.
- Promoters have in-depth knowledge and vast industry experience of the jewelry market.
- Highly experienced senior management and Board of Directors.
- ISO 9001-2008 certified world-class gems and jewelry manufacturing facility.

Weaknesses

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

Opportunities

- Large potential of increasing revenue per household.
- Deeper penetration of adjacent product categories.
- Additional 40 million households could be potentially acquired.
- Electronic retail segment growth faster than overall retail segment in target markets.
- Strengthening manufacturing base with latest manufacturing and product development technologies.
- Further strengthening the low price point 'discount' model in both the US and UK markets, which may receive stronger traction as the improving economic conditions continue to aid higher discretionary spends.
- Potential to replicate end-to-end discount electronic retail business model in other countries.

Threats

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

Outlook

VGL is fairly optimistic of continuing its robust growth, by extending its customer reach across the US, Canada and UK, solid positioning in the discount market, sustained investments in brands, people, systems and uninterrupted process of unveiling new products. On attaining sound market share in current markets, we will explore expansion opportunities in other developed and emerging markets.

Risk and Concerns

Irrespective of industry type, risks and challenges are innate and need to be moderated by means of well-thought-out strategies. Additionally, VGL being a rational and responsible company aspires to diminish risks and maximize returns. The significant threats jeopardizing future consumer demand for products across all categories are factors such as decelerating global economy, sharp currency fluctuations and their subsequent impact on consumer sentiments.

The Company is relentlessly employing fitting methods to de-risk itself from foreign exchange and several other risks. The Company aims to mitigate product obsolescence risk via clearance sales and rising auctions on its websites. The Company is focused on purposefully capitalizing on the opportunities offered and addressing the threats posed by its business environment. Furthermore, it plans to create a sustainable business model capable of supplying growth through various phases of economic cycle.

Internal Control System and their Adequacy

VGL remains committed to formulating effective and comprehensive internal control systems that provide reasonable assurance on authorizing, recording and reporting transactions of its operations in all material aspects. The focus is on safeguarding against misuse or loss of the assets of the Company. Internal Control facilitates accurate and timely compilation of financial statements and management reports to ensure the regularity of statutory compliances by ensuring high standards of governance.

All audit observations and follow up actions thereon are reported to the Audit Committee which reviews the adequacy and effectiveness of internal control system.

Discussion on Financial Performance with respect to Operational Performance

The consolidated income for the year is ₹ 1298.27 crores as compared to ₹ 892.89 crores in 2012-13. The profit after exceptional items and tax is ₹ 152.53 crores as compared to loss of ₹ 85.61 crores in 2012-13. The following is the operational performance :

A. Retails via A 24x7 TV Shopping Network

TV Sale comprises of 70% of the total sale. TV Sale takes place through live shows on all major cable, satellite and DTH platforms. Your company sold 6.4 million pieces during the current year against 5.2 million pieces during the last year. Average selling price per piece remained more or less constant.

B. WEB SALE

17% of the total sale came from Web Sale which increased from ₹ 107 crores to ₹ 225 crores in the current year. Web Sale comprises of Catalogue sale, rising auction and Live TV streaming. Volume under this segment increased by 74% from 1.7 million pieces to 3.0 million pieces.

C. B2B SALE

B2B Sale comprises of wholesale distribution to various retail chains in US and UK as well as sale of rough stones to various parties. B2B sale increased from ₹ 119 crores to ₹ 162 crores which is an increase of 36%.

Development Plans

Our strategic objective is to continue to build on our position as a leading integrated value focused jewelry and lifestyle products electronic retailing company with sizable portion of our sales manufactured in-house in our manufacturing facilities in India and remaining outsourced from micro markets of Far East Asia.

Develop innovative marketing strategies

In an attempt to better address changing customer preferences, the Company has established its own TV Shopping networks & e-commerce websites in the US (www.liquidationchannel.com) and UK (www.tjc.co.uk). Our strategy is to deliver a deep value proposition to the customer through vertical manufacturing infrastructure with lowest price guarantee. Our focus is on the discount seeking buyer.

Human Capital

VGL recognizes that its employees are integral to its success. The Company therefore constantly attempts to motivate its people through progressive HR practices focused on talent acquisition, engagement and retention, including employee ownership, performance incentive and reward programs. VGL helps employees nurture ambitions and progress through learning and skill development.

Material Developments on the Human Resources/Industrial Relations front including number of people employed

In 2013-14, VGL has continued to invest in human resource and has made new appointments to its management team. The Company predominantly concentrated on retaining its employees and further refining their competencies. We believe achieving business excellence essentially revolves around a dedicated and talented employee base. Our first step towards creating this employee base involves attracting true talent by means of a streamlined and structured recruitment process. Additionally, performance management and planning individual development involves organized systems that are backed by a vision of developing a strong capital of high performance employees.

We have also introduced a suggestion based reward program in addition to providing ongoing training to our employees at different levels using a mix of in-house and external faculty and resources. The devoted efforts of our employees and robust systems & processes across the organization have meaningfully assisted in the milestones achieved during this year.

The Company's employee base was 3087 at the close of 2013-14 which will increase in line with growing business in the current fiscal year.

Disclaimer Clause

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

CORPORATE GOVERNANCE REPORT

1. Philosophy on Code of Corporate Governance

Corporate Governance is the application of best management practices, compliances of law and adherence to ethical standards to achieve the Company's objective of enhancing shareholder value and discharge of 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 level of transparency, 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 the good Corporate Governance goes beyond working results and financial priority and is pre-requisite for the attainment of excellent performance.

2. Board of Directors

Composition

The Board of the Company has an optimum combination of Executive and Non Executive Independent Directors. Currently, there are ten Directors on the Board of the Company. Independent Directors are professionals with high credentials who actively contribute in the deliberation of Board covering strategic matters and decision making. The Composition of the Board is in conformity with clause 49 of the Listing Agreement. However, the Company did not have the required composition of the Independent Directors during the period 23rd July, 2013 to 23rd Jaunary, 2014 as it was in the process of looking the right persons for this position.

The details of the composition and the category of Directors are detailed below :

Name of the Director	Category
Mr. Sunil Agrawal	Chairman and Managing Director / Promoter[1]
Mr. Rahimullah	Whole Time Director / Promoter[2]
Mr. Nirmal Kumar Bardiya	Non Executive / Promoter
Mrs. Sheela Agarwal	Non Executive / Promoter
Mr. Pulak Chandan Prasad	Non Executive Non Independent[3]
Mr. Mitha Lal Mehta	Non-Executive Independent
Mr. Surendra Singh Bhandari	Non-Executive Independent
Mr. Vikram Kaushik	Non Executive Independent [4]
Mr. Mahendra Kumar Doogar	Non Executive Independent[5]
Mr. Peter Duncan Whitford	Non Executive Independent[6]
Mr. Santosh Madan	Nominee Director[7]

[1] Mr. Sunil Agrawal, Chairman of the Company was appointed as Chairman and Managing Director w.e.f 1st February, 2014, subject to approval of the Shareholders and Central Government.

[2]Mr. Rahimullah, Managing Director was appointed as Whole Time Director w.e.f. 1st February, 2014, subject to approval of the approval of Shareholders and Central Government.

[3]Mr. Pulak Chandan Prasad was appointed as an Additional Director under the category of Non Executive Non Independent Director w.e.f 29th October, 2013.

[4]Mr. Vikram Kaushik was appointed as an Additional Director under the category of Non Executive Independent Director w.e.f. 21st December, 2013.

[5]Mr. Mahendra Kumar Doogar was appointed as an Additional Director under the category of Non Executive Independent Director w.e.f 23rdJanuary, 2014.

[6]Mr. Peter Duncan Whitford was appointed as an Additional Director under the category of Non Executive Independent Director w.e.f 14th May, 2014.

[7]Mr. Santosh Madan, Nominee Director resigned w.e.f 14th May, 2014.

Conduct of Board Proceedings

The day to day matters concerning the business is conducted by the Executives of the Company under the direction of Executive Directors with the ultimate supervision of the Board. The Board holds its meetings at regular intervals to review and discuss the performance of the Company, its future plans, strategies and other pertinent issues relating to the Company.

The Board meets once in every quarter to review the quarterly financial results and other items of the agenda and if necessary, additional meetings are held as and when required. The gap between two meetings did not exceed four months. The Board is apprised and informed of all important information relating to the business of the Company and the agenda together with all papers are sent in advance to all Directors to enable the Board to discharge and take informed decisions. During the Financial Year ended 31st March 2014, the Board met six times on 18th May 2013, 10th July, 2013, 30th July, 2013, 14th August, 2013, 29th October, 2013, and 23rd January, 2014.

The table below sets out the details of attendance at the Board Meetings, last AGM and the number of other Board or Committees in which the Directors are members or Chairperson:

Name of the Director	Attendance		No. of Directorship, Membership and Chairmanship of the Committees of the Board of other Companies		
	Board Meeting	Last AGM	Other Directorship*	Committee Member including Vaibhav Global Limited**	Committee Chairman including Vaibhav Global Limited**
Mr. Sunil Agrawal	6	Yes	1	Nil	Nil
Mr. Rahimullah	6	Yes	1	1	Nil
Mr. Nirmal Kumar Bardiya	4	Yes	5	1	Nil
Mrs. Sheela Agarwal	6	Yes	Nil	Nil	Nil
Mr. Pulak Chandan Prasad	1	NA	1	Nil	Nil
Mr. Mitha Lal Mehta	5	Yes	2	1	1
Mr. Surendra Singh Bhandari	6	Yes	2	2	2
Mr. Vikram Kaushik	1	NA	1	Nil	Nil
Mr. Mahendra Kumar Doogar	NA	NA	8	3	4
Mr. Peter Duncan Whitford	NA	NA	NA	NA	NA
Mr. Santosh Madan	2	Yes	Nil	Nil	Nil

* Excludes directorship in Foreign Companies and Private Limited Companies.

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

3. Committees of the Board

(A) Audit Committee

The Board of Directors vide resolution passed by way of circulation dated 31st March, 2014 reconstituted the Present Audit Committee in accordance with Section 177 of the Companies Act, 2013. Audit Committee of the Board, inter alia, provides reassurance to the Board on the existence of an effective internal control environment.

The composition, powers, role and terms of reference of the Audit Committee covers the areas as contemplated under Clause 49 of the Listing Agreement and Section 177 of the Companies Act, 2013. The purpose of the audit committee is to ensure the objectivity, credibility and correctness of the Company's financial reporting and disclosure processes, internal controls, risk management policies and processes, tax policies, compliance & legal requirements and associated matters. In particular, these include:

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending to the Board, the appointment, re-appointment and if required, the replacement or removal of the auditors and the fixation of audit fees.
3. Approval of payment to Statutory Auditors for any other services rendered by them.
4. Reviewing with the management, the annual financial statements 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 (2AA) of Section 217 of the Companies Act, 1956
   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. Qualifications in the draft audit report.

5. Reviewing with the management, the quarterly financial statements before submission to the board for approval

5A. 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 utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of public or rights issue and making appropriate recommendations to the Board to take up steps in this matter.

6. Reviewing with the management, performance of statutory and internal auditors and adequacy of the internal control systems.

7. 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.

8. Discussion with internal auditors of any significant findings and follow up there on.

9. 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.

10. 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.

11. 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.

12. To review the Whistle Blower mechanism of the Company as per the Whistle Blower Policy.

12A. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background etc. of the candidate.

13. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

14. Review and monitor the auditor's independence & performance and effectiveness of audit process.

15. Examination of the financial statement and the auditors' report thereon.

16. Approval or any subsequent modification of transactions of the company with related parties.

17. Scrutiny of inter-corporate loans and investments.

18. Valuation of undertakings or assets of the Company, wherever it is necessary.

19. Evaluation of internal financial controls and risk management systems.

20. The Audit Committee shall have authority to investigate into any matter in relation to the items specified in section 177(*4*) of Companies Act, 2013 or referred to it by the Board and for this purpose shall have power to obtain professional advice from external sources and have full access to information contained in the records of the Company.

21. The auditors of a Company and the Key Managerial Personnel shall have a right to be heard in the meetings of the Audit Committee when it considers the auditor's report but shall not have the right to vote.

Composition, name of the Chairperson and Members

The Audit Committee of the Company consists of four Non Executive Directors out of which three are Independent Directors. The Committee is headed by Mr. Surendra Singh Bhandari, Non Executive Independent Director. During the year, six meetings of Audit Committee held on 18th May, 2013, 10th July, 2013, 30th July, 2013, 18th September, 2013, 29th October 2013 and 23rd January 2014. The table below sets out the composition and attendance at Audit Committee meetings as on 31st March 2014:

Name of the Director	Position Held in the Committee	Category of the Director	No. of Meetings Attended
Mr. Surendra Singh Bhandari	Chairman	Non Executive Independent Director	6
Mr. Mitha Lal Mehta	Member	Non-Executive Independent Director	6
Mr. Nirmal Kumar Bardiya	Member	Non-Executive Non Independent Director	3
Mr. Mahendra Kumar Doogar*	Member	Non-Executive Independent Director	NA

The Company Secretary is also the Secretary to the Committee.

* Mr. Mahendra Kumar Doogar was appointed as a member of the Audit Committee w.e.f. 23rd January, 2014.

(B) Nomination and Remuneration Committee

a. Composition, name of the Chairperson and members

The Board of Directors vide resolution passed by way of circulation dated 31st March, 2014 renamed and reconstituted the Present Remuneration Committee to "Nomination and Remuneration Committee" in accordance with section 178 of the Companies Act, 2013. The Nomination and Remuneration Committee of the Board of Directors consists of four Non-Executive Directors out of which three are Independent Directors. The Committee is headed by Mr. Mitha Lal Mehta, Non Executive Independent Director. The table sets out the composition of the Committee:

Name of the Director	Position Held in the Committee	Category of the Director
Mr. Mitha Lal Mehta	Chairman	Non Executive Independent Director
Mr. Surendra Singh Bhandari	Member	Non-Executive Independent Director
Mr. Vikram Kaushik *	Member	Non-Executive Independent Director
Mr. Nirmal Kumar Bardiya	Member	Non-Executive Non-Independent Director

The Company Secretary is also the Secretary to the Committee.

*Mr. Vikram Kaushik was appointed as a member of the Committee w.e.f 30th December, 2013 vide board resolution passed by circulation.

No meeting of the Committee was held during the year under review. The Committee passed the following resolutions by way of circulation on 17th January, 2014 :

(i) Appointment of Mr. Sunil Agrawal as Chairman and Managing Director of the Company and approval of remuneration.

(ii) Appointment of Mr. Rahimullah as Whole Time Director and approval of remuneration.

(iii) Approval of remuneration of Mr. Surendra Singh Bhandari, Non Executive Independent Director.

(iv) Approval of remuneration of Mr. Mitha Lal Mehta, Non Executive Independent Director.

(v) Approval of remuneration of Mr. Vikram Kaushik, Non Executive Independent Director.

The Committee also passed the following resolution by way of circulation on 23rd January, 2014 :

(i) Approval of remuneration of Mr. Mahendra Kumar Doogar, Non Executive Independent Director.

b. Terms of Reference

The broad terms of reference of the Committee are as follows:

1. To identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every Director's performance.
2. To formulate the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy, relating to the remuneration for the Directors, Key Managerial Personnel and other employees.
3. The Nomination and Remuneration Committee shall, while formulating the policy ensure that:
   a. the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully;
   b. relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
   c. remuneration to Directors, Key Managerial Personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals:
4. The Chairperson of the said Committee or, in his absence, any other member of the committee authorised by him in this behalf shall attend the general meetings of the company.
5. To consider and fix the remuneration package of non executive and executive Directors including pension rights and any compensation payment.
6. All elements of remuneration package of Directors such as benefits, bonus, stock options, pension etc.
7. Any other work and policy, related and incidental to the objectives of the committee as per provisions of the Act and rules made thereunder.

c. Remuneration Policy

(i) Whole time Directors

The Whole Time Directors are paid remuneration within the range approved by the Board of Directors / Nomination and Remuneration Committee, subject to the approval of Shareholders and Central Government. The remuneration is decided considering various factors such as qualification, experience, expertise and capability of the appointee, his contribution to the Company's growth, remuneration prevailing in the industry, financial position of the Company, etc.

(ii) Non-Executive Directors

The Non-Executive Directors are paid remuneration by way of sitting fees for attending each meeting of Board of Directors and Committee thereof. The Board of Directors at its meeting held on 23rd January, 2014 approved the remuneration, subject to the approval of Shareholders and Central Government, after considering the recommendations of Remuneration Committee accorded vide resolution dated 17th January, 2014 and 23rd January, 2014 respectively passed by way of circulation, payable to Mr. Surendra Singh Bhandari, Mr. Mitha Lal Mehta, Mr. Vikram Kaushik and Mr. Mahendra Kumar Doogar Non Executive Independent Directors of the Company. The Company has got the approval of Shareholders vide postal ballot results dated 26th March, 2014.

Details of Remuneration, Sitting fees, etc. paid to all the Directors for the year ended 31st March, 2014 are given hereunder:

Remuneration of the Directors paid during the financial year 2013-14

Name of the Director	Sitting Fees (₹)	Remun-eration (₹)	Shares held as on 31.03.14
Mr. Sunil Agrawal	Nil	Nil	28,140
Mr. Rahimullah	NA	42,00,000	13,26,500
Mr. Mitha Lal Mehta	1,70,000	-	Nil
Mr. Surendra Singh Bhandari	2,10,000	-	Nil
Mr. Nirmal Kumar Bardiya	1,05,000	-	17,91,628
Mrs. Sheela Agrawal	75,000	-	21,501
Mr. Santosh Madan	20,000	-	Nil
Mr. Pulak Chandan Prasad	Nil	-	Nil
Mr. Vikram Kaushik	15,000	-	Nil
Mr. Mahendra Kumar Doogar	15,000	-	Nil
Mr. Peter Duncan Whitford	NA	NA	NA

The Company Secretary is also the Secretary to the Remuneration Committee.

(C) Compensation Committee

The Compensation Committee of the Board of Directors has been constituted to determine the various terms and conditions for the stock options granted / to be granted to the eligible employees of the Company and its Subsidiaries and to administer the Stock Option Scheme of the Company. The Compensation Committee of the Board of Directors consists of four Non-Executive Directors out of which three are Independent Directors. The Committee is headed by Mr. Mitha Lal Mehta, Non Executive Independent Director.

The Committee met on 9th April 2013, 25th May 2013 and 11th December 2013. The table below sets out the composition and attendance at Compensation Committee meeting as on 31st March 2014 :

Sr. No.	Name of the Director	Category	Position held in the Committee	Attendance at the Meeting		
				9th April, 2013	25th May, 2013	11th Dec. 2013
1	Mr. Mitha Lal Mehta	Non Executive Independent Director	Chairman	Yes	Yes	Yes
2	Mr. Surendra Singh Bhandari	Non-Executive Independent Director	Member	Yes	Yes	Yes
3	Mr. Nirmal Kumar Bardiya	Non-Executive Non Independent Director	Member	No	Yes	Yes
4	Mr. Vikram Kaushik*	Non-Executive Independent Director	Member	NA	NA	NA

The Company Secretary is also the Secretary to the Compensation Committee.

*Mr. Vikram Kaushik was appointed as a member of the Compensation Committee w.e.f 23rd January, 2014.

(D) Stakeholders Relationship Committee

The Board of Directors vide resolution passed by way of circulation dated 31st March, 2014 renamed and reconstituted the Present Shareholders' / Investors' Grievance Committee to Stakeholders Relationship Committee in accordance with Section 178 of the Companies Act, 2013. The Committee met on 31st March, 2014. The table below sets out the composition and attendance at Stakeholders Relationship Committee the meeting as on 31st March, 2014 :

Name of the Director	Position Held in the Committee	Category	Attendance at the Meeting
Mr. Surendra Singh Bhandari	Chairman	Non-Executive Independent Director	Yes
Mr. Rahimullah	Member	Whole time Director	No
Mr. Mahendra Kumar Doogar*	Member	Non-Executive Independent Director	Yes

The Company Secretary also acts as a Secretary to the Committee.
*Mr. Mahendra Kumar Doogar was appointed as a member of the Committee w.e.f. 23rd January, 2014.

Terms of reference :

1. The Stakeholders Relationship Committee shall consider and resolve the grievances of all stakeholders and security holders of the Company.
2. The Chairperson of the said committee or, in his absence, any other member of the committee authorised by him in this behalf shall attend the general meetings of the Company.
3. Review all Shareholder's grievances like non receipt of annual reports, non receipt of dividend etc.
4. Issue of Duplicate Share Certificates, Transfer of Shares in Physical form & Share Transfer Work.
5. Any other work and policy related and incidental to the objectives of the committee as per provisions of the Act and rules made thereunder.

Details of Complaints Received and Resolved

Particulars	No. of Complaints
Complaints pending as on 1st April , 2013	Nil
Complaints received during the period 1st April, 2013 to 31st March, 2014	40
Complaints disposed off during the period 1st April, 2013 to 31st March, 2014	40
Complaints outstanding as on 31st March, 2014	Nil

Name and Designation of the Compliance Officer

Name: **Mr. Brahm Prakash**
Designation: **Company Secretary & Manager Legal**
Address: **E-69, EPIP, Sitapura, Jaipur - 302 022**

(E) Corporate Social Responsibility (CSR) Committee

The Board of Directors vide resolution passed by way of circulation dated 31st March, 2014 constituted Corporate Social Responsibility (CSR) Committee in accordance with Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014. The Committee comprises of three Directors viz. Mr. Mitha Lal Mehta, Mr. Sunil Agrawal and Mr. Nirmal Kumar Bardiya. The Committee is headed by Mr. Mitha Lal Mehta, Non Executive Independent Director. The Company Secretary also acts as a Secretary of the Committee.

No meeting of the Committee was held during the year.

The Committee's terms of reference includes :

1. 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.
2. Recommend the amount of expenditure to be incurred on the activities as specified above.
3. Monitor the Corporate Social Responsibility policy of the Company from time to time.
4. Such other activities as the Board of Directors may determine from time to time.

4. General Body Meetings

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

Year	Date	Time	Venue	No. of Special Resolution(s) Passed
2010-11	30th September, 2011	11.00 A.M.	E-69, EPIP, Sitapura, Jaipur - 302 022 (Rajasthan)	4
2011-12	29th September, 2012	11.00 A.M.	E-69, EPIP, Sitapura, Jaipur - 302 022 (Rajasthan)	1
2012-13	14th August, 2013	11.00 A.M.	E-69, EPIP, Sitapura, Jaipur - 302 022 (Rajasthan)	Nil

Special Resolutions through Postal ballot

The Company passed the following resolutions on 26th March, 2014 through postal ballot in accordance with the provisions of the Companies Act, 1956 read with the Companies (Passing of the Resolution by Postal Ballot) Rules,2011:

(i) To approve the appointment and remuneration of Mr. Sunil Agrawal as Chairman and Managing Director of the Company.

Particulars	No. of Members who voted	% of voting Members who voted
In favour of the resolution	69	94.52
Against the resolution	4	5.47

(ii) To approve the appointment and remuneration of Mr. Rahimullah as Whole Time Director of the Company.

Particulars	No. of Members who voted	% of voting Members who voted
In favour of the resolution	67	91.78
Against the resolution	6	8.21

(iii) To approve the payment of remuneration of Mr. Surender Singh Bhandari, Non Executive Independent Director of the Company.

Particulars	No. of Members who voted	% of voting Members who voted
In favour of the resolution	64	87.67
Against the resolution	9	12.32

(iv) To approve the payment of remuneration of Mr. Mitha Lal Mehta, Non Executive Independent Director of the Company.

Particulars	No. of Members who voted	% of voting Members who voted
In favour of the resolution	64	87.67
Against the resolution	9	12.32

(v) To approve the payment of remuneration of Mr. Vikram Kaushik, Non Executive Independent Director of the Company.

Particulars	No. of Members who voted	% of voting Members who voted
In favour of the resolution	64	87.67
Against the resolution	9	12.32

(vi) To approve the payment of remuneration of Mr. Mahendra Kumar Doogar, Non Executive Independent Director of the Company.

Particulars	No. of Members who voted	% of voting Members who voted
In favour of the resolution	64	87.67
Against the resolution	8	10.95

(vii) To approve the contribution to be made to Charitable and other funds.

Particulars	No. of Members who voted	% of voting Members who voted
In favour of the resolution	58	79.45
Against the resolution	14	19.17

M/s K. K. Singh & Associates, Practicing Company Secretary was appointed as the scrutinizer to conduct the Postal Ballot process in a fair and transparent manner. The resolutions in respect of the above said items passed as Special Resolutions.

No other resolution is proposed to be passed through postal ballot.

5. Disclosures

(i) The details of related party transactions are given in the notes to accounts. None of the transaction with any of the related party was in conflict with the interest of the Company.

(ii) There were no non-compliance / strictures, penalty imposed on the Company by Stock Exchange (s) or SEBI or any statutory authority on any matters related to capital market during the last three years.

(iii) The Company at its Board Meeting held on 14th May, 2014 has adopted Whistle Blower Policy.

(iv) The Company has fully complied with all the mandatory requirements prescribed under clause 49 of the Listing Agreement with Bombay Stock Exchange (BSE) and National Stock Exchange (NSE).

6. Means of Communication

i. Annual report containing Audited Annual Accounts, Consolidated Financial Statements, Directors Report, Management Discussion & Analysis (MD&A) Report, Auditor's Report and other information is circulated to members and others who are entitled to it.

ii. Financial Results are published in leading Local & National newspapers such as Jansatta (New Delhi) and Financial Express (All Editions).

iii. All important information relating to Company and its performance including the financial results and shareholding pattern are displayed on the Company's website www.vaibhavglobal.com. The website also displays all official press releases issued by the Company.

iv. The Company puts all the price sensitive information's into public domain by way of intimating the same to Stock Exchange i.e.,BSE Ltd. and National Stock Exchange of India Ltd. immediately.

v. In case of any problem / query, Shareholders may write to
Mr. Brahm Prakash : Company Secretary brahm.prakash@vaibhavglobal.com

7. General Shareholder Information

(i) Annual General Meeting :
Date and time - 25th July, 2014 (11:00 am)
Venue - E-69, EPIP, Sitapura, Jaipur - 302022

(ii) Financial Year : 1st April, 2013 to 31st March, 2014

(iii) Date of Book Closure : 18th July, 2014 to 25th July, 2014 (both days inclusive)

(iv) Dividend Payment Date :NA

(v) Stock Exchanges where Equity Shares are listed and Scrip code:
BSE Limited (BSE)
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai- 400 001

Scrip Code: 532156

National Stock Exchange of India Limited (NSE)
"Exchange Plaza", Plot no. C/1, G Block, Bandra Kurla Complex,
Bandra (E), Mumbai - 400 051

Scrip Code: VAIBHAVGBL

ISIN Code no.: INE884A01019

Listing of Global Depository Receipts at Luxembourg Stock Exchange
B.P. 165, L-2011, Luxembourg

ISIN Code: US9187661064

(vi) Listing Fees to the Stock Exchanges
The Company has paid listing fees in respect of financial year 2014-2015 to BSE Limited and National Stock Exchange of India Limited.

(vii) Custodial Fees to the Depository
The Company has paid custodial fees for the Financial year 2014 - 2015 to National Securities Depository Limited and Central Depository Services (India) Limited.

(viii) Registrar & Share Transfer Agent:

Karvy Computershare Pvt. Limited,
17-24 Vittal Rao Nagar,
Madhapur, Hyderabad - 500 081.
Andhra Pradesh, India
Tel: 91-040-44655188

(ix) Share Transfer System

Registrar and Transfer Agents (the 'RTA'), on receipt of transfer deed with respective share certificates, scrutinizes the same and verify signatures of transferors on the transfer deed with specimen signatures registered with the company. A list of such transfers is prepared and checked thoroughly and a transfer register is prepared. The transfer register is placed before the Stakeholders Relationship Committee for approval. Share transfers are registered and share certificates are returned within the prescribed time provided the documents submitted are valid and complete in all respects.

(x) Dematerialization of Shares

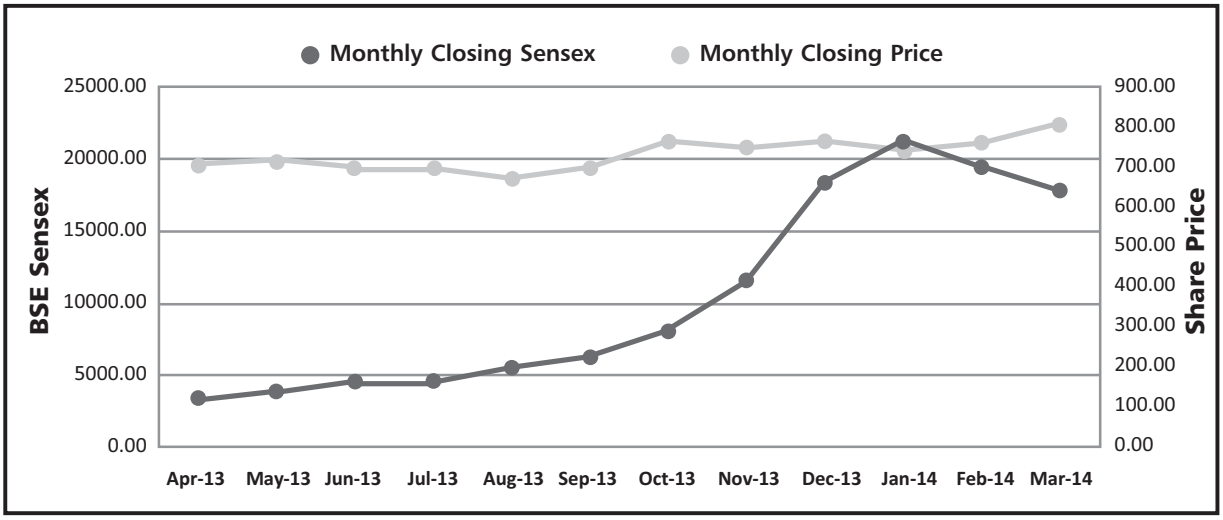
The Company has set up requisite facilities for dematerialization of its Equity Shares in accordance with the provisions of Depository Act, 1996 with National Securities Depository Limited and Central Depository Services (India) Limited. The Company has entered into agreements with both of the Depositories. The status as on 31st March, 2014 is as under :

Mode	No. of Shares	% (Percentage)
Physical Form	68,253	0.21
NSDL	30,440,807	94.61
CDSL	1,666,558	5.18
Total	**32,175,618**	**100.00**

(xi) Market Price Data

Month	VGL Price at BSE (₹)		VGL Price at NSE (₹)	
	High Price	Low Price	High Price	Low Price
April, 2013	131.10	114.05	129.80	115.20
May, 2013	143.00	115.00	144.00	114.35
June, 2013	166.90	137.00	166.00	138.00
July, 2013	173.00	160.05	174.80	160.05
August, 2013	210.10	162.10	209.00	161.80
September, 2013	226.95	196.00	225.10	195.05
October, 2013	302.50	220.10	303.00	220.15
November, 2013	460.00	297.55	460.00	300.00
December, 2013	723.00	411.00	725.00	405.50
January, 2014	788.90	615.65	790.00	620.00
February, 2014	776.00	675.00	775.00	670.00
March, 2014	760.00	635.00	754.00	637.00

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



(xii) Distribution of Shareholding

i. Distribution of Shareholding as on 31st March, 2014

Sr. No	No. of Equity Shares	Number of Shares	% of Shareholding	Number of Shareholders
1	1-5000	252,422	0.78	2695
2	5001-10000	137,759	0.43	174
3	10001-20000	161,610	0.50	105
4	20001-30000	123,613	0.38	48
5	30001-40000	56,096	0.17	16
6	40001-50000	90,585	0.28	20
7	50001-100000	262,745	0.82	36
8	100001 & Above	31,090,788	96.63	91
	Total:	**32,175,618**	**100.00**	**3185**

ii. Category of Shareholders as on 31st March, 2014

Category	No. of shares	% Holding
Indian Promoters	11,951,145	37.14
Foreign Promoters	1,207,246	3.76
FIIs	4,644,717	14.44
Corporate Bodies	1,584,027	4.92
Individuals	2,781,960	8.64
NRIs	1,139,425	3.54
Mutual funds	67,156	0.21
Financial Institution/Banks	5,063	0.02
Others		
(i) Clearing Members	6,879	0.02
Trusts	38,000	0.12
GDRs	8,750,000	27.19
Total	**32,175,618**	**100.00**

(xiii)Name and address of the Custodian in India for the purpose of GDR

CITI Bank N.A. (MUMBAI)
FIFC, 11th Floor, C-54/55, G-Block
Bandra-Kurla Complex, Bandra (E),
Mumbai - 400 051

(xiv) Plant Locations

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

K-6B, Fateh Tiba, Adarsh Nagar,Jaipur-302 004

E-68 and E-69, EPIP, Sitapura, Jaipur – 302 022

G1-33 EPIP, Sitapura, Jaipur – 302 022

G1-39, EPIP, Sitapura, Jaipur - 302 022

Unit 186/A, SDF-VI, SEEPZ-SEZ, Mumbai-400 096

(xv) Branch Office

905, Panchratna, Opera House, Mumbai – 400004

(xvi) Address for Correspondence

Mr. Brahm Prakash, Company Secretary heads the Corporate Secretarial Department of the Company. In case of any problem/ query, shareholders can contact at::

Address:
E-69, EPIP, Sitapura, Jaipur
Phone: 91-141-2771948/49
Fax: 91-141-2770510
Email: brahm.prakash@vaibhavglobal.com

(xv) Other useful information to the Shareholders

- Shareholders/Beneficial Owners are requested to quote their Folio No. /DP & Client ID Nos., as the case may be, in all correspondence with the RTA/Company.
- Shareholders holding shares in physical form are requested to notify to the RTA/Company, change in their address/Pin Code number and Bank Account details promptly by written request under the signatures of sole / first joint holder. Beneficial Owners of shares in demat form are requested to send their instructions regarding change of name, change of address, bank details, nomination, power of attorney, etc. directly to their DP as the same are maintained by the DPs.
- To prevent fraudulent encashment of dividend instruments, members are requested to provide their Bank Account Details (if not provided earlier) to the Company (if shares are held in physical form) or to DP (if shares are held in D-mat form), as the case may be.
- Non-resident members are requested to immediately notify change in their residential status on return to India for permanent settlement and particulars of their NRE Bank Account with a bank in India, if not furnished earlier.
- In case of loss/misplacement of shares, investors should immediately lodge a FIR/Complaint with the police and inform to RTA/Company along with original or certified copy of FIR/acknowledged copy of the complaint.
- For expeditious transfer of shares, shareholders should fill in complete and correct particulars in the transfer deed.
- Shareholders are requested to keep record of their specimen signature before lodgement of shares with the RTA/Company to obviate possibility of difference in signature at a later date.
- Shareholders(s) of the Company who have multiple accounts in identical name(s) or holding more than one Share Certificates in the same name under different Ledger Folio(s) are requested to apply for consolidation of such Folio(s) and send the relevant Share Certificates to the Company/RTA.

- Section 72 Companies Act, 2013 extends nomination facility to individuals holding shares in physical form in companies. Shareholders, in particular those holding shares in single name, may avail of the above facility by furnishing the particulars of their nominations in the prescribed Nomination Form.
- Shareholders are requested to give us their valuable suggestions for improvement of our investor services.
- Shareholders are requested to quote their e-mail Ids, telephone / fax numbers for prompt reply to their communication.

8. Risk Management

The Company follows well - established risk assessment and minimization procedures which are periodically reviewed by the Board.

9. Management Discussion and Analysis

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

10. Subsidiaries

All the Subsidiary Companies are managed by their respective Boards who have the rights and obligations to manage the Company in the best interest of the stakeholders. As a majority stakeholder, the Company monitors the performance of such Companies.

11. Reconciliation of Share Capital Audit

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

12. CEO / CFO Certification

The CEO and CFO certification on the financial statements for the financial year ended 31st March 2014 is enclosed at the end of this report.

13. Auditors' Report on Corporate Governance

As required by Clause 49 of the Listing Agreement, the Auditors' certificate is enclosed at the end of this report.

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

The Company has laid down a code of conduct for the members of the board and senior management personnel of the Company. The code of conduct has been posted on the Company's website i.e www.vaibhavglobal.com. The code of conduct has been circulated to all the members of the Board and Senior Management personnel and they have affirmed their compliance with the said code of conduct for the financial year ended 31st March, 2014. A declaration to this effect signed by Mr. Sunil Agrawal, Chairman and Managing Director of the Company is appended at the end of this report.

15. Code for prevention of Insider Trading Practices

The Company has framed a comprehensive code of conduct in compliance with the SEBI regulations on prevention of insider trading. The code lays down guidelines, which advise on procedures to be followed and disclosures to be made, while dealing with shares of the Company and cautions on the consequences of non-compliances.

CEO and CFO Certification

The Board of Directors,

Vaibhav Global Limited,

K-6B, Fateh Tiba, Adarsh Nagar,

Jaipur - 302 004

1. We have reviewed the financial statements and the cash flow statement for the year ended 31st March, 2014 and that to the best of our knowledge and belief :
   (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
   (ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
2. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year 2013-2014 which are fraudulent, illegal or violative of the Company's code of conduct.
3. We accept responsibility for establishing and maintaining internal controls for financial reporting and 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 of which we are aware, in the design or operation of the internal controls, and that we have taken the required steps to rectify these deficiencies.
4. We have indicated to the auditors and the Audit committee that:
   (i) There are no significant changes in internal control over financial reporting during the year;
   (ii) 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
   (iii) There are no instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Sunil Agrawal
Chairman & Managing Director
DIN-00061142

Hemant Sultania
Group Chief Financial Officier

Place : Jaipur
Date : 14th May, 2014

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 2013-14

Sunil Agrawal
Chairman & Managing Director
DIN-00061142

Place : Jaipur
Date : 14th May, 2014

Auditors' Certificate on Corporate Governance

The Members
Vaibhav Global Limited
Jaipur

We have examined the compliance of conditions of Corporate Governance by "Vaibhav Global Limited" for the year ended 31st March 2014, as stipulated in clause 49 of the Listing Agreement of the said Company with stock exchanges.

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

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement except that the Company did not have half of the Board of Directors comprising of Independent Directors for the period from July 23, 2013 to January 23, 2014 as per the requirements of Clause 49 I A(ii).

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

For Haribhakti & Co.
Chartered Accountants
FRN No. 103523W

Chetan Desai
Partner
Membership No. 17000

For **B. Khosla & Co.**
Chartered Accountants
FRN No. 000205C

Sandeep Mundra
Partner
Membership No. 75482

Place: Jaipur
Date : 14th May, 2014

INDEPENDENT AUDITORS' REPORT

To the Members of Vaibhav Global Limited
(formerly known as Vaibhav Gems Limited)

Report on the Financial Statements

We have audited the accompanying financial statements of Vaibhav Global Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2014, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

(a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;

(b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and

(c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Emphasis of Matter

We draw attention to

a) Accounting Policy 8c with regard to identification of specific item of inventory and determination of estimated net realizable value which is based on technical judgment of management and relied upon by us.

b) Note No. 34 on the accounts. As explained therein, exposure of the Company to two foreign subsidiaries whose net worth is negative aggregating ₹ 418.92 crores against which no provision in excess of ₹ 111.25 crores is considered necessary by the management.

Our report is not qualified in respect of the above matters.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the Order.

2. As required by section 227(3) of the Act, we report that:

   a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

   b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;

   c. the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;

   d. in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;

   e. on the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For Haribhakti & Co.
Chartered Accountants
Firm Registration No.103523W

Chetan Desai
Partner
Membership No.17000

Jaipur: May 14, 2014

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

Sandeep Mundra
Partner
Membership No.75482

Jaipur: May 14, 2014

ANNEXURE TO AUDITORS' REPORT

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report of even date to the members of Vaibhav Global Limited on the financial statements for the year ended March 31, 2014]

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The fixed assets of the company have been physically verified by the management during the year and the discrepancies between the book records and the physical inventory have been adjusted in the books. In our opinion, the frequency of verification is reasonable.

(c) In our opinion and according to the information and explanations given to us, a substantial part of fixed assets has not been disposed of by the company during the year.

(ii) (a) The inventory has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable.

(b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.

(c) On the basis of examination of inventory records, we are of the opinion that the Company is maintaining proper records of inventories. As informed no material discrepancies were noticed on physical verification carried out at the end of the year as compared to book records.

(iii) (a) The Company has granted unsecured interest free loans to four companies covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was ₹ 16,293 lacs and the yearend balance was ₹ 10,845 lacs.

(b) In our opinion and according to the information and explanations given to us, the rate of interest and other terms and conditions for such loans are not, prima facie, prejudicial to the interest of the Company.

(c) The terms of recovery of the loan made have not been stipulated and so we are not in a position to make specific comment as regard to the repayment of the principal amount to the Company.

(d) As informed to us, there is no overdue amount of loans granted to Companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956.

(e) The Company had taken loan from three companies covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was ₹ 840 lacs and the year-end balance of loans taken from such parties was ₹ 210 lacs.

(f) As informed to us and in our opinion other terms and conditions for such loans are prima facie not prejudicial to the interest of the Company.

(g) As informed to us there were no principal amounts due during the year for these loans.

(iv) In our opinion and according to the information and explanations given to us, there exists an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of inventory, fixed assets and with regard to the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct weakness in internal control system of the Company.

(v) (a) According to the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the Companies Act, 1956 that need to be entered into the register maintained under section 301 have been so entered.

(b) As informed to us, due to the peculiar nature of goods sold/purchased, no comparables for prevailing market prices are available and the ascertainment of the same involves technical judgment. In absence of information relating to the prevailing

market prices we are unable to comment whether the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Act and exceeding the value of rupees five lacs in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.

(vi) In our opinion and according to the information and explanations given to us, the company has not accepted any deposits from the public within the meaning of Sections 58A and 58AA of the Act and the rules framed there under.

(vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

(viii) We have broadly reviewed the books of account maintained by the company in respect of products where, pursuant to the Rules made by the Central Government of India, the maintenance of cost records has been prescribed under clause (d) of sub-section (1) of Section 209 of the Act and we are of the opinion that prima facie, the prescribed accounts and records have been made and maintained.

(ix) (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, cess and other material statutory dues applicable to it.

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, investor education and protection fund, employees' state insurance, income-tax, wealth-tax, service tax, sales-tax, customs duty, excise duty, cess and other undisputed statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

(c) According to the records of the Company, the dues outstanding of income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty and cess on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount (₹)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	38,80,370	Asst. Yr. 2007-2008	CIT (Appeals)
		111,535,532	Asst Yr 2009-2010	ITAT
Customs Act	Customs Duty	6,42,26,582	2001-02 to 2009-10	CESTAT*
	Customs Duty (Penalties)	12,01,00,000	2001-02 to 2009-10	CESTAT*

* the Company is in the process of filing appeal to CESTAT.

(x) In our opinion, the accumulated losses of the company are not more than fifty percent of its net worth. The Company has not incurred cash losses in the current and immediately preceding financial year.

(xi) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.

(xii) According to the information and explanations given to us and based on the documents and records produced to us, the company has not granted loans & advances on the basis of security by way of pledge of shares, debentures and other securities.

(xiii) In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause (xiii) of paragraph 4 of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.

(xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause (xiv) of paragraph 4 of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.

(xv) In our opinion and according to the information and explanations given to us, the terms and conditions of the guarantees given by the Company, for loans taken by others from banks or financial institutions during the year, are not prejudicial to the interest of the Company.

(xvi) The Company has not obtained any term loans during the year.

(xvii) 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 investment.

(xviii) According to the information and explanation given to us, the Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956.

(xix) The Company did not have any outstanding debentures during the year.

(xx) The Company has not raised money by way of public issue during the year.

(xxi) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the management.

For Haribhakti & Co.
Chartered Accountants
Firm Registration No.103523W

Chetan Desai
Partner
Membership No.17000

Jaipur: May 14, 2014

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

Sandeep Mundra
Partner
Membership No.75482

Jaipur: May 14, 2014

Balance Sheet as at 31st Mar, 2014

Particulars	Note	As at 31st Mar, 2014 (₹)	As at 31st Mar, 2013 (₹)
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	2	321,756,180	760,642,010
Reserves and Surplus	3	4,016,877,361	3,572,626,028
		4,338,633,541	**4,333,268,038**
Share application money pending allotment (Refer Note No.35)		424,158	-
Non-Current Liabilities			
Long-Term Borrowings	4	180,055,581	477,015,659
Long-Term Provisions	5	12,481,320	12,691,507
		192,536,901	**489,707,166**
Current Liabilities			
Short-Term Borrowings	6	546,032,553	654,938,077
Trade Payables	7	345,693,509	186,264,336
Other Current Liabilities	8	325,671,208	330,894,724
Short-Term Provisions	9	7,831,748	5,987,168
		1,225,229,018	**1,178,084,305**
Total		**5,756,823,618**	**6,001,059,509**
ASSETS			
Non-Current Assets			
Fixed Assets			
Tangible Assets	10	175,854,651	161,122,182
Capital Work-In-Progress	10	-	276,245
Non-Current Investments	11	2,122,775,744	2,149,421,944
Deferred Tax Assets (Net)	12	258,350	1,640,420
Long-Term Loans and Advances	13	1,145,711,626	1,620,780,855
		3,444,600,371	**3,933,241,646**
Current Assets			
Inventories	14	921,407,929	874,203,198
Trade Receivables	15	881,780,204	970,409,973
Cash and Bank Balances	16	312,605,645	175,301,460
Short-Term Loans and Advances	17	114,366,101	47,412,181
Other Current Assets	18	82,063,368	491,051
		2,312,223,247	**2,067,817,863**
Total		**5,756,823,618**	**6,001,059,509**
Significant Accounting Policies	**1**		

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

As per our attached report of even date ***For and on behalf of the Board***

For HARIBHAKTI & CO.
Chartered Accountants
F.R. No.: 103523W

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

SUNIL AGRAWAL
Chairman & Managing Director
DIN : 00061142

RAHIMULLAH
Whole Time Director
DIN : 00043791

CHETAN DESAI
Partner
M.No.: 17000

SANDEEP MUNDRA
Partner
M.No.: 075482

SHEELA AGARWAL
Director
DIN : 00178548

BRAHM PRAKASH
Company Secretary

Jaipur, 14th May, 2014

Statement of Profit & Loss for the year ended 31st Mar, 2014

Particulars	Note	Year ended 31st Mar, 2014 (₹)	Year ended 31st Mar, 2013 (₹)
REVENUE			
Revenue From Operations	19	3,482,732,637	2,491,282,835
Other Income	20	311,447,018	83,705,813
Total		**3,794,179,655**	**2,574,988,648**
EXPENSES			
Cost of Materials Consumed	21	2,297,950,939	1,730,219,548
Purchases of Stock-In-Trade	22	63,886,220	16,981,276
Changes in Stock-In-Trade	23	(5,614,540)	(17,773,548)
Employee Benefits Expense	24	290,508,540	224,414,693
Finance Costs	25	117,511,790	116,563,254
Depreciation and Amortization Expense	10	24,643,963	21,940,060
Other Expenses	26	506,241,285	308,490,413
Total		**3,295,128,197**	**2,400,835,696**
Profit Before Exceptional Items and Tax		**499,051,458**	**174,152,952**
Exceptional Items	27	33,935,293	89,810,265
Profit Before Tax		**532,986,751**	**263,963,217**
Tax Expense:			
(1) Current Tax		-	53,353
(2) Earlier Years Tax		-	(876,284)
(3) Deferred Tax Charges/(Credits)		1,382,070	968,840
		1,382,070	**145,909**
Profit for the Period		**531,604,681**	**263,817,308**
Earnings Per Equity Share of ₹10 Each (Refer Note No.39)			
Basic (Rs.)		16.60	8.16
Diluted (Rs.)		16.39	8.08
Significant Accounting Policies	**1**		

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

As per our attached report of even date ***For and on behalf of the Board***

For HARIBHAKTI & CO.
Chartered Accountants
F.R. No.: 103523W

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

SUNIL AGRAWAL
Chairman & Managing Director
DIN : 00061142

RAHIMULLAH
Whole Time Director
DIN : 00043791

CHETAN DESAI
Partner
M.No.: 17000

SANDEEP MUNDRA
Partner
M.No.: 075482

SHEELA AGARWAL
Director
DIN : 00178548

BRAHM PRAKASH
Company Secretary

Jaipur, 14th May, 2014

Cash Flow Statement for the Year ended 31st Mar, 2014

Particulars	Year ended 31st Mar, 2014 (₹)	Year ended 31st Mar, 2013 (₹)
A. Cash Flow from Operating Activities		
Net Profit before Tax and Exceptional Items	499,051,458	174,152,952
Adjustment for :		
Depreciation	24,643,963	21,940,060
Unrealised Foreign Exchange Difference	23,068,511	69,099,189
Employee Compensation Expenses	(421,405)	4,773,619
Assets written off	8,469,400	
Loss/(Profit) on sale of Fixed Assets	1,491,913	1,031,546
Leave Encashment & Gratuity Expenses	1,687,746	3,116,431
Liability No Longer required	(531,624)	(756,546)
Interest and Dividend Earned	(63,650,123)	(2,423,391)
Interest paid on borrowings	117,511,790	116,563,254
Operating Profit before working Capital Changes	**611,321,629**	**387,497,114**
Adjustment for :		
Trade and other Receivables	(45,875,403)	216,842,175
Trade payables, Provisions, Other Current Liabilities	40,876,228	(3,980,220)
Stock-in-Trade	(47,204,731)	(131,550,273)
Cash Generated from Operations	**559,117,723**	**468,808,796**
Direct Taxes paid - Current Year	-	(822,931)
- Earlier Year	50,687,579	
Net Cash from Operating Activities	**508,430,144**	**469,631,727**
B. Cash Flow from Investing Activities		
Purchase of Fixed Assets	(60,450,022)	(52,985,083)
Sale of Fixed Assets	10,538,529	(1,031,546)
Sale of Investments	19,833,000	0
Movement in Long term advances	(29,003,228)	(17,298,805)
Movement of Loan to Subsidieries	489,088,385	(1)
Interest and Dividend received	63,650,123	2,423,391
Net Cash used in Investing Activities	**493,656,787**	**(68,892,044)**
C. Cash flow from Financing Activities		
Proceeds from / (Repayment of) Long Term Borrowings	(195,110,078)	(178,177,932)
Proceeds from / (Repayment of) Short term borrowings	(93,171,016)	(23,213,692)
Redumption of preference share	(440,000,000)	
Proceeds from Issuance of Share Capital/ Premium	4,228,498	8,495,403
Dividend and Tax on Dividend paid	(33,889,552)	
Interest Paid on Borrowings	(117,511,790)	(116,563,253)
Net Cash used in Financing Activities	**(875,453,938)**	**(309,459,474)**
Net Increase in Cash and Cash Equivalents	**126,632,993**	**91,280,209**
Opening Balance of Cash and Cash Equivalents	166,707,295	75,427,086
Closing Balance of Cash and Cash Equivalents	**293,340,288**	**166,707,295**
Cash and Cash Equivalents Comprises		
Cash, cheques and drafts in hand	1,349,717	1,567,939
Balance with scheduled bank in current accounts	291,990,571	165,139,356
	293,340,288	**166,707,295**

Notes: The Cash Flow Statement has been prepared under the "Indirect Method " as set out in 'Accounting Standard-3 Cash Flow Statement 'as prescribed in the Companies (Accounting Standards) Rules,2006.

As per our attached report of even date ***For and on behalf of the Board***

For HARIBHAKTI & CO.
Chartered Accountants
F.R. No.: 103523W

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

SUNIL AGRAWAL
Chairman & Managing Director
DIN : 00061142

RAHIMULLAH
Whole Time Director
DIN : 00043791

CHETAN DESAI
Partner
M.No.: 17000

SANDEEP MUNDRA
Partner
M.No.: 075482

SHEELA AGARWAL
Director
DIN : 00178548

BRAHM PRAKASH
Company Secretary

Jaipur, 14th May, 2014

Note No.1 SIGNIFICANT ACCOUNTING POLICIES

1. Basis of Preparation of Financial Statements

a. The financial statements have been prepared in compliance with the applicable Accounting Standards prescribed in Companies (Accounting Standards) Rules 2006, other pronouncement of Institute of Chartered Accountant of India, with relevant provisions of Companies Act, 1956; applicable guidelines issued by the Securities Exchange Board of India (SEBI) and generally accepted accounting principles applicable in India (GAAP). Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires changes in the accounting policy hitherto in use.

b. The financial statements have been prepared under historical cost convention on an accrual basis.

2. Use of Estimates

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

3. Fixed Assets

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

4. Depreciation and Amortization

a. Depreciation on Fixed Assets, other than assets acquired on lease, is being provided on written down value method at the rate and in the manner specified in Schedule XIV of the Companies Act, 1956.

b. Assets acquired on lease is amortized over the period of lease in equal installments.

c. Assets individually costing up to ₹ 5,000 are fully depreciated in the year of purchase.

5. Intangible Assets

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

Intangible Assets are amortized over their respective individual estimated useful lives on a straight line basis.

6. Impairment of Assets

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

a. the provision for impairment loss, if any, required or

b. the reversal, if any, required for impairment loss recognized in previous periods.

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

Recoverable amount is determined

a. in the case of an individual asset, at the higher of net selling price and the value in use.

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

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

7. Borrowing Cost

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

8. Inventories

a. Inventories are valued at lower of cost and estimated net realisable value. Cost is determined on 'First-in First-out', 'Specific Identification', or "Weighted Averages' basis as applicable. Cost of Inventories Comprises of all cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost of semi finished and finished goods are determined on absorption costing method.

b. All raw materials purchased are simultaneously issued for production. Accordingly material-in-process includes such raw materials as well. Semi Finished Goods are goods manufactured and pending for pre-shipment inspection. Materials consumed are materials used in production of semi finished and finished goods only.

c. Identification of a specific item and determination of estimated net realizable value involve technical judgments of the management, which has been relied upon by the Auditors.

9. Investments

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

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

10. Revenue Recognition

Sale of Goods:

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

Dividend on Investment:

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

Interest Income:

Interest Income is recognized on time proportionate basis.

Commission Income:

Revenue is recognized on the accrual basis.

11. Foreign Currency Transactions:

a. Initial Recognition:

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

b. Conversion:

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

Exchange difference arising on translation of Loan and Advances to non – integral wholly owned subsidiaries and forming part of net investment, are recognized in foreign currency translation reserve.

c. Exchange Differences:

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

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

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

12. Employee Benefits

a. Short term and other long term employee benefits are recognized as an expense at the undiscounted amount in the statement of profit and loss of the year in which the related service is rendered.

b. Employee's Retirement benefits are recognized as an expense in the statement of profit and loss for the year in which the employee has rendered services. The expense is recognized at the present value of the amounts payable, determined using actuarial valuation by an independent actuary using the projected unit credit method. Actuarial gains and losses in respect of post employment and other long term benefits are charged to the statement of profit and loss.

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

13. Provision for Current and Deferred Taxation

Income tax expense for the year, comprising current tax and deferred tax is included in determining the net profit for the Year.

A provision is made for the current tax based on tax liability computed in accordance with relevant tax rates and Tax laws. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future Taxable income will be available against which such deferred tax assets can be realized. In situations where the company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual Certainty supported by convincing evidence that they can be realized against future taxable profits. At each balance sheet Date the Company re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be that sufficient future taxable Income will be available against which such deferred tax assets can be realized.

The carrying amount of deferred tax assets are reviewed at each balance sheet date. The company writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

14. Earning Per Share

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

15. **Cash and Cash Equivalents**

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

16. Provision, Contingent Liabilities and Contingent Assets

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

a. the Company has a present obligation as a result of past event,

b. a probable outflow of resources is expected to settle the obligation and

c. the amount of the obligation can be reliably estimated

Contingent Liability is disclosed in case of

a. a present obligation arising from a past event, when it is not probable that an outflow of resources will be required to settle the obligation

b. a possible obligation, unless the probability of outflow of resources is remote.

Contingent Assets are neither recognized, nor disclosed.

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

Notes Accompanying to the financial statement for the year ended Mar, 31,2014

Note No.	Particulars	As at 31st March, 2014 (₹)		As at 31st March, 2013 (₹)	
	SHAREHOLDERS FUND				
2	**Share Capital**				
a.	The details of Authorised, Issued, Subscribed and paid up capital are as under :-				
	Share Capital	***Number***	***Amount***	***Number***	***Amount***
	Authorised				
	Equity Shares of ₹ 10/- each	41,000,000	**410,000,000**	41,000,000	**410,000,000**
	Unclassified Shares of Rs 100/- each	4,500,000	**450,000,000**	4,500,000	**450,000,000**
	Issued, Subscribed and fully Paid up				
	Equity Shares of ₹ 10/- each	32,175,618	321,756,180	32,064,201	320,642,010
	1% Redeemable Preference Shares of ₹ 100/- each	-	-	4,400,000	440,000,000
			321,756,180		**760,642,010**

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

Particulars	**Equity Shares**	**Preference shars**	**Equity Shares**	**Preference shars**
Shares outstanding at the beginning of the year	32,064,201	4,400,000	31,698,473	4,400,000
Shares Issued during the year	111,417	-	365,728	-
Shares redeemed during the year	-	4,400,000	-	-
Shares outstanding at the end of the year	32,175,618	-	32,064,201	4,400,000

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

d. The company had issued 44,00,000 non Convertible 1% Redeemable Cumulative Preference shares in the year of 2006-07. These Preference Shares have been entirely redeemed during the current year in accordance with the terms and conditions on which they were issued.

e. The details of shareholders holding more than 5% equity shares and preference shares as at reporting date are as under :-

Name				
Equity Shares	**No. of Shares held**	**% of Holding**	**No. of Shares held**	**% of Holding**
Brett Plastics Pvt Ltd.	2,725,012	8.47	2,554,332	7.97
Shivram Global Pvt Ltd.	5,187,963	16.12	5,187,963	16.18
Nalanda India Fund Limited	4,110,600	12.78	4,110,600	12.82
Surawell Pacific Ltd #	3,175,000	9.87	3,175,000	9.90
Heartiford Ltd #	2,400,000	7.46	2,400,000	7.48
Accelstar Investment Ltd #	3,175,000	9.87	3,175,000	9.90
Nirmal Kumar Bardiya	1,669,177	5.19	-	-
Preference Shares				
Reengus Exim Pvt Ltd			1,086,000	24.68
Brett Plastics Pvt Ltd			2,879,000	65.43
STP Exim Pvt Ltd			225,000	5.11

Held through global depositories receipt.The benefeciaries details is based on the information provided by management

f. Employee Stock Option Scheme:

The company during the year granted 98,537, 43,329 and 64,029 stock options as approved by Compensation Committee Meeting at price of ₹ 119.05, ₹ 126.35 and ₹ 418.40 respectively to the eligible employees of the company and its subsidiaries.

Out of stock option granted, 20% stock option will vest at the end of one year from the date of Grant, 30% stock option at the end of the second year and balance 50% stock option at the end of third year. The exercise period for the options under tranche A,D, E, I is four years and under tranche F ,G, H, I is one year from the date of vesting.

The details of the Grant under the aforesaid schemes are as under:- **2013-14**

Particulars	VGL ESOP (As amended) – 2006						
	A	D	E	F	G	H	I
Original Exercise (Grant) Price	240	26.75	33.57	45.3	119.05	126.35	418.4
Revised Exercise (Grant) Price	45.30	26.75	33.57	-	-	-	-
Date of Grant of Option	06.01.2007	29.01.2010	30.09.10	23.07.12	09.04.13	25.05.13	11.12.13
Vesting commences on	06.01.2008	29.01.2011	30.09.11	23.07.13	09.04.14	25.05.14	11.12.14
Options granted and outstanding as at the beginning of the year on 01.04.13	3,796	136,000	10,000	390,125	-	-	-
Options granted during the year					98,537	43,329	64,029
Options exercised during the year	1,778	67,000	-	42,639	-	-	-
Options lapsed during the year	2,018	5,000	-	44,758	32,965	-	-
Options granted and outstanding as at the end of the year on 31.03.14	-	64,000	10,000	302,728	65,572	43,329	64,029

2012-13

Particulars	VGL ESOP (As amended) – 2006						
	A	D	E	F	G	H	I
Original Exercise (Grant) Price	240	202	20.65	26.75	33.57	45.30	
Revised Exercise (Grant) Price	45.30	45.30	20.65	26.75	33.57	-	
Date of Grant of Option	06.01.2007	27.07.2007	28.01.2009	29.01.2010	30.09.10	23.07.12	
Vesting commences on	06.01.2008	27.07.2008	28.01.2010	29.01.2011	30.09.11	23.07.13	
Options granted and outstanding as at the beginning of the year on 01.04.12	29,324	12,000	300,000	185,000	20,000	-	
Options granted during the year						477,000	
Options exercised during the year	19,628	9,600	300,000	36,500		-	
Options lapsed during the year	5,900	2,400	-	12,500	10,000	86,875	
Options granted and outstanding as at the end of the year on 31.03.13	3,796	-	-	136,000	10,000	390,125	

The excess of market price per share as on the date of grant of option, over the exercise price for the Stock Option granted to employees (including certain employees of the Subsidiaries), is amortized by the Company over the vesting period. The amortized value for the year of stock options to its employees (including certain employees of the Subsidiaries) amounting to ₹ 421,405 (Previous year charged ₹ 4,773,619) has been credited under employee benefit during the year.

Note No.	Particulars	As at 31st March, 2014 (₹)		As at 31st March, 2013 (₹)	
3	**Reserves & Surplus**				
A.	**Capital Reserve:**				
	Opening Balance	81,263,600		81,263,600	
	Add: Transfer During The Year	-		-	
		81,263,600		81,263,600	
	Less : Written back during year	-		-	
			81,263,600		81,263,600
	Capital Redemption Reserve:				
	Opening Balance	-			
	Add: Transfer During The Year on redemption of preference shares	440,000,000			
		440,000,000			
	Less : Utilised during year	-	440,000,000		
B.	**Securities Premium Account :**				
	Opening Balance	5,884,266,016		5,874,020,191	
	Add: Security premium received on share issue	2,690,170		4,838,123	
	Add: Transfer from Employee stock option outstanding	728,079		5,407,702	
		5,887,684,265		5,884,266,016	
	Less: Premium utilised	-		-	
			5,887,684,265		5,884,266,016
C.	**Employee Stock Option Outstanding**				
	Options granted till date	1,551,581		2,328,452	
	Add : Additonal Compensation on account of repricing			5,381,112	
		1,551,581		7,709,564	
	Less :Transfer to Security premium on allotment	728,077		5,407,702	
	Less : Written off during year	421,405		750,281	
	Closing Balance		402,099		1,551,581
D.	**General Reserve:**				
	Opening Balance	79,647,256		79,647,256	
	Add: Transferred from Profit and Loss Account	-		-	
		79,647,256		79,647,256	
	Less: Withdrawn during the year	-	79,647,256	-	79,647,256
E.	**Foreign Currency Translation Reserve**				
	Opening Balance	382,861,615		128,586,739	
	Add : Current year transfer	108,010,958		254,274,876	
		490,872,573		382,861,615	
	Less : Transfer to statement of profit & loss	163,743,521		-	
			327,129,052		382,861,615
F.	**Surplus/ (Deficit)**				
	Opening balance	(2,856,964,040)		(3,120,781,349)	
	Add/(Less):				
	Net Profit for the current year	531,604,681		263,817,308	
	Transfer to Capital redemption reserve	(440,000,000)			
	Preference share dividend & tax thereon	(33,889,552)			
	Surplus/ (Deficit)		(2,799,248,911)		(2,856,964,040)
			4,016,877,361		**3,572,626,028**

Note No.	Particulars	As at 31st March, 2014 (₹)		As at 31st March, 2013 (₹)	
	NON CURRENT LIABILITIES				
4	**Long Term Borrowings**				
a	The details of Secured or Unsecured Long Term Borrowings outstanding as at March 31,2014 are as under :-				
	Secured:				
	Term Loan from Banks				
	Corporate Loan # (Refer Note No.4c)	-		176,540,000	
	Working Capital Term Loan #	159,055,581	159,055,581	262,475,659	439,015,659
	Unsecured:				
	Deposits (Inter corporate deposit)				
	From Related parties		21,000,000		38,000,000
			180,055,581		**477,015,659**

 # Current maturities are disclosed under other current liabilities

b **Nature of Security**

A. Corporate Loan :-

(i) Above Corporate Loan is secured by second charges on Current Assets as well as Fixed Assets of the Company

(ii) Pledge of 2,300,000 equity shares of ₹ 10 each of Vaibhav Global limited by Brett Plastic Private Limited and;

(iii) Pledge of 21,800,000 equity shares of US $ 1 each of Genoa Jewelers Limited, BVI

B. Working Capital Term Loan

(i) Above WCTL Loan is secured by first pari pasu charge on block of assets (including Land & Building)

C. Working Capital Term Loan & Corporate Loan is further secured by (on pari pasu basis) :-

(i) Pledge of 254,332 equity shares of ₹ 10 each of Vaibhav Global limited by Brett Plastic Private Limited.

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

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

(iv) Pledge of 12,576,633 equity shares of US $ 1 each and assignment of loan worth USD 14.55 million to Genoa Jewelers Limited, BVI and;

(v) Personal Guarantee of Mr. Sunil Agrawal, Chairman and Managing Director of the Company & pledge of 28140 shares in his name.

c **Terms of Repayment of Term Loans**

A. Corporate Loan

IDBI: Term Loan of ₹40.74 Crore with a moratorium period of 30 months and repayable in equal monthly for installment over a period of 60 months commencing July 2011 carrying interest @ 8% p.a. upto June 2011 , 10 % from July 2011 to Mar 13 and there after @ 13.75 % p.a.Company has repaid entire Loan in the month of April,14 and accordingly shown under current maturity of long term Debt.

B. Working Capital Term Loan

Punjab National Bank : WCTL of ₹36 Crore with a moratorium period of 30 months and repayable in equal monthly 60 instalment commencing July 2011 carrying interest @ 8% p.a. upto June 2011, from July 2011 to July 2012 @ 10 %, from August 2012 to Mar 13 10.5 % and @ 14.5 % p.a.thereafter

State Bank of Bikaner & Jaipur: WCTL of ₹18 Crore with a moratorium period of 30 months and repayable in equal monthly 60 instalment commencing July 2011 carrying interest @ 8% p.a. upto June 2011 from July 2011 to July 2012 @ 10 %, from August 2012 to Mar 13 10.5 % and @ 14.5 % p.a.thereafter

Union Bank of India: WCTL of ₹18 Crore with a moratorium period of 30 months and repayable in equal monthly 60 instalment commencing July 2011 carrying interest @ 8% p.a. upto June 2011 from July 2011 to July 2012 @ 10 %, from August 2012 to Mar 13 @ 10.5 %.

Note No.	Particulars	As at 31st March, 2014 (₹)		As at 31st March, 2013 (₹)	
5	**Long Term Provisions**				
	Provision For Employee Benefits:				
	Provision for Gratuity (Refer Note no. 32B)	8,011,013		9,322,731	
	Provision for Compensated Absences (Refer Note no. 32B)	4,470,307	12,481,320	3,368,776	12,691,507
			12,481,320		**12,691,507**

CURRENT LIABILITIES

6 **Short Term Borrowings**

a. The details of Short- Term Borrowings as at March 31,2014 are as under :-

	Secured:			
	Loan Repayable on demand from Banks			
	Pre-shipment Credit	288,286,006	383,489,120	
	Post-shipment Credit	257,746,547	546,032,553	213,448,957	596,938,077
	Unsecured			
	Deposit from related party	-			58,000,000
			546,032,553		**654,938,077**

b. Nature of Security

Working Capital Facilities :-

(i) Above Loans are secured by hypothecation of Stock-in-trade and Book Debts on pari-passu basis.

(ii) Further Secured, on parri-passu basis, by :-

a. Equitable Mortgage of Land and Buildings situated at K-6A & K-6B, Adarsh Nagar and E-68 & E-69 EPIP, Sitapura, Jaipur

b. First charge on block of asset of the company (excluding Land & Building and vehicles)

(iii) Pledge of 254,332 equity shares of Rs. 10 each of Vaibhav Global limited by Brett Plastic Private Limited.

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

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

(vi) Pledge of 12,576,633 equity shares of US $ 1 each and assignment of loan worth USD 14.55 million to Genoa Jewelers Limited, BVI and;

(vii) Personal Guarantee of Mr. Sunil Agrawal, Chairman and Managing Director of the Company & pledge of 28140 shares in his name.

7	**Trade Payables**			
	Trade Payables		345,693,509		186,264,336
			345,693,509		**186,264,336**

Trade Payables include overdue amounts (mainly unclaimed) of Rs. Nil (Previous Year Rs. Nil) including interest of Rs. Nil (Previous Year Rs. Nil) payable to Micro, Small & Medium enterprises. The company does not owe any amount to Micro, Small & Medium enterprises. These enterprises have been identified on the basis of information available to the Company.

8 **Other Current Liabilities**

a. Other Current Liabilities consists of following :-

	Current Maturity of Long Term Debt:			
	-Corporate Loan	183,330,000		81,480,000	
	-Working Capital Term Loan	96,000,000	279,330,000	96,000,000	177,480,000
	Unclaimed Dividend*		33,594		92,922
	Employee benefit payables		17,824,175		14,128,398
	Statutory Dues(including PF,TDS etc.)		5,085,375		3,772,747
	Advance from customers		3,004,990		-
	Forward Contract Payable		10,647,000		-
	Other Payables#		9,746,074		135,420,657
			325,671,208		**330,894,724**

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

Includes Rs. Nil (previous year Rs.16,262,062) being credit balance in current account with a bank and Rs. Nil (Previous year Rs. 111,700,000)being liability for CDR re-compense interest as approved by CDR EG .

Note No.	Particulars	As at 31st March, 2014 (₹)		As at 31st March, 2013 (₹)	
9.	**Short Term Provisions**				
	Provision for employee benefits:				
	Provision for Gratuity (Refer Note no. 32B)	7,444,709		5,713,238	
	Provision for Compensated Absences (Refer Note no. 32B)	387,039	7,831,748	220,577	5,933,815
	Provision for Taxation		-		53,353
			7,831,748		**5,987,168**

10. Please refer to page no. 53

NON CURRENT ASSETS

11. **Non Current Investments**

(Long Term - at Cost less provision for other than temporary diminution) **Amount in ₹**

	Particulars	Gross Amount		Diminution in Value of Investment		Net Amount	
		31.03.2014	31.03.2013	31.03.2014	31.03.2013	31.03.2014	31.03.2013
A.	**Trade Investment (Unquoted) in Equity Instruments** **Investment in wholly owned Subsidiaries (Fully Paid up) :**						
1	1,000 (Previous year -1,000) with no par-value of Jewel Gem USA Inc. (Refer Note No. 27 (a))	-	527,090,000	-	500,443,800	-	26,646,200
2	34,376,633 (Previous year - 34,376,633) Ordinary Shares of US $ 1 each Genoa Jewellers Limited	1,481,150,232	1,481,150,232	-	-	1,481,150,232	1,481,150,232
3	350,000(Previous year - 350,000) Ordinary Shares of Baht 100 each STS Gems Thai Limited	1,112,599,043	1,112,599,043	1,112,599,043	1,112,599,043	-	-
4	200 (Previous year 200) Common Shares with No par value of STS Jewels Inc.	1,995,079,632	1,995,079,632	1,511,097,632	1,511,097,632	483,982,000	483,982,000
5	1,500 (Previous year-1,500) Ordinary Shares of Yen 50,000 each STS Gems Japan Limited	19,918,042	19,918,042	19,918,042	19,918,042	-	-
6	87,500 (Previous year-87,500) Ordinary Shares of HK $100 each STS Gems Limited, Hongkong	157,499,992	157,499,992			157,499,992	157,499,992
	Total (A)	**4,766,246,941**	**5,293,336,941**	**2,643,614,717**	**3,144,058,517**	**2,122,632,224**	**2,149,278,424**
B.	**Other than Trade Investments** **(i) Unquoted Investment in Equity Instrument of Associate (Fully Paid up) :** 360,000 (Previous year - 360,000) Equity Shares of ₹10 each of VGL Softech Limited Extent of holding 19.78 %	5,207,000	5,207,000	5,207,000	5,207,000	-	-
	(ii) Quoted Investment in Equity (Fully Paid up) : 368 (Previous year - 368) Equity Shares of ₹10 each of Punjab National Bank	143,520	143,520	-	-	143,520 -	143,520
	Total (B)	**5,350,520**	**5,350,520**	**5,207,000**	**5,207,000**	**143,520**	**143,520**
C.	**Total (A+B)**	**4,771,597,461**	**5,298,687,461**	**2,648,821,717**	**3,149,265,517**	**2,122,775,744**	**2,149,421,944**

Notes:-

1. Aggregate amount of Quoted Investment	143,520	143,520
2. Market value of Quoted Investment	273,829	264,040
3. Aggregate amount of Non Quoted Investment	4,771,453,941	5,298,543,941
4. Aggregate amount of provision for diminution in value of Investment	2,648,821,717	3,149,265,517

12. **Deferred Tax Assets**

Deferred Tax Assets

Provision for Gratuity	5,253,400		5,110,726	
Provision for Compensated Absences	1,651,012	6,904,412	1,220,021	6,330,747
Less: Deferred Tax Liability:				
Depreciation	6,646,062	6,646,062	4,690,327	4,690,327
		258,350		**1,640,420**

Net deferred tax charge/(credit) for the year of ₹ 1,382,070 (Previous year ₹ 968,840) has been recognized in the statement of Profit and Loss for the year.

NON CURRENT ASSETS

Note 10 **Fixed Assets**

Amount in ₹

		GROSS BLOCK				ACCUMULATED DEPRECIATION				NET BLOCK	
	NAME OF ASSETS	**As at 01.04.2013**	**Addition**	**Deduction***	**As at 31.03.2014**	**Up to 31.3.2013**	**For the Year**	**Deduction***	**Up to 31.03.2014**	**As at 31.03.2014**	**As at 31.3.2013**
A.	**Tangible Assets**										
	Freehold Land	4,894,908	-	-	4,894,908	-	-	-	-	4,894,908	4,894,908
	Leasehold Land	15,477,028	186,099	10,930,159	4,732,968	1,167,508	138,111	-	1,305,619	3,427,349	14,309,520
	Building	68,148,998	5,829,990	27,041	73,951,947	34,538,906	3,660,698	-	38,199,604	35,752,343	33,610,092
	Plant & Machinery	134,252,786	31,066,642	40,043,279	125,276,149	64,025,403	10,151,696	35,025,462	39,151,637	86,124,512	70,227,382
	Electric Installation	20,678,824	1,534,662	65,405	22,148,081	12,387,320	1,226,522	-	13,613,842	8,534,239	8,291,504
	Furniture & Fixtures	28,612,373	3,071,433	16,861,699	14,822,107	19,861,357	1,321,414	14,373,781	6,808,990	8,013,117	8,751,016
	Office Equipment	15,778,935	2,764,189	10,080,966	8,462,158	10,102,825	686,989	7,769,495	3,020,319	5,441,839	5,676,110
	Computer	37,774,774	14,944,218	14,551,036	38,167,956	25,829,330	6,410,766	14,317,250	17,922,846	20,245,110	11,945,444
	Vehicles	6,995,531	1,052,795	-	8,048,326	3,579,325	1,047,767	-	4,627,092	3,421,234	3,416,206
	Total	**332,614,157**	**60,450,028**	**92,559,585**	**300,504,600**	**171,491,974**	**24,643,963**	**71,485,988**	**124,649,949**	**175,854,651**	**161,122,182**
B.	**Capital Work In Progress**					-	-	-	-	-	276,245
	Total	**332,614,157**	**60,450,028**	**92,559,585**	**300,504,600**	**171,491,974**	**24,643,963**	**71,485,988**	**124,649,949**	**175,854,651**	**161,398,427**
	Previous Year	285,192,711	55,783,406	8,361,960	332,614,157	155,248,312	21,940,060	5,696,397	171,491,974	161,398,427	130,353,406

* Deduction includes ₹ 8.08 Crore from Gross Block and ₹ 7.14 crores from Accumulated Depreciation (Net ₹ 0.93 crore) on account Assets Written Off.

Note No.	Particulars	As at 31st March, 2014 (₹)		As at 31st March, 2013 (₹)	
13.	**Long Term Loans & Advances**				
	(Unsecured and considered good unless otherwise stated)				
	Capital Advances		6,620,711		-
	Loans & Advances to subsidiaries				
	Considered good	1,084,500,891	-	1,588,573,352	
	Considered doubtful	-		40,748,490	
		1,084,500,891		1,629,321,842	
	Less: Provision for Doubtful Debts	-	1,084,500,891	40,748,493	1,588,573,348
	Security Deposits		54,590,024	-	32,207,507
			1,145,711,626		**1,620,780,855**
	CURRENT ASSETS				
14.	**Inventories**				
	(Cost & Net realizable value whichever is lower)				
	(As taken, valued and certified by the Management)				
	Materials-in-process		859,829,113		815,763,632
	Semi Finished Goods		15,657,833		13,122,335
	Finished Goods		40,026,838		36,947,796
	Stores and Consumables		5,894,145		8,369,435
			921,407,929		**874,203,198**
14.1	**Particulars of Material-in-process**				
	Gem Stones		786,946,464		725,060,754
	Alloys		3,600,982		5,780,403
	Diamond		30,817,072		43,988,410
	Gold		12,266,153		16,403,917
	Platinum		6,924,967		3,678,456
	Silver		17,533,882		17,188,712
	Parts & Findings		680,916		1,856,608
	Metal (Others)		1,058,677		1,806,372
			859,829,113		**815,763,632**
15.	**Trade Receivables**				
	(Unsecured and considered good unless otherwise stated)				
	Outstanding for a period exceeding Six Months from the date they are due for payments		3,293,960		35,782,381
	Others		878,486,244		934,627,592
			881,780,204		**970,409,973**
16.	**Cash & Bank Balances**				
	Balance with Banks		106,425,932		157,379,357
	Unpaid Dividend account		33,594		92,145
	Bank Deposits- Pledged (maturity within 12 months)		19,231,763		16,262,019
	Bank Deposits- Un Pledged (maturity within 12 months)		185,564,639		0
	Cash on hand		1,349,717		1,567,939
			312,605,645		**175,301,460**
	Cash and Cash Equivalents as per AS-3		**293,340,288**		**158,947,296**

Note No.	Particulars	As at 31st March, 2014 (₹)	As at 31st March, 2013 (₹)
17.	**Short Term Loans and Advances**		
	(Unsecured and considered good unless otherwise stated		
	Loan/Advance To Staff	1,768,501	1,046,206
	Advance To Suppliers	11,949,390	7,418,559
	Prepaid Expenses	8,056,815	4,431,811
	Balances with Tax Authorities	85,875,745	22,020,597
	Premium on forward contracts recoverable	6,715,650	12,495,008
		114,366,101	**47,412,181**
18.	**Other Current Assets**		
	Interest Accrued on Bank FDR	1,530,116	491,051
	Amount recoverable from Subsidieries/other related party	79,683,252	-
	Assets held for Sales	850,000	-
		82,063,368	**491,051**

		Year ended 31st March 2014 (₹)		Year ended 31st March 2013 (₹)	
19.	**Revenue from Operations**				
	Sale of Products:				
	Export Sales	2,884,668,008		2,320,435,396	
	Domestic Sales	593,513,947	3,478,181,955	166,802,787	2,487,238,183
	Other Operating income		4,550,682		4,044,652
			3,482,732,637		**2,491,282,835**
19.1	**Particulars of Sale of Products**				
	Gem Stones		758,305,527		320,850,863
	Jewellery & Others		2,685,045,944		2,154,673,603
	Diamond		34,830,483		11,713,717
			3,478,181,955		**2,487,238,183**
20.	**Other Income**				
	Interest		3,791,355		2,415,295
	Interest/fees from Subsidieries		59,845,152		-
	Dividend Received		13,616		8,096
	Liability No Longer required		531,624		756,546
	Premium On Forward Contract		30,553,146		11,144,404
	Miscellaneous Income		3,040,628		6,723,420
	Exchange Fluctuation (Net)*		213,671,497		62,658,052
			311,447,018		**83,705,813**

* Exchange Fluctuation includes ₹ 25.38 Cr (including ₹ 16.37 Cr transfered from FCTR) on account of Loan repayment from a wholly owned subsidiary and loss of ₹ 4.01 crores arising from other assets, liabilities & transactions, including forward contracts (both realised & unrealised).

21.	**COST OF MATERIAL CONSUMED**				
	Materials Consumed				
	Opening Material-in-process	815,763,632		705,989,037	
	Add: Purchases	2,342,016,420		1,839,994,143	
		3,157,780,052		2,545,983,180	
	Less: Closing Material-in-process	859,829,113	2,297,950,939	815,763,632	1,730,219,548
			2,297,950,939		**1,730,219,548**

\# Consumption disclosed above is on the basis of derived figures rather than actual records of issues.

Note No.	Particulars	Year ended 31st March, 2014 (₹)		Year ended 31st March, 2013 (₹)	
22.	**PURCHASES OF STOCK-IN-TRADE**				
	Purchases of Finished Goods		63,886,220		16,981,276
			63,886,220		**16,981,276**
23.	**CHANGES IN STOCK-IN-TRADE**				
	Decrease/(Increase) of Stock-in-Trade consists of				
	Finished Goods:				
	Opening Stocks				
	Semi Finished Goods	13,122,335		28,958,991	
	Finished Goods	36,947,796		3,337,592	
		50,070,131		32,296,583	
	Less: Closing Stocks				
	Semi Finished Goods	15,657,833		13,122,335	
	Finished Goods	40,026,838		36,947,796	
		55,684,671	(5,614,540)	50,070,131	(17,773,548)
			(5,614,540)		**(17,773,548)**
24.	**EMPLOYEES BENEFIT EXPENSE**				
	Salaries, Wages, Bonus etc.		247,869,818		188,065,723
	Contributions to Provident and Other Funds		17,452,231		14,480,489
	Staff Welfare Expenses		18,772,778		9,474,142
	Employee Compensation Expenses under ESOS (Refer Note No.2f)		(421,405)		4,773,619
	Recruitment and Training		6,835,118		7,620,720
			290,508,540		**224,414,693**
25.	**FINANCE COST**				
	Interest				
	- On Term Loans	72,095,998		72,109,837	
	- On Working Capital Facilities	35,385,733	107,481,731	34,209,676	106,319,513
	Finance Charges		10,030,059		10,243,741
			117,511,790		**116,563,254**
26.	**OTHER EXPENSES**				
a.	**MANUFACTURING EXPENSES**				
	Job Work Charges		246,410,741		152,899,513
	Stores and Consumables		59,326,813		36,176,553
	Power and Fuel		22,480,399		17,011,957
	Repairs and Maintenance		17,209,562		9,218,976
	Other Manufacturing Expenses		11,187,056		6,667,968
			356,614,571		**221,974,967**
b.	**ADMINISTRATIVE & SELLING EXPENSES**				
	Rent, Rates and Taxes		7,330,167		3,535,720
	Insurance		6,890,363		5,531,685
	Travelling and Conveyance		28,270,159		15,223,539
	Legal and Professional		7,721,504		4,196,755
	Postage and Telephone		5,357,969		2,872,285
	Printing and Stationery		2,428,933		1,205,402
	Advertisement and Business Promotion		2,626,840		511,528
	Brokerage and Commission		-		13,277
	Packing and Forwarding		43,837,555		27,654,262
	Misc. Expenses		24,428,374		13,383,913
	Donation		2,663,604		1,794,000

Note No.	Particulars	Year ended 31st March, 2014 (₹)		Year ended 31st March, 2013 (₹)	
	Auditors' Remuneration				
	- Statutory Audit Fees	1,271,460		1,365,000	
	- Taxation Matters	365,375		932,500	
	- for Other services	654,500		670,352	
	- Reimbursment Of Expenses	650,114	2,941,449	501,231	3,469,083
	Directors' Remuneration		4,200,000		4,200,000
	Loss on sale of Assets		1,491,913		1,031,546
	Fixed Asset written off		8,469,400		
	Investment in Subsidiary Written off			62,031,574	
	Less : Provision there against Written back		-	62,031,574	-
	Directors' Sitting Fees		610,000		690,000
	Information Technology Expenses		358,484		1,202,450
			149,626,714		**86,515,446**
	Total Other Expenses		**506,241,285**		**308,490,413**
27.	**EXCEPTIONAL ITEMS**				
	Reversal of Provision against Loans and Equity to a subsidiary		541,192,293		1,833,629,172
	Loss on sale of Investment in Subsidieries		(507,257,000)		
	Provision for diminuation in value of				
	Loan/ Equity investment in subsidiaries		-		(1,632,118,907)
	CDR re-compense interest provided		-		(111,700,000)
			33,935,293		**89,810,265**

a. During the year the company sold its 100 % holding in Jewel Gem USA Inc. to Genoa Jewellers Limited, BVI, a another wholly owned subsidiary of the Company for ₹ 19,833,000 vide its agreement dated 27th March,2014. As per the terms & conditions of this agreement, the entire loan along with accrued Interest of ₹ 121,203,646 was also assigned to Genoa Jewelers Limited, BVI. This resulted in a loss of ₹ 507,257,000 which was adjusted against the provision (made in earlier years) of ₹ 541,192,293 standing in the books of accounts as shown above.

28.	**Value of Import on CIF basis**				
	Raw Material		1,383,848,136		889,290,823
	Components & spare parts		17,725,732		12,318,300
	Capital goods		6,241,958		22,868,503
			1,407,815,827		**924,477,626**
29.	**Value and % of Material Consumption**				
	Raw Materials and Components:	*%*		*%*	
	Imported	63.00	1,447,709,092	47.00	813,203,188
	Indigenous	37.00	850,241,846	53.00	917,016,360
			2,297,950,939		**1,730,219,548**
	Consumables, Stores & Spares:				
	Imported	29.00	17,204,776	88.00	31,835,367
	Indigenous	71.00	42,122,037	12.00	4,341,186
			59,326,813		**36,176,553**
30	**Expenditure in Foreign Currency**				
	Travelling Expenses		2,387,867		967,144
	Legal & Professional fees		907,625		-
	Others		5,210,282		-

Note No.	Particulars	Year ended 31st March, 2014 (₹)	Year ended 31st March, 2013 (₹)
31.	**Earnings in Foreign Currency**		
	Export of goods calculated on F.O.B. basis	2,848,337,892	2,297,776,115
	Commission	-	210,601
	Interest	55,045,710	-
	Gurantee fees	4,799,442	-

32. The Company has classified various benefits provided to employees as under:

A. Defined Contribution Plans

a. Provident Fund

b. State Defined Contribution Plan

i. Employer's Contribution to Employees State Insurance

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

Particulars		
Employer's contribution to Provident Fund	11,282,962	9,205,769
Employer's contribution to Employees State Insurance	6,169,269	5,274,720
	17,452,231	**14,480,489**

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

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

	Gratuity	Compensated Absences	Gratuity	Compensated Absences
Discount Rate (per annum)	9.10%	9.10%	8.10%	8.10%
Rate of increase in compensation levels (per annum)	10.00%	10.00%	10.00%	10.00%
Rate of return on Plan Assets (for Funded Scheme)	8.75%	0.00%	9.15%	0.00%
Expected Average remaining working lives of the employees	19 Years		19 Years	

I. Change in the Present Value of Obligation

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

	Gratuity	Compensated Absences	Gratuity	Compensated Absences
Present value of defined benefit obligation as at beginning of the year	25,598,437	3,589,353	19,085,584	2,921,143
Interest cost	2,073,473	290,738	1,641,360	251,218
Past Service cost	NIL	NIL	NIL	NIL
Current service cost	4,423,756	1,866,357	4,141,500	1,087,522
Benefits paid	(1,410,885)	(268,254)	(859,112)	(83,060)
Actuarial (gain) / loss on obligations	(2,674,362)	(620,848)	1,589,105	(587,470)
Present value of defined benefit obligation as at the end of the year	**28,010,419**	**4,857,346**	**25,598,437**	**3,589,353**

	As at 31st March 2014 (₹)		As at 31st March 2013 (₹)	
II. Changes in the Fair Value of Plan Assets	Gratuity	Compensated Absences	Gratuity	Compensated Absences
Present value of plan assets as at beginning of the year	10,562,468	NIL	6,497,836	NIL
Expected return on plan assets	966,466	NIL	604,654	NIL
Contributions	1,532,855	NIL	4,319,090	NIL
Benefits paid	(1,410,885)	NIL	(859,112)	NIL
Actuarial gains / (losses)	(96207)	NIL	NIL	NIL
Fair value of plan assets as at end of the year *	**11,554,697**	NIL	**10,562,468**	NIL

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

Note No.	Particulars	As at 31st March, 2014 (₹)		As at 31st March, 2013 (₹)	
	III. Reconciliation of Present Value of Defined Benefit Obligation and the Fair Value of Assets				
	Particulars	Gratuity	Compensated Absences	Gratuity	Compensated Absences
	Present value of funded obligation as at end of the year	28,010,419	4,857,346	25,598,437	3,589,353
	Fair value of plan assets as at end of the year	11,554,697	-	10,562,468	-
	Liability recognised in the Balance Sheet	16,455,722	4,857,346	15,035,969	3,589,353
	Shown as				
	Long term provision (refer note no.5)	8,011,013	4,470,307	9,322,731	3,368,776
	Short term provision (refer note no.9)	7,444,709	387,039	5,713,238	220,577
	IV. Amount recognised in the Balance Sheet				
		Gratuity	Compensated Absences	Gratuity	Compensated Absences
	Present value of defined benefit obligation as at the end of the Year	28,010,419	4,857,346	25,598,437	3,589,353
	Fair value of plan assets as at end of the year	11,554,697	-	10,562,468	-
	Liability / (Net Asset) recognised in the Balance Sheet	16,455,722	4,857,346	15,035,969	3,589,353
		Year ended 31st March 2014 (₹)		**Year ended 31st March 2013 (₹)**	
	V. Expenses recognised in Profit and Loss Account				
		Gratuity	Compensated Absences	Gratuity	Compensated Absences
	Current service cost	4,423,756	1,866,357	4,141,500	1,087,522
	Past service cost	0	0	-	-
	Interest cost	2,073,473	290,738	1,641,360	251,218
	Expected Return on Plan Assets	(966,466)	-	(604,654)	-
	Net Actuarial (gain) / Loss recognised in the period	(2,578,155)	(620,848)	1,589,105	(587,470)
	Total Expenses recognised in the Profit and Loss Account*	**2,952,608**	**1,536,247**	**6,767,311**	**751,270**
	**** included in Salaries, wages, bonus etc in Note No.24***				
	VI. Actual Return on Plan Assets				
	Particulars	Gratuity	Compensated Absences	Gratuity	Compensated Absences
	Expected Return on Plan Assets	966,466	NIL	604,654	NIL
	Actuarial gain / (losses) on Plan Assets	NIL	NIL	NIL	NIL
	Actual Return on Plan Assets	**966,466**	**NIL**	**604,654**	**NIL**

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

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

b. Compensated Absences (Non – Funded Scheme)
Compensated Absences has been provided based on valuation, as at the balance sheet date, made by independent actuaries.

33 **Un-hedged foreign currency exposures as at March 31, 2014 are as under:**

Particulars		
Receivables (Net of Hedge)	1,768,796,214	2,242,132,213
Payables	748,472,015	705,285,237
Guarantees given	239,726,400	1,530,850,386

34 Two Wholly owned subsidiaries of the company, namely Genoa Jewelers Ltd and STS Gems Thai Ltd. are having negative net worth as per the Audited financials of these companies. The company has exposure of ₹ 2,593,749,275 (Previous year ₹ 3,120,839,275) ₹ 1,054,450,991 (Previous year ₹ 16,021,845) & ₹ 540,992,949 (Previous year ₹ 757,997,632) in these companies towards investments, loans and advances and Trade receivables respectively against which aggregate provision of ₹ 1,112,599,043 (Previous year ₹ 1,653,791,336) has been made in the accounts of earlier year. The management of the company does not foresee any further requirement of provision in respect of these subsidiaries. Since the investment in these subsidiaries are long term in nature and all of the subsidiaries are having substantial carrying business value.

35 The share application money of ₹ 424158 has been received under VGL (ESOP) Scheme from employees of the company and its subsidiaries. Total Number of shares to be alloted are 13266 out of which 3266 shares are to be alloted at premium of ₹ 35.30 per share and 10000 shares are to be alloted at a premium of ₹ 16.75 per share. The company has sufficent authorised capital to cover the share capital amount on allotment of shares out of share application money. No share application money is due for refund and has not remained pending beyond the period of allotment as mentioned in the share application form. These shares have been alloted on May 14, 2014.

36 **Related Party Disclosures:**

A. List of related parties with whom transactions have taken place and relationships:

Subsidiaries (Direct and Step down)

1. Jewel Gem USA Inc.;
2. STS Gems Japan Limited;
3. STS Gems Limited, Hong Kong;
4. STS Jewels Inc., USA;
5. STS Gems Thai Limited, Thailand;
6. Genoa Jewelers Limited, BVI;
7. The Jewellery Channel Inc., USA (Step down)
8. The Jewellery Channel Ltd., United Kingdom; (Step down)

Enterprises in which Key management personels are interested :

1. VGL Softech Limited
2. Surawell Pacific Limited
3. Brett Plastic Pvt. Limited
4. Shivram Global Private Limited
5. Emerald Creation Inc.
6. Anubhav Gems (P) Ltd
7. Reengus Exim Private Limited
8. STP Exim Private Limited
9. Heartiford Ltd.
10. STS Holdings Ltd.
11. Sony Mikes holdings Ltd
12. Punag Ltd.

Key Management Personnel (KMP):

1. Shri Sunil Agarwal –Chairman & Managing Director w.e.f.1st Feb,2014
2. Shri Rahimullah – Whole time Director w.e.f.1st Feb,2014 (MD till 31st Jan,2014)
3. Shri Hemant Sultania – Group CFO w.e.f.1st Dec,2013
4. Shri Brahm Prakash – Company Secretary

Relative of Key Management Personnel

1. Mr. Asifullah;
2. Mr. Arifullah,

Note No.	Particulars	As at 31st March, 2014 (₹)	As at 31st March, 2013 (₹)

B. Related Party Transactions

Amount in ₹

Nature of Transcations	Subsidiary		Key Managerial Person		Relative of Key Managerial Person & Enterprises over which significant influence exercised by Key Managerial Person	
	2013-14	**2012-13**	**2013-14**	**2012-13**	**2013-14**	**2012-13**
(i) Transactions During the year						
a. Sales of Goods	2,622,604,257	2,173,724,180			46,440,553	62,634,250
b. Purchases of Goods	312,896,094	290,397,911			-	692,250
c. Loan Given/(Repaid)	(504,072,457)					
d. Purchase of Fixed Assets	799,866					
e. Expense	20,092,310	7,130,081			4,876,069	3,259,134
f. Advance Given/(Repaid)		-				
g. Unsecured Loan taken					98,600,000	58,000,000
h. Guarantee						
i. Remuneration			7,164,659	4,200,000		
j.Interest Income	59,845,151	-				
k. Repayment of Unsecured Loan	-				156,600,000	
l. Sale of Investments	19,833,018	-				
(ii) Balances as the end of the year						
a. Amount Receivable	619,365,150	901,234,868				
b. Amount Payable	61,337,994	97,961,056				
c. Unsecured Loans taken					21,000,000	96,000,000
d. Loan Receivable	1,084,500,891	1,629,321,845				
e. Investment	4,766,246,941	5,293,336,941			5,207,000	5,207,000
f. Guarantee	239,726,400	1,613,410,386				

Note No. 36 C is given at page no. 64

37 **Segment Reporting**

Due to change in organizational structure as well as business focus of company consequent upon acquisition/setting up of various Overseas Corporate Bodies, differential risk and rewards are now more identifiable and associated with the methods of distribution of products and hence, Company has identified business segment with respect to methods of distribution as Primary Segment for its Consolidated Operation. The Company on standalone basis, operates in only one business segment – "Wholesale Business" In view of this, no further disclosure is required as per Accounting Standard "AS-17".

38. **Particulars in respect of Loans & Advances given to Subsidiaries as required by listing agreement**

Name of Company	Type	Balance as at		Maximum amount outstanding during the year	
		31st Mar, 2014	**31st Mar, 2013**	**31st Mar, 2014**	**31st Mar, 2013**
Jewel Gems Usa Inc.	Loan	-	109,400,845	-	109,400,845
Genoa Jewellers Limited	Loan	874,151,591	1,329,591,000	1,329,591,000	1,329,591,000
STS Gems Ltd. HK	Loan	30,049,900	27,190,000	30,049,900	27,190,000
STS Gems Thai Ltd.	Loan	180,299,400	163,140,000	180,299,400	163,140,000

Note No.	Particulars	As at 31st March, 2014 (₹)	As at 31st March, 2013 (₹)
39.	**Earning Per Share (EPS)**		
	a. Profit after Tax (₹)	531,604,681	263,817,308
	b. Dividend on Preference Shares (₹)	-	4,400,000
	c. Profit attributable to Equity Shareholders for Basic and Diluted EPS (₹) (a-b)	531,604,681	259,417,308
	d. i) Weighted average number of Equity Shares outstanding during the year for Basic EPS	32,026,026	31,785,764.96
	ii) No of Stock Option Outstanding	549,658	539,921
	iii) No of Dilutive Potential Equity Shares	414,641	327665
	e. Weighted average number of Equity Shares outstanding during the year for Diluted EPS (d(i)+d(iii))	32,440,667	32,113,430
	f. **Basic Earning Per Share**	16.60	8.16
	g. **Diluted Earning Per Share**	16.39	8.08
40.	**Contingent Liabilities and Commitments**		
	1(a). Capital Commitment:		
	Commitments	15,100,000	Nil
	1(b). Contingent Liabilities:		
	Guarantees given by bank on behalf of the Company	25,000,000	91,560,000
	Guarantees given to bank & others by the Company	239,726,400	1,530,850,386
	Disputed Tax Matters:		
	Custom Duty	18,33,26,582	64,226,582
	Income tax *	165,415,902	3,880,370

* In respect of income tax liability for Assessment Year 2010-2011, for which reference has been made by the Company to Dispute Resolution Panel (DRP) against Draft Assessment Order. Pending final outcome of the DRP order amount in not ascertainable.

Dividend on Cumulative Preference Share* - 24,566,667

(*Arrears pertaining to 2007-08, 2008-09 ,2009-10, 2010-11, 2011-12 & 2012-13)

41 Previous year's figure have been regrouped/ rearranged wherever necessary.

As per our attached report of even date ***For and on behalf of the Board***

For HARIBHAKTI & CO.
Chartered Accountants
F.R. No.: 103523W

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

SUNIL AGRAWAL
Chairman & Managing Director
DIN : 00061142

RAHIMULLAH
Whole Time Director
DIN : 00043791

CHETAN DESAI
Partner
M.No.: 17000

SANDEEP MUNDRA
Partner
M.No.: 075482

SHEELA AGARWAL
Director
DIN : 00178548

BRAHM PRAKASH
Company Secretary

Jaipur, 14th May, 2014

Financial Information of the Subsidaries of the Company

Name of the Company	Issued & Subscribed Share capital	Reserves	Total Liabilities	Total Assets	Investment other than Investment in Subsidiary	Turnover	Profit/ (Loss) before Taxation	Provision for Taxation	Profit & (Loss) after Taxation	Proposed Dividend
STS Jewels Inc., USA	29,879,000	(3,623,570)	304,626,768	330,882,198	-	780,163,469	39,118,713	-	39,118,713	NIL
STS Gems Thai Limited, Thailand	64,225,000	(70,347,918)	199,808,964	193,686,046	-	265,921,022	6,220,663	-	6,220,663	NIL
STS Gems Limited, Hong Kong	67,395,125	230,024,016	408,016,588	705,435,729	-	1,682,881,872	74,586,794	9,067,575	65,519,219	NIL
STS Gems Japan Limited	43,590,000	(52,854,953)	9,316,268	51,315	29,060	-	(813,693)	307	(814,000)	NIL
Jewel Gem USA Inc.	19,720,140	(287,506,196)	332,972,329	65,186,273	-	-		-		NIL
Genoa Jewellers Limited, BVI	2,054,278,835	(1,341,290,793)	945,231,607	1,658,219,649	-	-	(22,938,559)	-	(22,938,559)	NIL
The Jewellery Channel Ltd., UK	720,790,538	(962,099,839)	971,468,274	730,158,973	-	2,950,333,608	142,434,055	-	142,434,055	NIL
The Jewelry Channel Inc., USA	179,274,000	(119,673,099)	860,718,456	920,319,357	-	8,556,401,663	847,234,746	17,072,530	830,162,216	NIL

NOTES :

1. All foreign subsidiaries figures are converted into Indian Rupees on standalone basis and all balance sheet item at closing rate and all profit and loss account item at average rate.

36 C. Details of Material Related Party Transactions

`in Crore

Nature of Transcations	Subsidiaries																Total Subsidiaries		Key Managerial		Enterprises over which significant influence exercised by Key Managerial Persons														Enterprises over	
	TJC UK		TJC USA		Genoa Jewellers Limited		Jewel Gem USA Inc.		STS Jewels Inc. USA		STS Gems Japan Limited		STS Gems Limited, Hongkong		STS Gems Thai Limited		Total		Total		VGL Softech Limited		Brett Plastics Pvt. Ltd.		Reengus Exim Pvt Ltd.		Stp Exim Pvt Ltd.		Shivram Properties Pvt Ltd.		Aunbhav Gems Ltd.		Surawell Pacific Limited		Total	
	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13
(i) Transaction during the year																																				
a. Sales of Goods	5,209.73	4,630.60	17,286.91	13,441.82	-	-	-	-	3,011.07	2,684.28	-	-	609.59	966.53	108.75	24.02	26,226.04	21,737.24	-	-	-	-	-	-	-	-	-	-	-	-	464.41	626.34	-	-	464.41	626.34
b. Purchases of Goods	6.72	-	0.37	-	-	-	-	-	1,214.85	1,177.30	-	-	1,552.57	1,129.46	354.45	597.22	3,128.96	2,903.98	-	-	-	-	-	-	-	-	-	-	-	-	-	6.92	-	-	-	6.92
c. Advance Given	-	-	-	-	-3,874.12	-	-1,166.60	-	-	-	-	-	-	-	-	-	-5,040.72	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
d. Purchase of Fixed Assets	-	-	-	-	-	-	-	-	-	-	-	-	8.00	-	-	-	8.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
e. Expenses Reimbursement	13.16	30.54	13.43	18.32	-	-	-	-	131.62	17.55	-	-	49.50	3.13	1.21	1.77	208.92	71.30	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
f. Expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	11.57	-	11.75	-	17.56	-	7.88	32.59	-	-	-	-	48.76	32.59
g. Interest/ fees Recived	47.99	-	-	-	428.45	-	45.44	-	-	-	-	-	10.94	-	65.63	-	598.45	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
h. Unsecured Loan taken	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	460.00	-	-	-	-	-	526.00	580.00	-	-	-	-	986.00	580.00
i. Repayment of Unsecured Loan	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-0.00	-	-	-	-	-	-0.01	-	-	-	-	-	-0.02	-
j. Remuneration	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.00	0.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
K. Sale of Investments	-	-	-	-	198.33	-	-	-	-	-	-	-	-	-	-	-	198.33	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(ii) Balances as at year end	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
a. Amount Receivable	1,688.41	2,595.60	2,921.22	4,964.86	-	-	-	-	1,245.61	1,225.35	-	-	319.52	207.02	18.90	19.52	6,193.65	9,012.35	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
b. Amount Payable	-	0.92	-	49.34	-	-	-	-	272.85	181.59	-	-	330.06	687.83	10.47	59.92	613.38	979.61	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
c. Loan Receivable	-	-	-	-	8,741.52	13,295.91	-	1,094.01	-	-	-	-	300.50	271.90	1,802.99	1,631.40	10,845.01	16,293.22	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
d. Loan Payable	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	82.00	82.00	49.50	119.50	78.50	178.50	-	580.00	-	-	-	-	210.00	960.00
e. Investment	-	-	-	-	14,811.50	14,811.50	-	5,270.90	0.20	19,960.80	0.00	199.18	1,575.00	1,575.00	0.11	11,125.99	16,386.82	52,933.37	-	-	52.07	52.07	-	-	-	-	-	-	-	-	-	-	-	-	52.07	52.07
f. Guarantee	2,397.26	15,046.50	-	-	-	-	-	-	-	-	-	-	-	1,087.60	-	-	2,397.26	16,134.10	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

INDEPENDENT AUDITORS' REPORT

ON THE CONSOLIDATED FINANCIAL STATEMENTS OF VAIBHAV GLOBAL LIMITED

To ,

The Board of Directors of Vaibhav Global Limited

We have audited the accompanying consolidated financial statements of Vaibhav Global Limited ("the Company") and its subsidiaries (the Company and its subsidiaries constitute "the Group") which comprise the consolidated balance sheet as at March 31, 2014, and the consolidated Statement of Profit and Loss and consolidated Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation of these consolidated financial statements on the basis of separate financial statements and other financial information regarding components that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with accounting principles generally accepted in India; this includes the design, implementation and maintenance of internal control 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

Opinion

We report that the consolidated financial statements have been prepared by the Company's Management in accordance with the requirements of Accounting Standards (AS) 21, "Consolidated financial statements" as notified pursuant to the Companies (Accounting Standards) Rules, 2006 and on the basis of the separate financial statements of Vaibhav Global Limited and its subsidiaries.

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 the financial statements of the subsidiaries and certain other information compiled by the management as mentioned in the 'Other Matter' paragraph below, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

(a) in the case of the consolidated Balance Sheet, of the state of affairs of the Group as at March 31, 2014;

(b) in the case of the consolidated Statement of Profit and Loss, of the profit for the year ended on that date; and

(c) in the case of the consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

Emphasis of Matter

We draw attention to:

i. Accounting Policy on Inventories wherein the determination of estimated net realizable value and specific identification involves technical judgments of the management which has been relied upon by us. Our opinion is not qualified in respect of this matter.

ii. Note 33 to the consolidated financial statements. As explained therein the auditors of two subsidiaries have laid an emphasis of matter on the ability of the subsidiaries to continue on going concern basis without adequate support of the Company.

Our opinion is not qualified in respect of the above matters.

Other Matter

The financial statements of five subsidiaries, whose financial statements reflect total assets (net) of ₹ 346.40 crores as at March 31, 2014, total revenues of ₹ 1,432.74 crores and net cash inflows amounting to ₹ 13.20 crores for the year then ended have been audited either by other auditors or by one of us and whose reports have been furnished to us by the Management. Our opinion is based solely on the reports of such auditors. Our opinion is not qualified in respect of this matter.

For Haribhakti & Co.
Chartered Accountants
Firm Registration No.103523W

Chetan Desai
Partner
Membership No.17000
Place : Jaipur

Date: May 14, 2014

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

Sandeep Mundra
Partner
Membership No.75482
Place : Jaipur

Date : May 14, 2014

Consolidated Balance Sheet as at 31st Mar, 2014

Particulars	Note	As at 31st Mar, 2014 (₹)	As at 31st Mar, 2013 (₹)
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	2	321,756,180	760,642,010
Reserves and Surplus	3	2,007,647,900	830,759,199
		2,329,404,080	**1,591,401,209**
Share application money pending allotment (Refer Note No.31)		424,158	-
Non-Current Liabilities			
Long-Term Borrowings	4	180,055,581	477,015,659
Long-Term Provisions	5	12,844,570	13,051,945
		192,900,151	**490,067,604**
Current Liabilities			
Short-Term Borrowings	6	783,822,346	954,846,404
Trade Payables	7	693,441,080	447,702,473
Other Current Liabilities	8	598,290,216	492,195,393
Short-Term Provisions	9	65,183,817	33,745,706
		2,140,737,459	**1,928,489,976**
	Total	**4,663,465,848**	**4,009,958,789**
ASSETS			
Non-Current Assets			
Fixed Assets			
Tangible Assets	10	374,529,722	289,672,531
Intangible Assets	10	286,831,871	286,831,871
Capital Work-In-Progress	10	-	276,245
Non-Current Investments	11	29,540,917	172,355
Deferred Tax Assets (Net)	12	258,350	1,640,420
Long-Term Loans and Advances	13	286,522,409	116,045,030
		977,683,269	**694,638,452**
Current Assets			
Current Investments	14	-	601,058
Inventories	15	1,961,518,409	2,090,848,668
Trade Receivables	16	542,605,294	355,788,149
Cash and Bank Balances	17	720,610,315	459,032,040
Short-Term Loans and Advances	18	458,663,343	408,282,813
Other Current Assets	19	2,385,218	767,609
		3,685,782,579	**3,315,320,337**
Total		**4,663,465,848**	**4,009,958,789**
Significant Accounting Policies	**1**		

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

As per our attached report of even date ***For and on behalf of the Board***

For HARIBHAKTI & CO.
Chartered Accountants
F.R. No.: 103523W

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

SUNIL AGRAWAL
Chairman & Managing Director
DIN : 00061142

RAHIMULLAH
Whole Time Director
DIN : 00043791

CHETAN DESAI
Partner
M.No.: 17000

SANDEEP MUNDRA
Partner
M.No.: 075482

SHEELA AGARWAL
Director
DIN : 00178548

BRAHM PRAKASH
Company Secretary

Jaipur, 14th May, 2014

Consolidated Statement of Profit and Loss account for year ended March 31, 2014

Particulars	Note	Year ended 31st Mar, 2014 (₹)	Year ended 31st Mar, 2013 (₹)
REVENUE			
Revenue From Operations	20	12,982,671,665	8,928,941,090
Other Income	21	350,379,079	376,638,382
Total		**13,333,050,744**	**9,305,579,472**
EXPENSES			
Cost of Materials Consumed	22	2,294,313,411	1,703,283,593
Purchases of Stock-In-Trade	23	1,840,109,121	1,578,398,888
Decrease/(Increase) of Stock-In-Trade	24	170,920,450	(259,181,850)
Employees Benefit Expenses	25	2,068,997,984	1,419,338,089
Financial Costs	26	144,965,602	144,583,784
Depreciation and Amortization Expense	10	74,746,336	73,203,622
Other Expenses	27	5,186,162,146	3,848,134,162
Total		**11,780,215,050**	**8,507,760,288**
Profit Before Exceptional Items and Tax		**1,552,835,694**	**797,819,184**
Exceptional Items	28	-	(1,637,274,304)
Profit Before Tax		**1,552,835,694**	**(839,455,120)**
Tax Expense:			
(1) Current Tax		26,140,412	16,553,550
(2) Earlier Years Tax		-	(876,284)
(3) Deferred Tax Charges/(Credits)		1,382,070	968,840
		27,522,482	**16,646,106**
Profit for the Year		**1,525,313,212**	**(856,101,226)**
Earnings Per equity Share of ₹ 10 Each (Refer Note No.36)			
Basic (₹)		47.63	(27.07)
Diluted (₹)		47.02	(26.80)
Significant Accounting Policies	**1**		

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

As per our attached report of even date ***For and on behalf of the Board***

For HARIBHAKTI & CO.
Chartered Accountants
F.R. No.: 103523W

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

SUNIL AGRAWAL
Chairman & Managing Director
DIN : 00061142

RAHIMULLAH
Whole Time Director
DIN : 00043791

CHETAN DESAI
Partner
M.No.: 17000

SANDEEP MUNDRA
Partner
M.No.: 075482

SHEELA AGARWAL
Director
DIN : 00178548

BRAHM PRAKASH
Company Secretary

Jaipur, 14th May, 2014

Consolidated Cash Flow Statement for the year ended March 31, 2014

(Amount in Rupees)

Particulars	Year ended 31st Mar, 2014 (₹)	Year ended 31st Mar, 2013 (₹)
A. Cash Flow from Operating Activities		
Net Profit / (Loss) before tax	**1,552,835,699**	**(839,455,119)**
Adjustment for :		
Depreciation	74,746,336	73,203,619
Employee compensation Expenses	(421,405)	4,773,619
Exceptional Item	-	1,637,274,304
Profit/Loss on sales of Investment	4,392,041	-
Loss/(Profit) on sale of Fixed Assets	9,961,313	1,031,546
Liability No Longer required	8,743,211	(2,684,811)
Leave Encashment & Gratuity Expenses	1,687,746	3,116,431
Interest and Dividend earned	(29,183,604)	(22,285,237)
Interest paid on borrowings	144,965,602	144,583,784
Operating Profit before working Capital Changes	**1,767,726,939**	**999,558,136**
Adjustment for :		
Trade and other Receivables	(514,335,335)	195,842,855
Trade payables, Provisions, Other Current Liabilities	346,492,797	(17,915,153)
Stock- in - Trade	129,330,259	(372,958,582)
Cash generated from Operations	**1,729,214,660**	**804,527,256**
Direct Taxes paid	-	(16,553,551)
Earlier Year Tax	50,000,000	876,284
Net Cash from operating activities	**1,779,214,660**	**788,849,989**
B. Cash Flow from Investing Activities		
Purchase of Fixed Assets	(179,827,121)	(135,314,865)
Sale of Fixed Assets	10,538,529	
Sales/(Purchases) of Shares/Mutual Fund	(28,767,504)	130,141,834
Profit/(Loss) on sale of investment	(4,392,041)	(14,476,672)
Interest and Dividend received	29,183,604	22,285,237
Net Cash used in Investing Activities	**(173,264,533)**	**2,635,534**
C. Cash Flow from Financing Activites		
Proceeds from /(Repayment of) Long Term Borrowings	(296,960,078)	(178,177,932)
Proceeds from /(Repayment of) Short Term Borrowings	(171,024,058)	11,428,036
Repayment of prefered capital,dividend & Tax thereon	(473,889,552)	-
Proceeds from Issuance of Share Capital	4,228,497	8,495,402
Interest Paid on Borrowings	(144,965,602)	(144,583,784)
Net Cash used in Financing Activities	**(1,082,610,793)**	**(302,838,278)**
D. Impact of movement of exchange rates		
Movement in FCTR	**(335,122,591)**	**(219,210,634)**
Impact on inter-transfer of shares of subsidiary	**18,318,866**	**-**
	(316,803,725)	**(219,210,634)**
Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C+D)	**206,535,609**	**269,436,611**
Openning Balance of Cash and Cash Equivalents	405,345,313	135,908,702
Closing Balance of Cash and Cash Equivalents	**611,880,922**	**405,345,313**
Cash and Cash Equivalents comprises		
Cash, cheques and drafts in hand	16,628,487	2,523,540
Balance with bank in current accounts	595,252,437	402,821,773
	611,880,924	**405,345,313**

The Cash Flow Statement has been prepared under the "Indirect Method " as set out in 'Accounting Standard-3'-Cash Flow Statement' as prescribed in the Companies (Accounting Standards) Rules,2006.

As per our attached report of even date ***For and on behalf of the Board***

For HARIBHAKTI & CO.
Chartered Accountants
F.R. No.: 103523W

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

SUNIL AGRAWAL
Chairman & Managing Director
DIN : 00061142

RAHIMULLAH
Whole Time Director
DIN : 00043791

CHETAN DESAI
Partner
M.No.: 17000

SANDEEP MUNDRA
Partner
M.No.: 075482

SHEELA AGARWAL
Director
DIN : 00178548

BRAHM PRAKASH
Company Secretary

Jaipur, 14th May, 2014

Note No.1 Significant Accounting Policies for Consolidated Accounts

1) Basis for Preparation of Consolidated Financial accounts

(a) The consolidated financial statement relates to Vaibhav Global Limited (**'the holding Company'**) and it's Subsidiaries (**together** referred to as **'VGL Group**') and has been prepared in compliance with the applicable Accounting Standards prescribed in the Companies (Accounting Standards) Rule, 2006 (as amended), other pronouncements issued by the Institute of Chartered Accountants of India and relevant provision of the Companies Act, 1956.

(b) The consolidated financial statement has been prepared under historical cost convention on an accrual basis.

2) Principles of consolidation

(a) The Subsidiaries considered in the consolidated financial statement are:

Name of the Subsidiaries	Country of incorporation	Ownership Interest/ voting power (%)	Financial Year ends on
Direct Subsidiaries			
Genoa Jewelers Limited	British Virgin Islands	100%	31st March
STS Gems Japan Limited.	Japan	100%	31st March
STS Gems Limited.	Hong Kong	100%	31st March
STS Gems Thai Limited.	Thailand	100%	31st March
STS Jewels Inc.	USA	100%	31st March
Step-down Subsidiaries			
The Jewelry Channel Limited UK.	United Kingdom	100%	31st March
The Jewelry Channel Inc.	USA	100%	31st March
Jewel Gem USA Inc.	USA	100%	31st March

(b) The consolidated financial statements have been prepared on the following basis:

(i) The consolidated financial statement has been prepared in accordance with the Accounting Standard –21, "Consolidated Financial Statement".

(ii) The financial statement of VGL Group have been consolidated on a line-by-line basis by adding together the book values of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions resulting in un-realized profits or losses.

(iii) The consolidated financial statements have been prepared by using uniform accounting policies for like transaction and other events in similar circumstances and are presented to the extent possible, in the same manner as those of the parent company's independent financial statements unless stated otherwise.

(iv) The operations of foreign subsidiaries have been considered by the management, as non integral operations as described in Accounting Standard –AS 11 (revised) "Accounting for the effects of changes in foreign exchange rates"

(v) The difference between the cost to the company of its investments in the subsidiaries and its portion of equity of subsidiaries at the dates they became subsidiaries, is recognized in the financial statements as Goodwill or Capital Reserve, as the case may be. This is based upon determination of pre-acquisition profits\losses and of net worth on the date of the acquisition determined by the management on the basis of certain estimates which have been relied upon by the auditors.

(vi) Minority Interest in the consolidated financial statements is identified and recognized after taking into consideration;

- The minorities' share of movement in equity since the date parent-subsidiary relationship came into existence.

- The profits/losses attributable to the minorities are adjusted against the income of the group in order to arrive at the net income attributable to the company

(vii) The goods lying in inventory of any entity may include certain goods which have been processed in and transferred from one or more entity. For the purpose of consolidation, the amount of unrealized profits included in the value of such goods lying in inventory of any entity as at the end of the financial period, have been eliminated to the extent of % of net profit of the same financial period of the entity from whom these goods have been procured.

(viii) Depreciation and amortization has been provided on the estimated useful life of an asset.

(ix) As per requirement of AS-28 "Impairment of Assets", the management is of the opinion that there is no impairment of goodwill (on consolidation) except as provided in the financial statement.

(x) All employees' related benefits including social security have been provided in accordance with the laws of the country in which the individual entity is operating.

(xi) The financial statement of the subsidiaries for the period ended March 31, 2014 have been prepared & audited as per the generally accepted accounting principles (GAAP) of the countries in which they are operating. These financial statements have been converted by the management as per requirement of Indian GAAP.

(xii) Other significant accounting policies are as set out in standalone financial statement of Vaibhav Global Limited, to the extent applicable.

Notes accompanying to the consolidated financial statements for the year ended March 31,2014

Note No.	Particulars	As at 31st March, 2014 (₹)		As at 31st March, 2013 (₹)	
	SHAREHOLDERS FUND				
2.	**Share Capital**				
a.	The details of Authorised,Issued,Subscribed and paid up,capital are as under :-				
	Share Capital	***Number***	***Amount***	***Number***	***Amount***
	Authorised				
	Equity Shares of ₹ 10/- each	41,000,000	**410,000,000**	41,000,000	**410,000,000**
	Unclassified Shares of ₹ 100/- each	4,500,000	**450,000,000**	4,500,000	**450,000,000**
	Issued, Subscribed and fully Paid up				
	Equity Shares of ₹ 10/- each fully paid up	32,175,618	321,756,180	32,064,201	320,642,010
	1% Redeemable Preference Shares of ₹ 100/- each fully paid up	-	-	4,400,000	440,000,000
			321,756,180		**760,642,010**

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

Particulars	**Equity Shares**	**Preference shars**	**Equity Shares**	**Pre. shares**
Shares outstanding at the beginning of the year	32,064,201	4,400,000	31,698,473	4,400,000
Shares Issued during the year	111,417	-	365,728	-
Shares bought back during the year	-	4,400,000	-	-
Shares outstanding at the end of the year	32,175,618	-	32,064,201	4,400,000

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

d. The company had issued 44,00,000 non Convertible 1% Redeemable Cumulative Preference shares in the year of 2006-07 . These Preference Shares have been entirely redeemed during the current year in accordance with the terms and conditions on which they were issued.

e. The details of shareholders holding more than 5% equity shares and preference shares as at reporting date are as under :-

Name				
Equity Shares	**No. of Shares held**	**% of Holding**	**No. of Shares held**	**% of Holding**
Brett Plastics Pvt Ltd.	2,725,012	8.47	2,554,332	7.97
Shivram Global Pvt Ltd.	5,187,963	16.12	5,187,963	16.18
Nalanda India Fund Limited	4,110,600	12.78	4,110,600	12.82
Surawell Pacific Ltd #	3,175,000	9.87	3,175,000	9.90
Heartiford Ltd #	2,400,000	7.46	2,400,000	7.48
Accelstar Investment Ltd #	3,175,000	9.87	3,175,000	9.90
Nirmal Kumar Bardiya	1,669,177	5.19	-	-
Preference Shares				
Reengus Exim Pvt Ltd	-	-	1,086,000	24.68
Brett Plastics Pvt Ltd	-	-	2,879,000	65.43
STP Exim Pvt Ltd	-	-	225,000	5.11

Held through global depositories receipt.The benefeciaries details is based on the information provided by management

f. Employee Stock Option Scheme:

The company during the year granted 98537, 43329 and 64029 stock options as approved by Compensation Committee Metting at price of ₹ 119.05, ₹ 126.35 and 418.40 respectively to the eligible employees of the company and its subsidiaries.

Out of stock option granted, 20% stock option will vest at the end of one year from the date of Grant, 30% stock option at the end of the second year and balance 50% stock option at the end of third year. The exercise period for the options under tranche A,D, E I is four years and under tranche F ,G, H, I is one year from the date of vesting.

The details of the Grant under the aforesaid schemes are as under:- **2013-14**

Particulars	VGL ESOP (As amended) – 2006						
	A	D	E	F	G	H	I
Original Exercise (Grant) Price	240	26.75	33.57	45.3	119.05	126.35	418.4
Revised Exercise (Grant) Price	45.30	26.75	33.57	-	-	-	-
Date of Grant of Option	06.01.2007	29.01.2010	30.09.10	23.07.12	09.04.13	25.05.13	11.12.13
Vesting commences on	06.01.2008	29.01.2011	30.09.11	23.07.13	09.04.14	25.05.14	11.12.14
Options granted and outstanding as at the beginning of the year on 01.04.13	3,796	136,000	10,000	390,125	-	-	-
Options granted during the year	-	-	-	-	98,537	43,329	64,029
Options exercised during the year	1,778	67,000	-	42,639	-	-	-
Options lapsed during the year	2,018	5,000	-	44,758	32,965	-	-
Options granted and outstanding as at the end of the year on 31.03.14	-	64,000	10,000	302,728	65,572	43,329	64,029

2012-13

Particulars	VGL ESOP (As amended) – 2006						
	A	B	C	D	E	F	
Original Exercise (Grant) Price	240	202	20.65	26.75	33.57	-	
Revised Exercise (Grant) Price	45.30	45.30	20.65	26.75	33.57	45.30	
Date of Grant of Option	06.01.2007	27.07.2007	28.01.2009	29.01.2010	30.09.10	23.07.12	
Vesting commences on	06.01.2008	27.07.2008	28.01.2010	29.01.2011	30.09.11	23.07.13	
Options granted and outstanding as at the beginning of the year on 01.04.12	29,324	12,000	300,000	185,000	20,000	-	
Options granted during the year						477,000	
Options exercised during the year	19,628	9,600	300,000	36,500		-	
Options lapsed during the year	5,900	2,400	-	12,500	10,000	86,875	
Options granted and outstanding as at the end of the year on 31.03.13	3,796	-	-	136,000	10,000	390,125	

The excess of market price per share as on the date of grant of option, over the exercise price for the Stock Option granted to employees (including certain employees of the Subsidiaries), is amortized by the Company over the vesting period. The amortized value for the year and effect of re-pricing of stock options to its employees (including certain employees of the Subsidiaries) amounting to credit of ₹ 421,405 (Previous year charged ₹ 4,773,619) has been credited under employee benefit during the year.

Note No.	Particulars	As at 31st March, 2014 (₹)		As at 31st March, 2013 (₹)	
3 .	**Reserves & Surplus**				
A.	**Capital Reserve:**				
	Opening Balance	95,474,890		95,474,890	
	Add: Transfer During The Year	-		-	
		95,474,890		95,474,890	
	Less : Written back during year	-		-	
			95,474,890		95,474,890
B.	**Capital Redemption Reserve:**				
	Opening Balance	-			
	Add: Transfer During The Year on redemption of preference shares	440,000,000			
		440,000,000			
	Less : Utilised during year	-	440,000,000		
C.	**Securities Premium Account :**				
	Opening Balance	5,884,266,016		5,874,020,191	
	Add: Security premium received on share issue	2,690,170		4,838,123	
	Add: Transfer from Employee stock option outstanding	728,077		5,407,702	
		5,887,684,263		5,884,266,016	
	Less: Premium utilised	-		-	
			5,887,684,263		5,884,266,016
D.	**Employee Stock Option Outstanding**				
	Options granted till date	1,551,581		2,328,452	
	Add : Additonal Compensation on account of repricing			5,381,112	
		1,551,581		7,709,564	
	Less :Transfer to Security premium on allotment	728,077		5,407,702	
	Less : Written off during year	421,405		750,281	
	Closing Balance	402,099		1,551,581	
	Less : Deferred Employees Compensation expenses outstanding	-	402,099	-	1,551,581
E.	**General Reserve:**				
	Opening Balance	79,647,256		79,647,256	
	Add: Transferred from Profit and Loss Account	-		-	
		79,647,256		79,647,256	
	Less: Utilised	-	79,647,256	-	79,647,256
F.	**Foreign Currency Translation Reserve**				
	Opening Balance	(285,494,313)		(66,283,679)	
	Add/less : Movement during the year	(335,122,591)		(219,210,634)	
			(620,616,904)		(285,494,313)
G.	**Surplus/ (Deficit)**				
	Opening balance	(4,944,686,230)		(4,088,585,005)	
	Add:				
	Net Profit For the current year	1,525,313,212		(856,101,225)	
	Impact on inter-transfer of shares of subsidiary (Refer Note No. 35)	18,318,866			
	Transfer to Capital redemption reserve	(440,000,000)			
	Preference share dividend & tax thereon	(33,889,552)			
	Surplus/ (Deficit)		(3,874,943,704)		(4,944,686,230)
			2,007,647,900		**830,759,199**

Note No.	Particulars	As at 31st March, 2014 (₹)		As at 31st March, 2013 (₹)	
	NON CURRENT LIABILITIES				
4.	**Long Term Borrowings**				
a.	The details of Secured or Unsecured Long Term Borrowings outstanding are as under :-				
	Secured:				
	Term Loan from Banks				
	Corporate Loan #	-		176,540,000	
	Working Capital Term Loan #	159,055,581	159,055,581	262,475,659	439,015,659
	Unsecured:				
	Deposits (Inter corporate deposit)				
	From Related parties		21,000,000		38,000,000
			180,055,581		**477,015,659**

 # Current maturities are disclosed under other current liabilities

b. Nature of Security

A. Corporate Loan :-

(i) Above Corporate Loan is secured by second charges on Current Assets as well as Fixed Assets of the Company.
(ii) Pledge of 2,300,000 equity shares of ₹ 10 each of Vaibhav Gems limited by Brett Plastic Private Limited and;
(iii) Pledge of 21,800,000 equity shares of US $ 1 each of Genoa Jewelers Limited, BVI

B. Working Capital Term Loan

(i) Above WCTL Loan is secured by first pari pasu charge on block of assets (including Land & Building).

C. Working Capital Term Loan & Corporate Loan is further secured by (on pari pasu basis) :-

(i) Pledge of 254,332 equity shares of ₹ 10 each of Vaibhav Global limited by Brett Plastic Private Limited.
(ii) Pledge of 200 common shares with no par value of STS Jewels Inc.
(iii) Pledge of 87,500 Ordinary Shares of HK $100 in STS Gems Limited, HKK.
(iv) Pledge of 12,576,633 equity shares of US $ 1 each and assignment of loan worth USD 14.55 million to Genoa Jewelers Limited, BVI and;
(v) Personal Guarantee of Mr. Sunil Agarwal, Chairman & Managing Director of the Company & pledge of 28140 shares in his name.

c. Terms of Repayment of Term Loans

A. Corporate Loan

IDBI: Term Loan of ₹40.74 Crore with a moratorium period of 30 months and repayable in equal monthly for installment over a period of 60 months commencing July 2011 carrying interest @ 8% p.a. upto June 2011 , 10 % from July 2011 to Mar 13 and there after @ 13.75 % p.a.Company has repaid entire Loan in the month of April,14 and accordingly shown under current maturity of long term Debt.

B. Working Capital Term Loan

Punjab National Bank : WCTL of ₹36 Crore with a moratorium period of 30 months and repayable in equal monthly 60 instalment commencing July 2011 carrying interest @ 8% p.a. upto June 2011, from July 2011 to July 2012 @ 10 %, from August 2012 to Mar 13 10.5 % and @ 14.5 % p.a.thereafter

State Bank of Bikaner & Jaipur: WCTL of ₹18 Crore with a moratorium period of 30 months and repayable in equal monthly 60 instalment commencing July 2011 carrying interest @ 8% p.a. upto June 2011 from July 2011 to July 2012 @ 10 %, from August 2012 to Mar 13 10.5 % and @ 14.5 % p.a.thereafter

Union Bank of India: WCTL of ₹18 Crore with a moratorium period of 30 months and repayable in equal monthly 60 instalment commencing July 2011 carrying interest @ 8% p.a. upto June 2011 from July 2011 to July 2012 @ 10 %, from August 2012 to Mar 13 @ 10.5 %

5.	**Long Term Provisions**				
	Provision For Employee Benefits:				
	Provision for Gratuity	8,011,013		9,322,732	
	Provision for Compensated Absences	4,470,307	12,481,320	3,368,776	12,691,508
	Provision for Income Tax		363,250		360,437
			12,844,570		**13,051,945**

Note No.	Particulars	As at 31st March, 2014 (₹)		As at 31st March, 2013 (₹)	
	CURRENT LIABILITIES				
6.	**Short Term Borrowings**				
	Secured:				
	Loan Repayable on demand from Banks				
	Pre-shipment Credit *		288,286,006		383,489,120
	Post-shipment Credit *		257,746,547		213,448,957
	Other Short term Loans & overdraft #		237,789,793		299,908,327
	Unsecured				
	Deposit from related party		-		58,000,000
			783,822,346		**954,846,404**

a. Nature of Security

A.* Working Capital Facilities in India :-

(i) Above Loans are secured by hypothecation of Stock-in-trade and Book Debts on pari-passu basis.

(ii) Further Secured, on parri-passu basis, by :-

a. Equitable Mortgage of Land and Buildings situated at K-6A & K-6B, Adarsh Nagar and E-68 & E-69 EPIP, Sitapura, Jaipur

b. First charge on block of asset of the company (excluding Land & Building and vehicles)

(iii) Pledge of 254,332 equity shares of ₹ 10 each of Vaibhav Gems limited by Brett Plastic Private Limited.

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

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

(vi) Pledge of 12,576,633 equity shares of US $ 1 each and assignment of loan worth USD 14.55 million to Genoa Jewelers Limited, BVI and;

(vii) Personal Guarantee of Mr. Sunil Agarwal, Chairman & Managing Director of the Company & pledge of 28140 shares in his name.

B.# Short term Loans & overdraft facilities in respect of The Jewellery channel Limited,UK for ₹ 237,789,793 (Previous year ₹ 200,655,342) :-

(i) Above Loan is secured by first charge on EPG Licence on sky.

(ii) In respect of overdraft, bank have first ranking charge over the inventory of raw materials, finished goods and receivables and a second ranking charge over all its other assets.

(iii) In addition to that all debts are secured by Corporate guarantee of the immediate parent company and Corporate guarantee of the ultimate parent company.

C.# Short term Loans in respect of The STS Gems Ltd,HKK ₹ Nil (Previous year ₹ 99,252,985) :-

(i) 25% cash margin of credit limit 2m as fixed deposit.

b. Terms of Repayment of Loans

A. Short term loan & overdraft in respect of The Jewellery Channel Ltd,UK

Punjab National Bank : Overdraft facility of £ 2,400,000 repayable on demand.

7.	**Trade Payables**				
	Trade Payables	693,441,080			447,702,473
		693,441,080			**447,702,473**

8	**Other Current Liabilities**				
a.	Other Current Liabilities consists of following :-				
	Current Maturity of Long Term Debt:				
	-Corporate Loan	183,330,000		81,480,000	
	-Working Capital Term Loan	96,000,000	279,330,000	96,000,000	177,480,000
	Unclaimed Dividend*		33,594		92,922
	Employee benefit payables		17,824,175		14,128,398
	Statutory Dues(including PF,TDS etc.)		35,438,497		35,130,649
	Advance from customers		3,004,990		-
	Forward Contract Payable		10,647,000		-
	Other Payables#		252,011,960		265,363,424
			598,290,216		**492,195,393**

Note No.	Particulars	As at 31st March, 2014 (₹)		As at 31st March, 2013 (₹)	

* Investor Education and Protection Fund to be credited by the amount as and when required.
# Includes ₹ Nil (previous year ₹16,262,062) being credit balance in current account with a bank and ₹ Nil (Previous year ₹ 111,700,000)being liability for CDR re-compense interest as approved by CDR EG .

9. **Short Term Provision**

Provision for employee benefits:

Provision for Gratuity	7,444,709		5,713,238	
Provision for Compensated Absences	387,039	7,831,748	220,577	5,933,815
Provisions for warrenties and returns		39,050,823		22,707,618
Provision for Taxation & Others		18,301,246		5,104,273
		65,183,817		**33,745,706**

10. Please refer to page no. 78

NON CURRENT ASSETS

11. **Non Current Investments**

(Long Term - at Cost less provision for other than temporary diminution) **Amount in (₹)**

Particulars	Gross Amount		Diminution in Value of Investment		Net Amount	
	31.03.2014	31.03.2013	31.03.2014	31.03.2013	31.03.2014	31.03.2013
A. Trade Investment						
(i) Quoted Investment in Equity Instrument (Fully Paid up) :						
88,23,530 (Nil) shares of US $ 0.0003 each fully paid up of Richland Resources Limited	29,368,337	-	-	-	29,368,337	-
B. Other than Trade Investments						
(i) Unquoted Investment in Equity Instrument of Associate (Fully Paid up) :						
360,000 (Previous year - 360,000) Equity Shares of ₹ 10 each of VGL Softech Limited	5,207,000	5,207,000	5,207,000	5,207,000	-	-
Extent of holding 19.78 %						
(ii) Quoted Investment in Equity (Fully Paid up) :						
368 (Previous year - 368) Equity Shares of ₹10 each of Punjab National Bank	143,520	143,520	-	-	143,520	143,520
1000 (Previous year -1000) Equity Shares of Yen 50 each Asahi Shinkin Bank Stock	29,060	28,835	-	-	29,060	28,835
					-	
Total (A+B)	**34,747,917**	**5,379,355**	**5,207,000**	**5,207,000**	**29,540,917**	**172,355**
Notes:-						
1. Aggregate amount of Quoted Investment					29,540,917	172,355
2. Market value of Quoted Investment					24,001,272	372,692
3. Aggregate amount of Non Quoted Investment					5,207,000	5,207,000
4. Aggregate amount of provision for diminution in value of Investment					5,207,000	5,207,000

12 **Deferred Tax Assets Net**

Add: Deferred Tax Assets

Provision for Gratuity	5,253,400		5,110,726	
Provision for Leave Encashment	1,651,012	6,904,412	1,220,021	6,330,747
Less: Deferred Tax Liability:				
Depreciation	6,646,062	6,646,062	4,690,327	4,690,327
		258,350		**1,640,420**

Net deferred tax charge/(credit) for the year of ₹ 1,382,070 (Previous year ₹ 968,840) has been recognized in the statement of Profit and Loss for the year

NON CURRENT ASSETS

Note 10 **Fixed Assets**

Amount in ₹

	Gross Block					Accumulated Depreciation					Net Block	
NAME OF ASSETS	As at 01.04.2013	Addition	Deduction*	Currency Realinemnet	As at 31.03.2014	Up to 31.03.2013	For the Year	Deduction*	Currency Realinemnet	Up to 31.03.2014	As at 31.03.2014	As at 31.03.2013
A. **Tangible Assets**												
Freehold Land	4,894,908	-	-	-	4,894,909	-	-	-	-	-	4,894,909	4,894,909
Leasehold Land	15,477,028	186,099	10,930,159	-	4,732,968	1,067,150	138,111	-	-	1,205,261	3,527,707	14,409,878
Lease Hold Improvement	145,580,546	976,147	-	7,844,390	154,401,083	130,579,349	7,989,751	-	-30,280,874	108,288,226	46,112,857	15,001,196
Building	66,302,402	43,616,495	79,979,992	13,558,453	43,497,358	35,264,398	1,889,310	60,589,400	25,324,987	1,889,295	41,608,063	31,038,003
Plant & Machinery	267,530,029	55,391,369	40,043,279	20,552,697	303,430,816	150,016,822	22,888,901	35,025,462	14,345,141	152,225,402	151,205,414	117,513,207
Electric Installation	20,678,824	1,534,662	65,405	-	22,148,081	12,394,132	1,226,522	-	-	13,620,654	8,527,427	8,284,692
Furniture & Fixtures	94,710,534	20,203,774	16,861,699	7,425,588	105,478,197	56,099,710	9,595,558	14,373,781	4,348,715	55,670,202	49,807,995	38,610,824
Office Equipment	18,924,073	3,000,691	10,080,966	116,338	11,960,136	11,360,746	1,268,000	7,769,495	(414,668)	4,444,583	7,515,553	7,563,327
Computer	202,216,955	36,354,932	14,617,525	19,023,878	242,978,240	152,884,116	28,484,833	14,250,642	15,685,396	182,803,703	60,174,537	49,332,839
Vehicles	10,833,162	3,234,610		(3,837,656)	10,230,116	7,809,506	1,265,351	-	-	9,074,857	1,155,259	3,023,656
Total	**847,148,461**	**164,498,779**	**172,579,025**	**64,683,688**	**903,751,904**	**557,475,929**	**74,746,337**	**132,008,780**	**29,008,697**	**529,222,183**	**374,529,721**	**289,672,531**
B. **Intangible Assets**												
Goodwill on Consolidation	286,831,871	-	-	-	286,831,871	-	-	-	-	-	286,831,871	286,831,871
Broadcast Rights	66,047,848	-	-	13,487,660	79,535,508	66,047,848	-	-	13,487,660	79,535,508	-	-
Total	**352,879,719**	**-**	**-**	**13,487,660**	**366,367,379**	**66,047,848**	**-**	**-**	**13,487,660**	**79,535,508**	**286,831,871**	**286,831,871**
C. **Capital Work In Progress**	-	-	-	-	-	-	-	-	-	-	-	276,245
Total	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**276,245**
Grand Total (A+B+C)	**1,200,028,181**	**164,498,779**	**172,579,025**	**78,171,348**	**1,270,119,283**	**623,523,777**	**74,746,337**	**132,008,780**	**42,496,357**	**608,757,691**	**661,361,592**	**576,780,647**
Previous Year	2,572,941,416	131,786,654	1,519,506,361	14,806,471	1,200,028,180	546,551,842	73,203,622	1,516,819,564	9,490,245	623,523,778	576,780,647	2,026,798,583

* Deduction includes ₹ 8.08 Crore from Gross Block and ₹ 7.14 crores from Accumulated Depreciation (Net ₹ 0.93 crore) on account Assets Written Off.

Note No.	Particulars	As at 31st March, 2014 (₹)	As at 31st March, 2013 (₹)
13.	**Long Term Loans & Advances**		
	(Unsecured and considered good unless otherwise stated)		
	Capital Advances	164,721,859	-
	Security Deposits	121,800,550	116,045,030
		286,522,409	**116,045,030**
CURRENT ASSETS			
14	**Current Investments**		
	Investment in Mutual Fund #	-	601,058
		-	**601,058**
	# Through Morgan Stanley Private Wealth Management- Portfolio Investment		
15	**Inventories**		
	(Cost & Net realizable value whichever is lower)		
	(As taken, valued and certified by the Management)		
	Materials-in-process	859,829,113	815,763,632
	Semi Finished Goods	15,657,833	13,122,335
	Finished Goods	1,080,137,318	1,253,593,266
	Stores and Consumables	5,894,145	8,369,435
		1,961,518,409	**2,090,848,668**
15.1	**Particulars of Material-in-process**		
	Gem Stones	786,946,464	725,060,754
	Alloys	3,600,982	5,780,403
	Diamond	30,817,072	43,988,410
	Gold	12,266,153	16,403,917
	Platinum	6,924,967	3,678,456
	Silver	17,533,882	17,188,712
	Parts & Findings	680,916	1,856,608
	Metal (Others)	1,058,677	1,806,372
		859,829,113	**815,763,632**
16.	**Trade Receivables**		
	(Unsecured and considered good unless otherwise stated)		
	Outstanding for a period exceeding Six Months from the date they are due for payments	3,293,960	190,108
	Others	539,311,334	355,598,041
		542,605,294	**355,788,149**
17.	**Cash & Bank Balances**		
	Cash & Cash Equivalents		
	Balance with Banks	395,317,119	402,729,631
	Cash on hand	16,628,487	2,523,540
		411,945,606	**405,253,171**
	Other Bank Balances		
	Unpaid Dividend account	33,594	92,145
	Bank Deposits- Pledged (maturity within 12 months)	108,729,391	53,686,724
	Bank Deposits- Un Pledged (maturity within 12 months)	199,901,724	-
		308,664,709	**53,778,869**
		720,610,315	**459,032,040**

Note No.	Particulars	As at 31st March, 2014 (₹)	As at 31st March, 2013 (₹)
18.	**Short Term Loans and Advances**		
	(Unsecured and considered good unless otherwise stated)		
	Advance To Staff	5,059,959	1,575,482
	Advance To Suppliers	69,362,220	8,264,489
	Loans & Advances #	63,131,015	118,379,210
	Prepaid Expenses	217,694,072	208,730,165
	Balances with Tax Authorities	90,782,299	34,424,610
	Premium on forward contracts recoverable	6,715,650	-
	Others (includes short term Security Deposits)	5,918,128	36,908,857
		458,663,343	**408,282,813**

Being loan given to third parties,the confirmations of which and the terms & conditions for the same have not defined.

19.	**Other Current Assets**		
	Interest Accrued on Bank FDR	1,530,118	767,609
	Amount recoverable from related party	5,100	-
	Assests held for sale	850,000	-
		2,385,218	**767,609**

		Year ended 31st March 2014 (₹)	Year ended 31st March 2013 (₹)
20.	**Revenue from Operations**		
	Sale of Products:		
	Sales	12,978,120,983	8,924,896,438
	Other Operating revenue (Commission)	4,550,682	4,044,652
		12,982,671,665	**8,928,941,090**
21.	**Other Income**		
	Interest	29,168,484	21,575,346
	Dividend Received	15,120	709,891
	Liability No Longer required	8,743,211	2,684,811
	Premium On Forward Contract	30,553,146	11,144,404
	Miscellaneous Income	84,230,433	130,282,122
	Exchange Fluctuation (Net) *	197,668,685	210,241,808
		350,379,079	**376,638,382**

* Exchange Fluctuation includes ₹ 253,786,271 on account of Loan repayment from a wholly owned subsidiary, ₹ 21,083,519 loss on consolidation and ₹ 35,034,067 loss arising from various debtors/creditors/forward contracts (both realised & unrealised)

22.	**COST OF MATERIAL CONSUMED**				
	Materials Consumed				
	Opening Material-in-process	815,763,632		705,989,037	
	Add: Purchases	2,338,378,892		1,813,058,188	
		3,154,142,524		2,519,047,225	
	Less: Closing Material-in-process	859,829,113	2,294,313,411	815,763,632	1,703,283,593
			2,294,313,411		**1,703,283,593**

Consumption disclosed above is on the basis of derived figures rather than actual records of issues.

Note No.	Particulars	Year ended 31st March, 2014 (₹)		Year ended 31st March, 2013 (₹)	
23.	**PURCHASES OF STOCK-IN-TRADE**				
	Purchases of Finished Goods		1,840,109,121		1,578,398,888
			1,840,109,121		**1,578,398,888**
24.	**CHANGES IN STOCK-IN-TRADE**				
	Decrease/(Increase) of Stock-in-Trade consists of				
	Finished Goods:				
	Opening Stocks				
	Semi Finished Goods	13,122,335		28,958,991	
	Finished Goods	1,253,593,266		978,574,760	
		1,266,715,601		1,007,533,751	
	Less: Closing Stocks				
	Semi Finished Goods	15,657,833		13,122,335	
	Finished Goods	1,080,137,318		1,253,593,266	
		1,095,795,151	170,920,450	1,266,715,601	(259,181,850)
			170,920,450		**(259,181,850)**
25.	**EMPLOYEES BENEFIT EXPENSE**				
	Salaries, Wages, Bonus etc.		1,754,010,294		1,207,288,154
	Contributions to Employees Funds		236,291,590		166,206,455
	Staff Welfare Expenses		34,330,070		19,927,941
	Employee Compensation Expenses under ESOS (Refer Note No.2f)		(421,405)		4,773,619
	Recruitment and Training		44,787,435		21,141,920
			2,068,997,984		**1,419,338,089**
26.	**FINANCE COST**				
	Interest		121,589,743		124,194,878
	Finance Charges		23,375,859		20,388,906
			144,965,602		**144,583,784**
27.	**OTHER EXPENSES**				
a.	**MANUFACTURING EXPENSES**				
	Job Work Charges		246,410,741		152,899,513
	Stores and Consumables		59,326,813		36,176,553
	Power and Fuel		22,480,399		17,011,957
	Freight, taxes and duties		259,986,151		219,329,469
	Repairs and Maintenance		17,209,562		9,218,976
	Other Manufacturing Expenses		186,789,596		141,074,595
			792,203,262		**575,711,063**
b.	**ADMINISTRATIVE & SELLING EXPENSES**				
	Rent, Rates and Taxes		118,690,751		80,845,145
	Insurance		36,486,612		31,425,919
	Travelling and Conveyance		75,823,667		52,114,891
	Legal and Professional		90,432,800		24,403,079

Note No.	Particulars	Year ended 31st March, 2014 (₹)	Year ended 31st March, 2013 (₹)
	Postage and Telephone	89,150,583	53,482,562
	Printing and Stationery	27,036,970	18,712,843
	Repair Expenses	14,925,490	13,199,813
	Advertisement and Business Promotion	244,782,451	144,295,213
	Discounts,Brokerage and Commission	5,614,801	3,714,876
	Packing and Forwarding	138,131,751	104,935,989
	Misc. Expenses	164,873,890	123,540,107
	Donation	2,664,561	2,271,362
	Auditors' Remuneration	10,485,699	9,536,718
	Directors' Remuneration	5,215,186	4,200,000
	Directors' Sitting Fees	610,000	690,000
	Loss On Sale of Investments	4,392,041	-
	Fixed assets written off	8,469,400	
	Loss on Sale of Assets	1,491,913	1,031,546
	Bad Debts	-	67,236,527
	TV Channel Expenses		
	Content & Broadcasting	2,150,974,810	1,751,349,297
	Call handling & Collection Charges	352,738,481	220,709,300
	Packing & Distribution Charges	779,753,028	519,894,085
	Information Technology Expenses	71,213,999	44,833,827
		4,393,958,884	**3,272,423,099**
	Total Other Expenses	**5,186,162,146**	**3,848,134,162**

28. **EXCEPTIONAL ITEMS**

Goodwill on Consolidation written off	-	1,511,097,632
CDR re-compense interest provided	-	111,700,000
Investment in subsidiary closed/under liquidation written off	-	15,826,500
Write back of losses of subsidiary closed/under liquidation and not considered for consolidation	-	(1,349,828)
	-	**1,637,274,304**

a. Based on the valuation carried out by an Independent valuer of one of the group company namely STS Jewels Inc, USA, the decline in value of investment amounting to ₹ 1,511,097,632 has been provided by the parent company. Correspondingly, the goodwill arised on consolidation of the said group company is written off to that extent in the consolidated financial statement as "exceptional Item".

b. The company during the year made proposal to CDR Cell for exit from CDR mechanism. The proposal envisaged the exit of company from the CDR by payment of interest under re-compense clause and continuing with the existing limits from banks. The said proposal was approved by the CDR Empowered Group in their meeting held on March 25, 2013 wherein the company is required to pay ₹ 1,117,00,000 being interest upto March 31, 2013 under re-compense clause. The re-compense interest amounting to ₹ 1,117,00,000 has been charged to statement of profit and loss account as "Exceptional Item".

c. During the year one of the group company namely STS Creations Thai Limited, Thailand has gone under liquidation and therefore is not under control of the group. The financial statements of the said company has not been consolidated and the Investment amounting to ₹ 15,826,500 has been written off and losses amounting to ₹ 1,349,828 accounted for in consolidated financial statement till previous year has been written back.

Note No.	Particulars	Year ended 31st March, 2014 (₹)	Year ended 31st March, 2013 (₹)
29	**Contingent Liabilities and Commitments**		
	1(a). Capital Commitment:		
	Commitments	15,100,000	-
	1(b). Contingent Liabilities:		
	Guarantees given by bank on behalf of the Company	25,000,000	91,560,000
	Guarantees given to bank & others by the Company	239,726,400	1,530,850,386
	Disputed Tax Matters:		
	Custom Duty	183,326,582	64226582
	Income tax	165,415,902	3880370
	* In respect of income tax liability for Assessment Year 2010-2011, for which reference has been made by the Company to Dispute Resolution Panel (DRP) against Draft Assessment Order. Pending final outcome of the DRP order amount in not ascertainable.		
	Dividend on Cumulative Preference Share*	-	24,566,667
	(*Arrears pertaining to 2007-08, 2008-09 ,2009-10, 2010-11,2011-12 & 2012-13)		

30 **Lease Commitments**

Some of the subsidiaries have lease agreements towards their retail stores, office and other premises. These non-cancelable operating leases have various expiry dates. The total future minimum lease payments (excluding certain escalations) in this respect are as follows:

Year	2013-14	2012-13
Not later then one year	36,454,352	101,658,725
Later then one year & not later then five year	248,354,403	246,658,756
Later then five years	691,195,889	537,052,800

31 The share application money of ₹ 424158 has been received under VGL (ESOP) Scheme from employees of the company and its subsidiaries. Total Number of shares to be alloted are 13266 out of which 3266 shares are to be alloted at premium of ₹ 35.30 per share and 10000 shares are to be alloted at a premium of ₹ 16.75 per share. The company has sufficent authorised capital to cover the share capital amount on allotment of shares out of share application money. No share application money is due for refund and has not remained pending beyond the period of allotment as mentioned in the share application form. These shares have been alloted of May 14, 2014.

32 **Related Party Disclosures:**

A. List of related parties with whom transactions have taken place and relationships:

Enterprises in which Key management personels are interested :

1. VGL Softech Limited
2. Surawell Pacific Limited
3. Brett Plastic Pvt. Limited
4. Shivram Global Private Limited
5. Emerald Creation Inc.
6. Anubhav Gems (P) Ltd
7. Reengus Exim Private Limited
8. STP Exim Private Limited
9. Heartiford Ltd.
10. STS Holding Ltd
11. Sony Mikes holdings Ltd
12. Punag Ltd.

Key Management Personnel (KMP):

1. Shri Sunil Agrawal – Chairman & Managing Director w.e.f.1st Feb,2014
2. Shri Rahimullah – Whole time Director w.e.f.1st Feb,2014 (MD till 31st Jan,2014)
3. Shri Hemant Sultania – Group CFO w.e.f.1st Dec,2013
4. Shri Brahm Prakash – Company Secretary

Relative of Key Management Personnel

1. Mr. Asifullah;
2. Mr. Arifullah,
3. Mr. Inamullah,
4. Mr. Rizwanullah;
5. Mr. Imranullah,
6. Mr. Hursh Agrawal

Note No.	Particulars	Year ended 31st March, 2014 (₹)	Year ended 31st March, 2013 (₹)

B. Related Party Transactions

Amount in ₹

Nature of Transcations	Key Managerial Person		Relative of Key Managerial Person		Enterprises over which significant influence exercised by Key Managerial Person	
	2013-14	2012.13	2013-14	2012-13	2013-14	2012-13
(i) Transactions During the year						
a. Sales of Goods	-	-	-		46,440,553	62,634,250
b. Purchases of Goods	-	-	-	-	-	692,250
c. Advance Given	597,580	-	-	-	-	-
d. Purchase of Fixed Assets	-	-	-	-	-	-
e. Expenses	-	-	-	-	4,876,069	3,259,134
f. Unsecured Loan taken	-	-	-	-	98,600,000	58,000,000
g. Guarantee	-	-	-	-	-	-
h. Repayment of Unsecured Loan	-	-	-		(156,600,000)	-
i. Remuneration	24,797,601	4,200,000	1,484,665	-	-	-
(ii) Balances as the end of the year						
a. Amount Receivable	-	-	-	-	641,439	285,330
b. Unsecured Loans	-	-	-	-	21,000,000	96,000,000
c. Investment	-	-	-	-	5,207,000	5,207,000
d. Guarantee	-	-	-	-	-	-

Note No. 32 C is given at page no. 87

33 In case of few subsidiaries, although, the net worth as on the balance sheet date is negative, based on the management representation for continuing support to those subsidiaries, the respective auditors have accepted the financials on the going concern basis and accordingly no adjustment is made in the consolidated financial statement.

34 Two of the subsidiaries in USA have recognised net aggregate Deferred Tax Assets of ₹ 95,853,785 as at 31/03/2014 (Previous year - ₹ 309,195,850). As virtual certainty supported by convincing evidence (as required under Accounting Standards 22 – "Accounting for Taxes on Income") is yet to be established, no effect of such Deferred Tax Asset has been given in the Consolidated financial statements.

35 During the year equity share of one of the subsidiary was transferred to another subsidiary. Since there is no change in control with in the group, the resultant impact of ₹18,318,866 due to such intra group transaction of shares on consolidated financial statement is adjusted directly to the balance of consolidated profit & loss account forming part of "Reserve & Surplus".

36. **Earning Per Share (EPS)**

a. Profit after Tax (₹)	1,525,313,212	(856,101,225)
b. Dividend on Preference Shares (₹)	-	4,400,000
c. Profit attributable to Equity Shareholders for Basic and Diluted EPS (₹) (a-b)	1,525,313,212	(860,501,226)
d. i) Weighted average number of Equity Shares outstanding during the year for Basic EPS	32,026,026	31,785,765
ii) No of Stock Option Outstanding	549,658	539,921
iii) No of Dilutive Potential Equity Shares	414,641	327,665
e. Weighted average number of Equity Shares outstanding during the year for Diluted EPS (d(i)+d(iii))	32,440,667	32,113,430
f. Basic Earning Per Share	47.63	(27.07)
g. Diluted Earning Per Share	47.02	(26.80)

Note No.	Particulars	Year ended 31st March, 2014 (₹)	Year ended 31st March, 2013 (₹)
37	**SEGMENT INFORMATION :**		
	Particulars		
	1. **Segment Revenue**		
	a. Wholesale (B2B & Manufacturing /outsourcing from India,Hongkong & Thailand)	6,199,536,226	4,898,750,992
	b. Retail	11,506,735,271	8,040,601,568
	Total	17,706,271,497	12,939,352,560
	Less: Inter Segment revenue	4,723,599,832	4,010,411,470)
	Net Sales/ Income from Operation	12,982,671,665	8,928,941,090
	2. **Segment Results**		
	a. Wholesale (B2B & Manufacturing /outsourcing from India,Hongkong & Thailand)	469,954,446	395,494,472
	b. Retail	1,000,003,369	376,026,754
	Total	1,469,957,815	771,521,226
	(i) Interest Income	29,168,484	21,575,346
	(ii) Interest expense	(144,965,602)	(144,583,784)
	(iii) Exchange gain/(Loss) Unallocated	198,674,998	149,306,400
	Total Profit before Tax	1,552,835,695	797,819,185
	3. **Capital Employed**		
	a. Wholesale (B2B & Manufacturing /outsourcing from India,Hongkong & Thailand)	1,556,008,297	743,860,945
	b. Retail	773,395,872	847,263,933
	Total	2,329,404,169	1,591,124,878
	4. **Other Information**		
	Segment Assets		
	a. Wholesale (B2B & Manufacturing /outsourcing from India,Hongkong & Thailand)	3,023,215,560	2,483,259,907
	b. Retail	1,640,250,287	1,526,422,623
	Segment Liabilities		
	a. Wholesale (B2B & Manufacturing /outsourcing from India,Hongkong & Thailand)	1,467,207,263	1,739,398,962
	b. Retail	866,854,415	679,158,690
	Depreciation & Amortisation		
	a. Wholesale (B2B & Manufacturing /outsourcing from India,Hongkong & Thailand)	26,689,424	23,146,350
	b. Retail	48,056,912	50,057,272
	Non Cash Expenses other than Depreciation		
	a. Wholesale (B2B & Manufacturing /outsourcing from India,Hongkong & Thailand)	9,961,313	1,031,546
	b. Retail	-	--

a) Segment has been identified in line with the Accounting Standard-17,"Segment Reporting" taking into consideration the organization structure as well as the differential risks and returns of these segments.

b) The Wholesale Segment represents amounts relating to entities in the group whose principal nature of business is of wholesale nature. similarly retail segment represents amounts of entities whose principal nature of business is retail by way of TV/Web sales.

c) The differential risk and rewards of VGL Group are more identifiable and associated with the method of distribution of product and hence, the company has identified two reportable segments viz. Wholesale Operations & Retail Operations.

d) Inter-Segment revenues are recognized at sales and/or transfer price.

e) The Segment Revenues, Results, Assets and Liabilities include the respective amounts identifiable to each of the segment and amounts allocated on reasonable basis. The amounts, which are not allocable to any segment, are shown as un-allocable under respective heads.

38. In the opinion of the Board, all assets other than fixed assets and non current investments have a value on realisation in the ordinary course of business at least equal to the amount stated.

39. Previous year's figure have been regrouped/ rearranged wherever necessary.

As per our attached report of even date ***For and on behalf of the Board***

For HARIBHAKTI & CO.
Chartered Accountants
F.R. No.: 103523W

CHETAN DESAI
Partner
M.No.: 17000

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

SANDEEP MUNDRA
Partner
M.No.: 075482

SUNIL AGRAWAL
Chairman & Managing Director
DIN : 00061142

SHEELA AGARWAL
Director
DIN : 00178548

RAHIMULLAH
Whole Time Director
DIN : 00043791

BRAHM PRAKASH
Company Secretary

Jaipur, 14th May, 2014

32 C. Details of Material Related Party Transactions

Enterprises over which significant influence exercised by Key Managerial Persons

₹ in Lac

Nature of Transcations	Anubhav Gems		Emerald Creation		Shivram Properties Pvt.Ltd		VGL Softech		Brett Plastics Pvt. Ltd.		Reengus Exim P. Ltd.		Stp Exim P. Ltd.		Total		Mr. Sunil Agarwal		Mr. Rahim -ullah		Mr. Hemat Sultania		Mr. Bhram Prakash		Key Mana-gerial Person		Harsh Agarwal		Rizwan ullah		Relative of Key Manag-erial Person	
	2013 -14	2012 -13	2013 -14	2012 -13	2013 -14	2012 -13	2013 -14	2012 -13	2013 -14	2012 -13	2013 -14	2012 -13	2013 -14	2012 -13	2013 -14	2012 -13	2013 -14	2012 -13	2013 -14	2012 -13	2013 -14	2012 -13	2013 -14	2012 -13	2013 -14	2012 -13	2013 -14	2012 -13	2013 -14	2012 -13	2013 -14	2012 -13
(i) Transaction during the year																																
a. Sales of Goods	464.41	626.34	-	-	-	-	-	-	-	-	-	-	-	-	464.41	626.34	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
b. Purchases of Goods	-	6.92	-	-	-	-	-	-	-	-	-	-	-	-	-	6.92	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
c. Advance Given	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5.98	-	-	-	-	-	-	-	5.98	-	-	-	-	-	-	-
d. Loan taken	-	-	-	-	526.00	580.00	-	-	460.00	-	-	-	-	-	986.00	580.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
e. Repayment of loan	-	-	-	-	(1,106.00)	-	-	-	(460.00)	-	-	-	-	-	(1,566.00)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
f. Expense	-	-	-	-	7.88	32.59	-	-	11.57	-	11.75	-	17.56	-	48.76	32.59	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
g. Investment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
h. Guarantee	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
i. Remuneration	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	176.33	-	42.00	42.00	21.11	-	8.54	-	247.98	42.00	3.59	-	11.26	-	14.85	-
(ii) Balances as at year end	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
a. Amount Receivable	-	-	6.41	2.85	-	-	-	-	-	-	-	-	-	-	6.41	2.85	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
b. Amount Payable	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
c. Loan Receivable	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
d. Advance Receivable	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
d. Loan Payable	-	-	-	-	-	580.00	-	-	82.00	82.00	49.50	119.50	78.50	178.50	210.00	960.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
e. Investment	-	-	-	-	-	-	52.07	52.07	-	-	-	-	-	-	52.07	52.07	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
f. Guarantee	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

This page has been left blank intentionally

NOTICE

VAIBHAV GLOBAL LIMITED
(Formerly Vaibhav Gems Limited)
CIN : L36911RJ1989PLC004945
Registered Office : K-6B, Fateh Tiba, Adarsh Nagar, Jaipur – 302004
Website : www.vaibhavglobal.com
Email:brahm.prakash@vaibhavglobal.com
Tele No. 91-141-2601020, Fax No : 91-141-2770510

Notice is hereby given that the 25th Annual General Meeting of the Members of **VAIBHAV GLOBAL LIMITED** will be held on Friday, the 25th July, 2014 at 11:00 a.m. at E-69 EPIP, Sitapura, Jaipur-302 022 (Rajasthan) to transact the following business:

Ordinary Business :

1. To receive, consider and adopt the audited financial statements of the Company for the year ended 31st March, 2014 together with the Reports of the Board of Directors and Auditors thereon.
2. To consider and approve the payment of Interim Dividend of ₹ 289.67 lacs on 44,00,000 1% Non-Convertible Redeemable Cumulative Preference shares of ₹ 100/- each declared and paid during the financial year ended 31st March, 2014.
3. To appoint a Director in place of Mrs. Sheela Agarwal (holding DIN : 00178548) who retires by rotation at this Annual General Meeting and being eligible, offers herself for re-appointment.
4. To re-appoint Auditors of the Company to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of next Annual General Meeting (AGM) and to fix their remuneration and in this regard, to pass the following resolution as an Ordinary Resolution :

   "RESOLVED THAT pursuant to Section 139 and any other applicable provisions of Companies Act, 2013 and rules made thereunder, M/s Haribhakti & Co. Chartered Accountants (Firm Registration No. 103523W) and M/s B. Khosla & Co., Chartered Accountants (Firm Registration No. 000205C) be and are hereby re -appointed as Joint Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of next Annual General Meeting (AGM), at such remuneration as may be decided by the Board of Directors of the Company."

Special Business :

5. **Appointment of Mr. Pulak Chandan Prasad as a Director**
   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 149,152 and any other applicable provisions of the Companies Act, 2013 (the Act) and rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Pulak Chandan Prasad (holding DIN : 00003557), who was appointed as an Additional Director w.e.f 29th October, 2013 pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and who holds office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as a Director whose office shall be liable to retire by rotation."

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

6. **Appointment of Mr. Vikram Kaushik as an Independent Director**
   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 149, 152 and any other applicable provisions of the Companies Act, 2013 (the Act) and rules made thereunder (including any statutory modification(s) or re-

enactment thereof for the time being in force) read with Schedule IV of the said Act, Mr. Vikram Kaushik (holding DIN : 00020529), who was appointed as an Additional Director w.e.f 21st December, 2013 pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and who holds office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director for a period of three consecutive years commencing from 1st April, 2014 upto 31st March, 2017, not liable to retire by rotation."

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

7. **Appointment of Mr. Mahendra Kumar Doogar as an Independent Director**

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 149, 152 and any other applicable provisions of the Companies Act, 2013 (the Act) and rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV of the said Act, Mr. Mahendra Kumar Doogar (holding DIN : 00319034), who was appointed as an Additional Director w.e.f 23rd January, 2014, pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and who holds office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director for a period of three consecutive years commencing from 1st April, 2014 upto 31st March, 2017, not liable to retire by rotation."

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

8. **Appointment of Mr. Peter Duncan Whitford as an Independent Director**

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 149, 152 and any other applicable provisions of the Companies Act, 2013 (the Act) and rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV of the said Act, Mr. Peter Duncan Whitford (holding DIN : 06864709), who was appointed as an Additional Director w.e.f 14th May, 2014 pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and who holds office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director for a period commencing from 14th May, 2014 upto 31st March, 2017, not liable to retire by rotation."

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

9. **Appointment of Mr. Mitha Lal Mehta as an Independent Director**

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 149, 152 and any other applicable provisions of the Companies Act, 2013 (the Act) and rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV of the said Act, Mr. Mitha Lal Mehta (holding DIN : 00043696), a non-executive Director, in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director be and is hereby appointed as an Independent Director for a period of three consecutive years commencing from 1st April, 2014 upto 31st March, 2017, not liable to retire by rotation."

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

10. Appointment of Mr. Surendra Singh Bhandari as an Independent Director

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 149, 152 and any other applicable provisions of the Companies Act, 2013 (the Act) and rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV of the said Act, Mr. Surendra Singh Bhandari (holding DIN : 00043525), a non-executive Director, in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director for a period of three consecutive years commencing from 1st April, 2014 upto 31st March, 2017, not liable to retire by rotation."

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

11. Payment of Remuneration to Mr. Vikram Kaushik, Independent Director

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

"RESOLVED THAT pursuant to the provisions of Section 309 of the Companies Act, 1956, 149(9), 197 and any other applicable provisions of the Companies Act, 2013 (the Act) and rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule V of the said Act, Articles of Association of the Company and subject to the approval of Central Government and any other permission, grant, approval required if any, the consent of the members, be and is hereby accorded for the payment of remuneration by whatever name called to Mr. Vikram Kaushik (holding DIN: 00020529), Independent Director, as follows:

i. ₹ 2 Lacs for a period of two months commencing from 1st February 2014 upto 31st March 2014 under the Companies Act, 1956.

ii. ₹ 12 Lacs per annum for a period of three consecutive years commencing from 1st April, 2014 upto 31st March, 2017 under the Companies Act, 2013."

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

12. Payment of Remuneration to Mr. Mahendra Kumar Doogar, Independent Director

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

"RESOLVED THAT pursuant to the provisions of Section 309 of the Companies Act, 1956, 149(9), 197 and any other applicable provisions of the Companies Act, 2013 (the Act) and rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule V of the said Act, Articles of Association of the Company and subject to the approval of Central Government and any other permission, grant, approval required if any, the consent of the members, be and is hereby accorded for the payment of remuneration by whatever name called to Mr. Mahendra Kumar Doogar (holding DIN: 00319034), Independent Director, as follows:

i. ₹ 1.33 Lacs for a period of two months commencing from 1st February 2014 upto 31st March 2014 under the Companies Act, 1956.

ii. ₹ 8 Lacs per annum for a period of three consecutive years commencing from 1st April, 2014 upto 31st March, 2017 under the Companies Act, 2013."

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

13. Payment of Remuneration to Mr. Peter Duncan Whitford, Independent Director

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(9), 197 and any other applicable provisions of the Companies Act, 2013 (the Act) and rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule V of the said Act, Articles of Association of the Company and

subject to the approval of Central Government and other any permission, grants, approval required, if any, the approval of the members be and is hereby accorded for the payment of remuneration by whatever name called amounting to ₹ 60 Lacs per annum to Mr. Peter Duncan Whitford (holding DIN: 06864709), Independent Director, for a period commencing from 14th May, 2014 upto 31st March, 2017."

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

14. Payment of Remuneration to Mr. Mitha Lal Mehta, Independent Director

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

"RESOLVED THAT pursuant to the provisions of Section 309 of the Companies Act, 1956, 149(9), 197 and any other applicable provisions of the Companies Act, 2013 (the Act) and rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule V of the said Act, Articles of Association of the Company and subject to the approval of Central Government and any other permission, grant, approval required if any, the consent of the members, be and is hereby accorded for the payment of remuneration by whatever name called to Mr. Mitha Lal Mehta (holding DIN: 00043696), Independent Director, as follows:

i. ₹ 1.33 Lacs for a period of two months commencing from 1st February 2014 upto 31st March 2014 under the Companies Act, 1956.

ii. ₹ 8 Lacs per annum for a period of three consecutive years commencing from 1st April, 2014 upto 31st March, 2017 under the Companies Act, 2013."

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

15. Payment of Remuneration to Mr. Surendra Singh Bhandari, Independent Director

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

"RESOLVED THAT pursuant to the provisions of Section 309 of the Companies Act, 1956, 149(9), 197 and any other applicable provisions of the Companies Act, 2013 (the Act) and rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule V of the said Act, Articles of Association of the Company and subject to the approval of Central Government and any other permission, grant, approval required if any, the consent of the members, be and is hereby accorded for the payment of remuneration by whatever name called to Mr. Surendra Singh Bhandari (holding DIN:- 00043595), Independent Director, as follows:

i. ₹ 2 Lacs for a period of two months commencing from 1st February 2014 upto 31st March 2014 under the Companies Act, 1956.

ii. ₹ 12 Lacs per annum for a period of three consecutive years commencing from 1st April, 2014 upto 31st March, 2017 under the Companies Act, 2013."

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

16. Appointment of Mr. Sunil Agrawal as Chairman and Managing Director of the Company and approval of remuneration

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 198, 309, 310, 311 of the Companies Act, 1956 read with Schedule XIII of the said Act and Sections 196, 197 and any other applicable provisions of the Companies Act, 2013 (the Act) and rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule V of the said Act, Articles of Association of the Company and subject to the approval of the Central Government any other permission, grant, approval required, if any, the consent of the members be and is hereby accorded to the appointment and remuneration of Mr. Sunil Agrawal (holding DIN: 00061142), Chairman of the Company designated as the Chairman and Managing Director of the Company for a period of three years commencing from 1st February, 2014 upto 31st January, 2017 and the terms and conditions of remuneration payable to Mr. Sunil Agrawal as Chairman and Managing Director be and is hereby approved, as recommended by the Remuneration Committee vide its Resolution dated 17th

January, 2014 and adopted by the Board of Directors at its meeting held on 23rd January, 2014 as stated in the explanatory statement annexed hereto."

"RESOLVED FURTHER THAT in the event of inadequacy of profits in any financial year during the tenure of Mr. Sunil Agrawal, the remuneration payable to him shall be in conformity with the terms, conditions and ceilings stated under respective Sections and Schedules, mentioned herein -above, as amended from time to time and such other guidelines as may be issued hereinafter in this behalf by the Ministry of Corporate Affairs (MCA) in this regard, and that the same shall be as per the approval of the Central Government "if any."

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

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

17. Change in the Articles of Association of the Company

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

"RESOLVED THAT pursuant to the applicable provisions of Section 14 and any other applicable provisions of the Companies Act, 2013 and rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) and subject to the such approvals, consents, permissions, as may be required, existing article 154 of the Articles of Association of the Company be and is hereby deleted and substituted in place thereof as follows:

New Article No. 154:

In order to attract talented officers and employees of the Company and Subsidiaries and to provide such employees with incentives to ensure their continued association with the Company, the Company may grant stock options under any Employee Stock Option Plan (ESOP) of the Company. Such stock options shall not exceed 40,00,000 (Forty Lacs Only) provided that the aforesaid limit may be increased in compliance with applicable provisions of law.

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

18. Approval of Vaibhav Global Employee Stock Option Scheme – 2014 (VGL- ESOS 2014)

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

"**RESOLVED THAT** pursuant the provisions of Section 62(1)(b) and all other applicable provisions, if any, of the Companies Act, 2013 and rules made thereunder, applicable provisions of Companies Act,1956 if any, the Memorandum and Articles of Association of the Company, and the provisions contained in the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (hereinafter referred to as "SEBI Guidelines") (including any statutory modifications, amendments or re-enactments of the SEBI Guidelines), and subject to such other approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, the approval and consent of the Members be and is hereby accorded to the **"VGL-ESOS 2014"** and to the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any Committee, including the Compensation Committee which the Board has constituted and/ or may constitute or re-constitute to exercise its powers, including the powers, conferred by this resolution), to create, offer, issue and allot at any time to or to the benefit of such person(s) who are in permanent employment of the Company, including Directors (other than promoters of the Company, Independent Directors and Directors holding directly or indirectly more than 10% of the outstanding Equity Shares of the Company), whether wholetime or otherwise, whether working in India or out of India, 2,00,000 (Two Lacs only) employee stock options ("ESOPs") exercisable into not more than 2,00,000 (Two Lacs only) Equity Shares of the Company under **"VGL-ESOS 2014"**, in one or more tranches, and on such terms and conditions as may be fixed or determined by the Board in accordance with the provisions of the law or guidelines issued by the relevant authority and each option would be exercisable for one Equity share of a face value of ₹ 10/- each fully paid-up."

"RESOLVED FURTHER THAT all actions taken by the Board in connection with the above and all incidental and ancillary things done are hereby specifically approved and ratified."

"RESOLVED FURTHER THAT the Board and any committee formed for this purpose be and is hereby authorised to issue and allot Equity shares upon exercise of ESOPs from time to time in accordance with the **"VGL-ESOS 2014"** and such Equity shares shall rank pari passu in all respects with the then existing Equity Shares of the Company."

"RESOLVED FURTHER THAT the Equity Shares may be allotted directly to such eligible employees / directors or in accordance with the Scheme framed in that behalf through a Trust which in any permissible manner and that the Scheme may also envisage providing any financial assistance to the Trust to enable the employees / Trust to subscribe to the Securities of the Company offered under **VGL-ESOS 2014"**

"RESOLVED FURTHER THAT in case of any corporate action (s) such as rights issues, bonus issues, merger and sale of division and others, if any additional Equity Shares are issued by the Company to the Option Grantees for the purpose of making a fair and reasonable adjustment to the ESOPs granted earlier, the above ceiling of 2,00,000 (Two Lacs only) Equity Shares shall be deemed to be increased or decreased in line with such change in total paid up Equity Shares and/or face value thereof, without affecting any other rights or obligations of the said allottees."

"RESOLVED FURTHER THAT in case the Equity Shares of the Company are either sub-divided or consolidated, then the number of shares to be allotted and the price of acquisition payable by the Option Grantees under the schemes shall automatically stand augmented or reduced, as the case may be, in the same proportion as the present face value of ₹10/- per Equity Share bears to the revised face value of the Equity Shares of the Company after such sub-division or consolidation, without affecting any other rights or obligations of the said allottees."

"**RESOLVED FURTHER THAT** the Board be and is hereby authorized to take necessary steps for listing of the securities allotted under the **"VGL-ESOS 2014"**on the Stock Exchanges, where the securities of the Company are listed as per the provisions of the Listing Agreement with the concerned Stock Exchanges and other applicable guidelines, rules and regulations."

"RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds, matters and things as it may at its absolute discretion, deem necessary or desirable for such purpose and on behalf of the Company, to settle any questions, difficulties or doubts that may arise in regard to such issue or offer, allocation, allotment and utilization of the proceeds and to make modifications, changes, variations, alterations or revisions in the said schemes as it may deem fit, from time to time in its sole and absolute discretion in conformity with the provisions of the Companies Act, 2013 including any modifications, amendments and re-enactments thereof, the Memorandum and Articles of Association of the Company, SEBI Guidelines and any other applicable laws."

19. Approval for issue of shares to the eligible employees of subsidiaries of the Company under VGL –ESOS 2014

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

RESOLVED THAT in accordance with the provisions of Sec 62(1)(b) and all other applicable provisions of Companies Act, 2013 and rules made thereunder , applicable provisions of the Companies Act , 1956 if any , the Memorandum and Articles of Association of the Company, and the provisions contained in the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (hereinafter referred to as "SEBI Guidelines") (including any statutory modifications, amendments or re-enactments of the SEBI Guidelines) and subject to such other approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, the approval and consent of the Members be and is hereby accorded respectively to the **"VGL-ESOS 2014"** and to the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any Committee, including the Compensation Committee which the Board has constituted and/ or may constitute or re-constitute to exercise its powers, including the powers, conferred by this resolution), to create, offer, issue and allot at any time to or to the benefit of such person(s) who are in permanent employment of the Subsidiary Company, including directors (other than promoters of the Company, Independent Directors and Directors holding directly or indirectly more than 10% of the outstanding Equity Shares of the Company), whether wholetime or otherwise, whether working in India or out of India, 2,00,000 (Two Lacs only) employee stock options ("ESOPs") exercisable into Equity Shares within the overall ceiling of 2,00,000 (Two Lacs only) under **"VGL-ESOS 2014"**, in one or more tranches, and on such terms and conditions as may be fixed or determined by the Board in accordance with the provisions of the law or guidelines issued by the relevant Authority and each option would be exercisable for one Equity share of a face value of ₹ 10/- each fully paid-up."

"RESOLVED FURTHER THAT the Board be and is hereby authorised to issue and allot Equity shares upon exercise of ESOPs from time to time in accordance with the **"VGL-ESOS 2014"** and such Equity shares shall rank pari passu in all respects with the then existing Equity Shares of the Company."

"RESOLVED FURTHER THAT the Equity Shares may be allotted directly to such eligible employees / directors or in accordance with the Scheme framed in that behalf through a Trust in any permissible manner and that the Scheme may also envisage providing any financial assistance to the Trust to enable the employees / Trust to subscribe to the Securities of the Company offered under **VGL-ESOS 2014"**

"**RESOLVED FURTHER THAT** in case of any corporate action (s) such as rights issues, bonus issues, merger and sale of division and others, if any additional Equity Shares are issued by the Company to the Option Grantees for the purpose of making a fair and reasonable adjustment to the ESOPs granted earlier, the above ceiling of 2,00,000 (Two Lacs only) Equity Shares shall be deemed to be increased or decreased in line with such change in total paid up Equity Shares and/or face value thereof, without affecting any other rights or obligations of the said allottees."

"RESOLVED FURTHER THAT in case the Equity Shares of the Company are either sub-divided or consolidated, then the number of shares to be allotted and the price of acquisition payable by the Option Grantees under the schemes shall automatically stand augmented or reduced, as the case may be, in the same proportion as the present face value of ₹ 10/- per Equity Share bears to the revised face value of the Equity Shares of the Company after such sub-division or consolidation, without affecting any other rights or obligations of the said allottees."

"**RESOLVED FURTHER THAT** the Board be and is hereby authorized to take necessary steps for listing of the securities allotted under the **"VGL-ESOS 2014"**on the Stock Exchanges, where the securities of the Company are listed as per the provisions of the Listing Agreement with the concerned Stock Exchanges and other applicable guidelines, rules and regulations."

"RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds, matters and things as it may at its absolute discretion, deem necessary or desirable for such purpose and on behalf of the Company, to settle any questions, difficulties or doubts that may arise in regard to such issue or offer, allocation, allotment and utilization of the proceeds and to make modifications, changes, variations, alterations or revisions in the said schemes as it may deem fit, from time to time in its sole and absolute discretion in conformity with the provisions of the Companies Act, 2013 including any modifications, amendments and re-enactments thereof, the Memorandum and Articles of Association of the Company, SEBI Guidelines and any other applicable laws."

20. Approval for creating new Stock Options under existing VGL ESOP (As Amended) -2006

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

"**RESOLVED THAT** in accordance with the provisions of Section 62(1)(b) and all other applicable provisions, if any, of the Companies Act, 2013 and rules made thereunder, if any, the Memorandum and Articles of Association of the Company, and the provisions contained in the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (hereinafter referred to as "SEBI Guidelines") (including any statutory modifications, amendments or re-enactments of the SEBI Guidelines), and subject to such other approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, the approval and consent of the Members be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any Committee, including the Compensation Committee which the Board has constituted and/ or may constitute or re-constitute to exercise its powers, including the powers, conferred by this resolution), to create, offer, issue and allot at any time new 5,00,000 (Five Lacs only) Stock Options convertible into 5,00,0000 (Five Lacs only) Equity Shares of ₹ 10/- each, to the benefit of such person(s) who are in permanent employment of the Company, including directors (other than promoters of the Company , Independent Directors and Directors holding directly or indirectly more than 10% of the outstanding Equity Shares of the Company) in one or more tranches, and on such terms and conditions as may be fixed or determined by the Board in accordance with the provisions of the law or guidelines issued by the relevant authority."

"RESOLVED FURTHER THAT all actions taken by the Board in connection with the above and all incidental and ancillary things done are hereby specifically approved and ratified."

"RESOLVED FURTHER THAT the Board and any committee formed for this purpose be and is hereby authorised to issue and allot Equity shares upon exercise of ESOPs from time to time in accordance with the **"VGL ESOP (As Amended) - 2006"** and such Equity shares shall rank pari

passu in all respects with the then existing Equity Shares of the Company."

"RESOLVED FURTHER THAT the Equity Shares may be allotted directly to such eligible employees / directors or in accordance with the Scheme framed in that behalf through a trust in any permissible manner and that the Scheme may also envisage providing any financial assistance to the trust to enable the employees / trust to subscribe to the Securities of the Company offered under **"VGL ESOP (As Amended) - 2006"**

"RESOLVED FURTHER THAT in case the Equity Shares of the Company are either sub-divided or consolidated, then the number of shares to be allotted and the price of acquisition payable by the Option Grantees under the schemes shall automatically stand augmented or reduced, as the case may be, in the same proportion as the present face value of ₹ 10/- per Equity Share bears to the revised face value of the Equity Shares of the Company after such sub-division or consolidation, without affecting any other rights or obligations of the said allottees."

"**RESOLVED FURTHER THAT** the Board be and is hereby authorized to take necessary steps for listing of the securities allotted under the **"VGL ESOS (As Amended) – 2006** on the Stock Exchanges, where the securities of the Company are listed as per the provisions of the Listing Agreement with the concerned Stock Exchanges and other applicable guidelines, rules and regulations."

"RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds, matters and things as it may at its absolute discretion, deem necessary or desirable for such purpose and on behalf of the Company, to settle any questions, difficulties or doubts that may arise in regard to such issue or offer, allocation, allotment and utilization of the proceeds and to make modifications, changes, variations, alterations or revisions in the said scheme as it may deem fit, from time to time in its sole and absolute discretion in conformity with the provisions of the Companies Act, 2013 including any modifications, amendments and re-enactments thereof, the Memorandum and Articles of Association of the Company, SEBI Guidelines and any other applicable laws."

21. Approval for enhancing the exercise period under existing VGL ESOP (As Amended) -2006

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

"**RESOLVED THAT** pursuant to applicable provisions of Companies Act, 2013 and rules made thereunder and Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and subject to such other approvals, consents, permissions, as may be required,the consent of the members of the Company be and is hereby accorded to extend the existing exercise period, from one year and four years respectively to seven years for stock options granted under the VGL ESOP (As Amended) -2006 pursuant to the Special Resolution passed in the Annual General Meeting held on 30th September, 2011."

"**RESOLVED FURTHER THAT** necessary amendments for extending the exercise period to seven years be made in VGL ESOP (As Amended) - 2006 (with such exceptions as may be considered necessary or appropriate by the Board or any Committee thereof) and the remaining terms and conditions of the scheme are unaltered."

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

22. Approval of funding to Vaibhav Global Employee Stock Option Welfare Trust

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

"**RESOLVED THAT** pursuant to the provisions of Section 67 and any other applicable provisions, if any, of the Companies Act, 2013 read with Rule 16 of the Companies (Share Capital and Debentures) Rules 2014 (hereinafter referred to as the "Act") as amended, modified and re-enacted till date and provisions contained in the Memorandum and Articles of Association of the Company, and subject to such other approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, the approval and consent of the Members be and is hereby accorded to the Board of Directors of the Company to provide funds provided that the value of shares to be purchased or subscribed in the aggregate together, with the money provided by the company shall not exceed 5% of the aggregate of paid up Share Capital and free reserves of the Company, to the **"Vaibhav Global Employee Stock Option Welfare Trust"** (hereinafter referred to as the Trust) set up for implementation of Employee Welfare Schemes in the form of Employee Stock Options or such other incentives, of the Company so that the Trust may subscribe to the securities

of the Company for the benefit of the employees of the Company and its Subsidiaries."

"RESOLVED FURTHER THAT the Board be and is hereby authorised to appoint such persons as Trustees of the Trust in position of the present Trustees, as may be deemed essential under the applicable laws, rules and regulations at a future date."

"**RESOLVED FURTHER THAT** the Board of Directors be and are hereby authorized to do all such acts, deeds and things as may be deemed fit to provide funds to the Trust and to implement this resolution from time to time in its sole and absolute discretion in conformity with the provisions of the Companies Act, 2013 including any modifications, amendments and re-enactments thereof, the Memorandum and Articles of Association of the Company, SEBI Guidelines and any other applicable laws."

23. Approval for borrowing power in terms of Section 180(1)(c) of the Companies Act, 2013

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

"RESOLVED THAT pursuant to the provisions of Section 180(1)(c) and any all other applicable provisions of the Companies Act, 2013 and rules made thereunder (including any statutory modifications, amendments or re-enactments of the SEBI Guidelines), provisions of Articles of Association and subject to all other requisite approvals, permissions and sanctions, the consent of members be and is hereby accorded to the Board of Directors of the Company to borrow money from time to time, which together with the money already borrowed by the Company, (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business) may exceed at any time, the aggregate of the paid-up share capital of the Company and its free reserves, provided that the total amount of such borrowing shall not exceed ₹ 1000 Crores (₹ One Thousand Crores Only)."

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

Place: Jaipur **By order of the Board of Directors**

Date: 14th May, 2014 **Brahm Prakash**
Company Secretary

NOTES:

1. An Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 with respect to the special business set out in the Notice is annexed hereto.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/ HERSELF AND THE PROXY NEED NOT TO BE A MEMBER OF THE COMPANY.
3. The instrument appointing a proxy, duly completed must be deposited at the Company's registered office not less than 48 hours before the commencement of the meeting. A proxy form for the AGM is enclosed.
4. Members /proxies should bring the duly filled attendance slip enclosed herewith to attend the meeting.
5. Corporate members intending to send their authorised representative to attend the Meeting are requested to send to the Company, a certified copy of the Board Resolution authorising their representative to attend and vote at the Meeting on their behalf.
6. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
7. The Register of Members and Share Transfer Books of the Company will remain closed from 18th July, 2014 to 25th July, 2014 (both inclusive).
8. 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 will be available for inspection by the members at AGM.
9. Members are requested to send their demat/remat applications, request for share transfers, intimation of change of address and other correspondence to the Company's Registrar and Transfer Agent, M/s Karvy Computershare Pvt. Ltd., Plot no.17 to 24, Vittal Rao Nagar, Madhapur, Hyderabad - 500 081.
10. Members who hold shares in physical form requested to notify immediately, any change in their addresses to the Registrar and Transfer Agent of the Company at the above address and to their respective depository participants, in case shares are held in electronic form.
11. Non Resident Indian Members are requested to inform Registrar and Share Transfer Agent of the Company in any case change in their residential status on return to India

for permanent settlement, particulars of their bank account maintained in India with complete name, branch account type, account number and address of the bank with pin code number, if not furnished earlier.

12. The Securities Exchange Board of India (SEBI) mandate the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore requested to submit the PAN to their Depository Participants with whom they are maintaining demat accounts. Members holding shares in physical form can submit their PAN details to the Company's Registrar and Transfer Agent.

13. Members desirous of making a nomination in respect of their shareholding in the Company, as permitted under the Section 72 of the Companies Act, 2013 may do so.

14. In terms of Section 205A and 205C of the Companies Act, 1956, the Company has transferred the unclaimed or unpaid for the financial year 2005-06 to Investor Education Protection Fund (IEPF) during the financial year 2013–14.Further, Members wishing to claim their unpaid or unclaimed dividend for the financial year 2006-07 are requested to claim the same.

15. The Notice of AGM along with the Annual Report 2013-14 is being sent by electronic mode to those members whose email address is registered with the Company / Depositories, unless any member has requested for a physical copy of the same. For Members who have not registered their email address, physical copies are being sent by the permitted mode.

16. As a measure of austerity, copies of the Annual Report will not be distributed at the Annual General Meeting. Members are therefore, requested to bring their copies of the Annual Report to the Meeting

17. The Members who have not registered their email address are requested to register the same with the Registrar and Share Transfer Agent/Depositories as the same has been mendated under the New Companies Act, 2013.

18. Relevant documents referred to in the proposed resolutions are available for inspection at the Registered Office of the Company during business hours on all working days upto the date of the Annual General Meeting.

19. In compliance with the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to inform that all the resolutions stated in the notice can be transacted by electronic voting system and the Company has provided facility to the members to exercise their vote at the 25th Annual General Meeting (AGM) by electronic means through e-voting services provided by Karvy Computershare Pvt. Ltd. The instruction for e-voting is being sent separately through permitted mode.

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

Item No. 5 :

The Board of Directors at its meeting held on 29th October, 2013 appointed Mr. Pulak Chandan Prasad as an Additional Director of the Company pursuant to the provisions of the Section 161 of the Companies Act, 2013 who holds office upto the date of ensuing Annual General Meeting of the Company. The Company has received a notice in writing under the provisions of Section 160 of the Companies Act, 2013 from a member along with a deposit of ₹ 1,00,000/- (One Lac only) proposing the candidature of Mr. Pulak Chandan Prasad as a Director of the Company.

The resolution seeks the approval of members for the appointment of Mr. Pulak Chandan Prasad as a Director pursuant to the provisions of Section 152 and any other applicable provisions of the Companies Act, 2013 and rules made thereunder. He will be liable to retire by rotation.

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

The Board of Directors recommends the resolution set forth in item no. 5 for the approval of the members.

Item No. 6 :

The Board of Directors by resolution passed by way of circulation dated 21st December, 2013 appointed Mr. Vikram Kaushik as an Additional Director of the Company, pursuant to the provisions of the Section 161 of the Companies Act, 2013 who holds office upto the date of ensuing Annual General Meeting of the Company.

Pursuant to the provisions of Section 149(4) of the Companies Act, 2013, which came into force on 1st April, 2014, every listed public Company is required to have at least one third of the total number of Directors as Independent Directors, who are not liable to retire by rotation.

The Company has received a notice in writing under the provisions of Section 160 of the Companies Act, 2013 from a member along with a deposit of ₹ 1,00,000/- (One Lac only) proposing the candidature of Mr. Vikram Kaushik as an Independent Director in terms of Section 149 of the Companies Act, 2013 and a declaration from Mr. Vikram Kaushik to the effect that he meets the criteria of independence as provided in 149(6) of the Companies Act, 2013.

The resolution seeks the approval of members for the appointment of Mr. Vikram Kaushik as an Independent Director pursuant to the provisions of Section 149 read with Schedule IV and any other applicable provisions of the Companies Act, 2013 and rules made thereunder. He will not be liable to retire by rotation.

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

The Board of Directors recommends the resolution set forth in item no. 6 for the approval of the members.

Item No. 7:

The Board of Directors at its meeting held on 23rd January, 2014 appointed Mr. Mahendra Kumar Doogar as an Additional Director of the Company pursuant to the provisions of the Section 161 of the Companies Act, 2013 who holds office upto the date of ensuing Annual General Meeting of the Company.

Pursuant to the provisions of Section 149(4) of the Companies Act, 2013, which came into force on 1st April, 2014, every listed public Company is required to have at least one third of the total number of Directors as Independent Directors who are not liable to retire by rotation.

The Company has received a notice in writing under the provisions of Section 160 of the Companies Act, 2013 from a member along with a deposit of ₹ 1,00,000/- (One Lac only) proposing the candidature of Mr. Mahendra Kumar Doogar as an Independent Director in terms of Section 149 of the Companies Act, 2013 and a declaration from Mr. Mahendra Kumar Doogar to the effect that he meets the criteria of independence as provided in 149(6) of the Companies Act, 2013.

The resolution seeks the approval of members for the appointment of Mr. Mahendra Kumar Doogar as an Independent Director pursuant to the provisions of Section 149 read with Schedule IV and any other applicable provisions of the Companies Act, 2013 and rules made thereunder. He will not be liable to retire by rotation.

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

The Board of Directors recommends the resolution set forth in item no. 7 for the approval of the members.

Item No. 8:

The Board of Directors at its meeting held on 14th May, 2014 appointed Mr. Peter Duncan Whitford as an Additional Director of the Company pursuant to the provisions of the Section 161 of the Companies Act, 2013 who holds office upto the date of ensuing Annual General Meeting of the Company.

Pursuant to the provisions of Section 149(4) of the Companies Act, 2013, which came into force on 1st April, 2014, every listed public Company is required to have at least one third of the total number of Directors as Independent Directors who are not liable to retire by rotation.

The Company has received a notice in writing under the provisions of Section 160 of the Companies Act, 2013 from a member along with a deposit of ₹ 1,00,000/- (One Lac only) proposing the candidature of Mr. Peter Duncan Whitford as an Independent Director in terms of Section 149 of the Companies Act, 2013 and a declaration from Mr. Peter Duncan Whitford to the effect that he meets the criteria of independence as provided in 149(6) of the Companies Act, 2013.

The resolution seeks the approval of members for the appointment of Mr. Peter Duncan Whitford as an Independent Director pursuant to the provisions of Section 149 read with Schedule IV and any other applicable provisions of the Companies Act, 2013 and rules made thereunder. He will not be liable to retire by rotation.

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

The Board of Directors recommends the resolution set forth in item no. 8 for the approval of the members.

Item No. 9 & 10:

The Company had appointed Mr. Mitha Lal Mehta and Mr. Surendra Singh Bhandari as Independent Directors in compliance of clause 49 of the Listing Agreement.

Pursuant to the provisions of Section 149(4) of the Companies Act, 2013, which came into force on 1st April, 2014, every listed public Company is required to have at least one third of the total number of Directors as Independent Directors who are not liable to retire by rotation.

The Company has received a notice in writing under the provisions of Section 160 of the Companies Act, 2013 from two members separately along with a deposit of ₹ 1,00,000/- (One Lac only) each proposing the candidature of Mr. Mitha Lal Mehta and Mr. Surendra Singh Bhandari and a declaration from Mr. Mitha Lal Mehta and Mr. Surendra Singh Bhandari to the effect that they meet the criteria of independence as provided in 149(6) of the Companies Act, 2013.

The resolution seeks the approval of members for the appointment of Mr. Mitha Lal Mehta and Mr. Surendra Singh Bhandari as an Independent Directors pursuant to the provisions of Section 149 read with Schedule IV and any other applicable provisions of the Companies Act, 2013 and rules made thereunder. They will not be liable to retire by rotation.

No Director, Key Managerial Personnel and their relatives, except Mr. Mitha Lal Mehta and Mr. Surendra Singh Bhandari being appointee, are in any way, concerned or interested in the resolution.

The Board of Directors recommends the resolution set forth in item no. 9 & 10 for the approval of the members.

Item No. 11:

Mr. Vikram Kaushik was appointed as an additional Director under the category of Non Executive Independent Director w.e.f 21st December, 2013. In view of his qualification and rich experience in various industries, the Company decided to pay him as follows:

i. ₹ 2 Lacs for a period of two months commencing from 1st February 2014 upto 31st March 2014 under the Companies Act, 1956.

ii. ₹ 12 Lacs per annum for a period of three consecutive years commencing from 1st April, 2014 upto 31st March, 2017 under the Companies Act, 2013."

by way of remuneration by whatever name called. The Remuneration Committee of the Company approved the remuneration of Mr. Vikram Kaushik by passing a Resolution by way of circulation dated 17th January, 2014 after considering the financial position of the Company, trend in the industry, appointee's qualification, experience, past performance etc.

The Board at its meeting held on 23rd January, 2014 approved the payment of remuneration, subject to the approval of the shareholders, obtained by way of Postal Ballot result of which was declared on 26th March, 2014 and Central Government for a period of five years with effect from 1st February, 2014. The application to the Central Government could not be made due to some technical reasons. Hence, the resolution is being placed again for approval.

The resolution seeks the approval of members for the payment of remuneration to Mr. Vikram Kaushik, pursuant to the provisions of Section 309 of the Companies Act, 1956, 149(9), 197 and any other applicable provisions of the Companies Act, 2013 (the Act) and rules made thereunder read with Schedule V of the said Act.

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

The Board of Directors recommends the resolution set forth in item no. 11 for the approval of the members.

Item no. 12:

Mr. Mahendra Kumar Doogar was appointed as an additional Director under the category of Non Executive Independent Director w.e.f 23rd January, 2014. In view of his qualification and rich experience in financial field/ various industries, the Company decided to pay him as follows:

i. ₹ 1.33 Lacs for a period of two months commencing from 1st February 2014 upto 31st March 2014 under the Companies Act, 1956.

ii. ₹ 8 Lacs per annum for a period of three consecutive years commencing from 1st April, 2014 upto 31st March, 2017 under the Companies Act, 2013."

by way of remuneration by whatever name called. The Remuneration Committee of the Company approved the remuneration of Mr. Mahendra Kumar Doogar by passing a Resolution by way of circulation dated 23rd January, 2014 after considering the financial position of the Company, trend in the industry, appointee's qualification, experience, past performance etc.

The Board at its meeting held on 23rd January, 2014 also approved the payment of remuneration, subject to the approval of the shareholders, obtained by way of Postal Ballot result of which was declared on 26th March, 2014 and Central Government for a period of five years with effect from 1st February, 2014. The application to the Central Government could not be made due to some technical reasons. Hence, the resolution is being placed again for approval.

The resolution seeks the approval of members for the payment of remuneration to Mr. Mahendra Kumar Doogar, pursuant to the provisions of Section 309 of the Companies Act, 1956, 149(9), 197 and any other applicable provisions of the Companies Act, 2013 (the Act) and rules made thereunder read with Schedule V of the said Act.

No Director, Key Managerial Personnel and their relatives, except Mr. Mahendra Kumar Doogar is, in any way, concerned or interested in the resolution.

The Board of Directors recommends the resolution set forth in item no. 12 for the approval of the members.

Item no. 13:

Mr. Peter Duncan Whitford was appointed as an additional Director under the category of Non Executive Independent Director w.e.f 14th May, 2014. In view of his qualification and rich experience in various industries, the Company decided to pay him ₹ 60 lacs per annum by way of remuneration by whatever name called. The Remuneration and Nomination Committee of the Company has approved the remuneration of Mr. Peter Duncan Whitford at its meeting held on 14th May, 2014 after considering the financial position of the Company, trend in the industry, appointee's qualification, experience, past performance etc.

The Board at its meeting held on 14th May, 2014 has also approved the payment of remuneration, subject to the approval of the shareholders and Central Government for a period commencing from 14th May, 2014 upto 31st March, 2017.

The resolution seeks the approval of members for the payment of remuneration to Mr. Peter Duncan Whitford, pursuant to the provisions of Sections 149(9), 197 and any other applicable provisions of the Companies Act, 2013 (the Act) and rules made thereunder read with Schedule V of the said Act.

No Director, Key Managerial Personnel and their relatives, except Mr. Peter Duncan Whitford is, in any way, concerned or interested in the resolution.

The Board of Directors recommends the resolution set forth in item no. 13 for the approval of the members.

Item no. 14:

Mr. Mitha Lal Mehta is a retired IAS and in view of contribution being made by him in the growth and development of the Company, the Company decided to pay Mr. Mitha Lal Mehta, Independent Director as follows:

i. ₹ 1.33 Lacs for a period of two months commencing from 1st February 2014 upto 31st March 2014 under the Companies Act, 1956.

ii. ₹ 8 Lacs per annum for a period of three consecutive years commencing from 1st April, 2014 upto 31st March, 2017 under the Companies Act, 2013."

by way of remuneration by whatever name called. The Remuneration Committee of the Company approved the remuneration of Mr. Mitha Lal Mehta by passing a Resolution by way of circulation dated 17thJanuary, 2014 after considering the financial position of the Company, trend in the industry, appointee's qualification, experience, past performance etc.

The Board at its meeting held on 23rd January, 2014 also approved the payment of remuneration, subject to the approval of the shareholders, obtained by way of Postal Ballot result of which was declared on 26th March, 2014 and Central Government for a period of five years with effect from 1st February, 2014. The application to the Central Government could not be made due to some technical reasons. Hence, the resolution is being placed again for approval.

The resolution seeks the approval of members for the payment of remuneration to Mr. Mitha Lal Mehta, pursuant to the provisions of Section 309 of the Companies Act, 1956, 149(9), 197 and any other applicable provisions of the Companies Act, 2013 (the Act) and rules made thereunder read with Schedule V of the said Act.

No Director, Key Managerial Personnel and their relatives, except Mr. Mitha Lal Mehta is, in any way, concerned or interested in the resolution.

The Board of Directors recommends the resolution set forth in item no. 14 for the approval of the members.

Item no. 15 :

Mr. Surendra Singh Bhandari is a senior Chartered Accountant and possessing vast experience in the area of banking, audit, assurance, tax assignments, corporate restructuring and advisory services. In view of the contribution being made by Mr. S.S Bhandari, Independent Director, in the growth and development of the Company, the Company decided to pay him as follows:

i. ₹ 2 Lacs for a period of two months commencing from 1st February 2014 upto 31st March 2014 under the Companies Act, 1956.

ii. ₹ 12 Lacs per annum for a period of three consecutive years commencing from 1st April, 2014 upto 31st March, 2017 under the Companies Act, 2013."

by way of remuneration by whatever name called. The Remuneration Committee of the Company approved the remuneration of Mr. Surendra Singh Bhandari by passing a Resolution by way of circulation dated 17thJanuary, 2014 after considering the financial position of the Company, trend in the industry, appointee's qualification, experience, past performance etc.

The Board at its meeting held on 23rd January, 2014 also approved the payment of remuneration, subject to the approval of the shareholders, obtained by way of Postal Ballot result of which was declared on 26th March, 2014 and Central Government for a period of five years with effect from 1st February, 2014. The application to the Central Government could not be made due to some technical reasons. Hence, the resolution is being placed again for approval.

The resolution seeks the approval of members for the payment of remuneration to Mr. Surendra Singh Bhandari, pursuant to the provisions of Section 309 of the Companies Act, 1956, 149(9), 197 and any other applicable provisions of the Companies Act, 2013 (the Act) and rules made thereunder read with Schedule V of the said Act.

No Director, Key Managerial Personnel and their relatives, except Mr. Surendra Singh Bhandari is, in any way, concerned or interested in the resolution.

The Board of Directors recommends the resolution set forth in item no. 15 for the approval of the members.

Item no. 16:

Mr. Sunil Agrawal is commerce graduate with an MBA from Columbia University, New York (USA). He has vast experience and exposure in the field of Gems and Jewelry. The Remuneration Committee of the Company approved the

appointment and remuneration of Mr. Sunil Agarwal by passing a Resolution by way of circulation dated 17th January, 2014 after considering the financial position of the Company, trend in the industry, appointee's qualification, experience, past performance etc.

The Board, at its meeting held on 23rd January, 2014 also approved his appointment and remuneration as Chairman and Managing Director for a period of five years with effect from 1st February, 2014 subject to the approval of the shareholders obtained by way of Postal Ballot result of which was declared on 26th March, 2014 and Central Government. The Company has made an application to the Central Government for which approval is awaited. As a matter of abundant precaution, in line with the new Companies Act, 2013, the resolution is being placed again for approval.

The resolution seeks the approval of members for the appointment and payment of remuneration to Mr. Sunil Agrawal, pursuant to the provisions of Sections 198, 309, 310, 311 of the Companies Act, 1956 read with Schedule XIII of the said Act and Sections 196, 197 and any other applicable provisions of the Companies Act, 2013 (the Act) and rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule V of the said Act.

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

The Board of Directors recommends the resolution set forth in item no. 16 for the approval of the members.

Item no. 17:

The Company proposes to grant new stock options to the eligible employees of the Company and its Subsidiaries under existing VGL ESOP (As Amended) – 2006 and also proposes to implement new VGL – ESOS 2014 in compliance of the provisions of Section 62 of the Companies Act, 2013 and rules made thereunder, SEBI Guidelines and subject to all other approvals as may be required in this regard. For this purpose, it is required to amend the existing clause no. 154 of the Articles of Association of the Company.

The resolution seeks the approval of members for amendment in the Article no. 154 of the Articles of Association of the Company.

The Directors and Key Managerial Personnel of the Company may be deemed to be concerned or interested to the extent of the Equity Shares underlying the options that may be offered to the Directors or the Key Managerial Personnel under the Employee Stock Option Schemes of the Company and / or to the extent of Equity Shares held in the paid-up capital by them as a Shareholder.

The Promoters and Independent Directors are excluded from grant of options under the Employee Stock Option Schemes of the Company.

The Board of Directors recommends the resolution set forth in item no. 17 for the approval of the members.

Item No. 18 and 19 :

The Company appreciates the critical role employees play in the organizational growth. It strongly feels that the value created by its employees should be shared with them. To promote the culture of employee ownership, approval of the shareholders is being sought for issue of ESOPs to the employees of the Company and it subsidiaries.

The main features of the VGL-ESOS 2014 are as under:

1. **Total number of ESOPs to be granted**:
   A total number of ESOPs equal to 2,00,000 Equity Shares would be available for being granted to eligible employees of the Company under **VGL-ESOS 2014**. Each unit when exercised would be converted into one Equity share of Rs. 10/- each fully paid-up.

   Vested ESOPs that lapse due to non-exercise or unvested ESOPs that get cancelled due to resignation of the employees or otherwise, would be available for being re-granted at a future date.

   SEBI guidelines require that in case of any corporate action (s) such as rights issues, bonus issues, merger and sale of division and others, a fair and reasonable adjustment needs to be made to the options granted. Accordingly, if any additional Equity Shares are issued by the Company to the Option Grantees for making such fair and reasonable adjustment, the ceiling of 2,00,000 of Equity Shares shall be deemed to be increased to the extent of such additional Equity Shares issued.

2. **Creation of a Trust:**
   The Company has set up a Trust inter-alia for the implementation, administration of the Scheme, financing and holding the Securities for the benefit of the eligible employees as well as for funding the employees to subscribe to the Securities offered under **VGL-ESOS 2014** in accordance with the terms and conditions of the Scheme.

3. **Identification of classes of employees entitled to participate in the Scheme(s)**:
   All permanent employees of the Company, in India and employees of its Subsidiary companies in India and abroad, including the Directors (other than Independent Directors and Directors holding directly or indirectly more than 10% of the outstanding Equity Shares of the Company) excluding the promoters of the Company, as may be decided by the

Compensation Committee from time to time, would be entitled to be granted ESOPs under the **VGL-ESOS 2014**.

4. **Transferability of ESOPs:**
The ESOPs granted to an employee will not be transferable to any person and shall not be pledged, hypothecated, mortgaged or otherwise alienated in any manner. However, in the event of the death of an ESOP holder while in employment, the right to exercise all the ESOPs granted to him till such date shall be transferred to his legal heirs or nominees.

5. **Requirement of vesting and period of vesting**:
The options granted shall vest so long as the employee continuous to be in the employment of the Company. The Compensation Committee may, at its discretion, lay down certain performance metrics on the achievement of which, the granted option would vest, the detailed terms and conditions relating to such performance based vesting and the proportion in which option granted would vest (subject to the minimum and maximum vesting period as specified below).

The options would vest not earlier than one year from the date of grant of stock options. The exact proportion and the exact period over which the options would vest, would be determined by the Compensation Committee, subject to the minimum vesting period of one year from the date of grant of options.

6. **Exercise price**
The Stock Options would be granted at an exercise price equal to the fair market value of the equity shares as on the date of grant of options.

7. **Exercise Period and the process of Exercise**:
The Exercise period would commence from the date of vesting and will expire on completion of seven years from the date of vesting of ESOPs.

The ESOPs will be exercisable by the Employees by a written application to the Company to exercise the ESOPs in such manner, and on execution of such documents, as may be prescribed by the Compensation Committee from time to time. The ESOPs will lapse if not exercised within the specified exercise period.

8. **Appraisal Process for determining the eligibility of the employees to ESOPs**:
The appraisal process for determining the eligibility of the employee will be specified by the Compensation Committee, and will be based on criteria such as role/ designation of the employee, length of service with the Company, past performance record, future potential of the employee and/or such other criteria that may be determined by the Compensation Committee at its sole discretion.

9. **Maximum number of ESOPs to be issued per employee and in aggregate**:
The number of ESOPs that may be granted to any specific employee under the Scheme shall be less than 1%of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant of ESOPs.

10. **Disclosure and Accounting Policies**:
The Company shall comply with the disclosure and the accounting policies prescribed as per the guidance note on accounting for Employee Share-based Payment issued by ICAI and the SEBI guidelines.

11. **Method of option valuation**
To calculate the employee compensation cost, the Company shall use the Intrinsic Value Method for valuation of the ESOPs granted.

In case the Company calculates the employee compensation cost using the Intrinsic Value of the ESOPs, the difference between the employee compensation cost so computed and the cost that shall have been recognized if it had used the Fair Value of the ESOPs, shall be disclosed in the Directors' Report and also the impact of this difference on profits and on EPS of the Company shall also be disclosed in the Directors' Report.

In terms of the provisions of Section 62(1)(b) of the Companies Act, 2013, where, it is proposed to increase the subscribed Capital of the Company by allotment of further shares, in whatsoever manner, then such further shares shall be offered to the persons who at the date of the offer are holders of the Equity Shares of the company in proportion as nearly as circumstances admit to the capital paid-up on those shares at that date, unless a special resolution is passed by the Company in general meeting in terms of Section 62(1)(b) of the Act. Since it is proposed to offer, issue and allot the securities under the **VGL-ESOS 2014** only to the eligible permanent employees of the Company and its subsidiaries, hence, it is necessary to pass a special resolution in terms of Section 62(1)(b) of the Act and as per clause 6 of the SEBI Guidelines.

The Directors and Key Managerial Personnel of the Company may be deemed to be concerned or interested in the said resolutions to the extent of the Equity Shares underlying the options that may be offered to the Director or the Key Management Persons under the **VGL-ESOS 2014** and / or to the extent of Equity Shares held in the paid-up capital by them as a Shareholder.

The Board of Directors recommends the resolution set forth in item no. 18 and 19 for the approval of the members.

Item No. 20 :

The Company appreciates the critical role employees play in the organizational growth. It strongly feels that the value created by its employees should be shared with them. To promote the culture of employee ownership, the Company proposes to grant stock options under the existing ESOP Plan namely VGL ESOP (As Amended) – 2006 .

In terms of the provisions of Section 62(1)(b) of the Companies Act, 2013, where, it is proposed to increase the subscribed Capital of the Company by allotment of further shares, in whatsoever manner, then such further shares shall be offered to the persons who at the date of the offer are holders of the Equity Shares of the company in proportion as nearly as circumstances admit to the capital paid-up on those shares at that date, unless a special resolution is passed by the Company in general meeting in terms of Section 62(1)(b) of the Act. Since it is proposed to offer, issue and allot the securities under the **VGL-ESOS 2014** only to the eligible permanent employees of the Company and its subsidiaries, hence, it is necessary to pass a special resolution in terms of Section 62(1)(b) of the Act and as per clause 6 of the SEBI Guidelines.

The Directors and Key Managerial Personnel of the Company may be deemed to be concerned or interested in the said resolutions to the extent of the Equity Shares underlying the options that may be offered to the Director or the Key Management Persons under the **VGL-ESOS 2014** and / or to the extent of Equity Shares held in the paid-up capital by them as a Shareholder.

The Promoters and Independent Directors are excluded from grant of options under the Employee Stock Option Schemes of the Company.

The Board of Directors recommends the resolution set forth in item no. 20 for the approval of the members.

Item No. 21:

The Company has been granting stock options to the eligible employees of the Company and Subsidiaries under VGL ESOP (As Amended) -2006 renamed pursuant to the approval of Shareholders obtained in the Annual General Meeting (AGM) held on 30th September, 2011. The exercise price of stock options granted under VLG ESOP (As Amended) 2006 is one year and four years respectively. In order to create long term wealth in the hands of employees of the Company and its Subsidiaries and in the best interest of all such employees, it is proposed to enhance the exercise period to seven years.

The Directors and Key Managerial Personnel of the Company may be deemed to be interested to the extent of the Equity Shares underlying the options that may be offered to the Directors or the Key Managerial Personnel under the Employee Stock Option Schemes of the Company and / or to the extent of Equity Shares held in the paid-up capital by them as a Shareholder.

The Promoters and Independent Directors are excluded from grant of options under the Employee Stock Option Schemes of the Company.

The Board of Directors recommends the resolution set forth in item no. 21 for the approval of the members.

Item No. 22 :

The Company has framed **"Vaibhav Global Employee Stock Option Welfare Trust"** ("the Trust") to implement and administer the Employee Welfare Schemes in the form of Employee Stock Options or such other Schemes of the Company for the benefit of its employees. The Company intends to provide funds to the Trust in the form of loan, so that the Trust may subscribe to the Securities of the Company offered and hold them for the benefit of the employees from time to time on such terms as under :-

1. **The class of employees covered under the Scheme**:
   The Employee Stock Option Scheme of the Company extends to all permanent employees of the Company in India and employees of its Subsidiary Companies abroad, including the Directors (other than Independent Directors and Directors holding directly or indirectly more than 10% of the outstanding Equity Shares of the Company) excluding the promoters of the Company, as may be decided by the Compensation Committee from time to time.

2. **The particulars of the Trust/Trustees in whose favour such shares are to be registered:**
   In case the Company issues equity shares to the Trust, the same shall be issued in the name of the Trust/Trustees whose details are given underneath.

3. **Details of Trust and Trustees**:
   The Trust created by the Company is a private Trust under the Indian Trust Act, 1882. The Trust is formed by the Company vide execution of Trust Deed dated 24th March, 2014 for which consent of the Board of Directors was obtained vide Board Resolution dated 23rd January, 2014. The name of the Trust is **Vaibhav Global Employee Stock Option Welfare Trust** and has its registered office at K-6B, FatehTiba, Adarsh Nagar, Jaipur – 302004. The Trust intends to subscribe to securities of the Company and issue to the beneficiaries of the Trust under the various Employee Stock Option Schemes of the Company.

Name of Trustee	Address	Occupation	Nationality	Relationship with the Promoters, Directors/ KMP
Mr. Rahimullah	722, Mohalla Pathan Ghat Gate Jaipur - 302004	Business Man	Indian	Whole Time Director
Mr. Hemant Sultania	The Grand Geejgarh, Flat 907 Tower B, Hawa Sadak, New 22 Godam, Jaipur	Service	Indian	Group CFO
Mr. Pushpendra Singh	389-390 A, Siddrth Nagar, C Block Near Airport Terminal II, Malviya Nagar, Jaipur - 302017	Service	Indian	VP HR

4. **Interest of Key Managerial Personnel, Directors or Promoters in such scheme or trust :**
The Directors, Key Managerial Persons of the Company and their relatives may be deemed to be interested in Scheme/ Trust to the extent of the Equity Shares underlying the options that may be offered to the Director or the Key Management Persons under the Employee Stock Option Schemes of the Company and / or to the extent of Equity Shares held in the paid-up capital by them as a Shareholder.

The Promoters are excluded from grant of options under the Employee Stock Option Schemes of the Company.

5. **The detailed particulars of benefits which will accrue to the employees from the implementation of the scheme**:
The employees eligible to be granted options under the Employee Stock Option Schemes of the Company would be entitled to exercise and purchase shares of the company at a predetermined price subject to terms and conditions specified under the said Schemes of the Company.

6. **Exercise and how the voting rights in respect of the shares to be purchased or subscribed under the scheme would be exercised :**
The voting rights in respect of the Shares allotted in pursuance of options granted under the Employee Stock Option Schemes shall be exercised by Trustee till the time shares are with the Trust and after exercise of options such voting rights will be exercisable by the employees purchasing the shares.

The Company shall comply with the Companies (Share Capital and Debentures Rules), 2014 framed under Companies Act 2013 applicable from 1st April 2014 with respect to appointment of Trustee in due course within reasonable time period as the Rules do not permit Directors, KMP and promoter to act as trustees.

The Board of Directors recommends the resolution set forth in item no. 22 for the approval of the members.

Item No. 23:

The Shareholders at their Extra Ordinary General Meeting held on 5th September, 2005, authorized the Board of Directors to borrow money from Bankers, firms, body corporate, financial institutions, mutual funds, foreign bankers / financial institutions, FIIS etc. upto ₹ 1000 Crores (One Thousand Crores only) in terms of Section 293(1)(d) of the Companies Act, 1956.

Now, the Section 293(1)(d) of the Companies Act, 1956 has been replaced by Section 180(1)(c) of the Companies Act, 2013. In order to comply with the provisions of new section, it is necessary to obtain fresh approval from Shareholders with the same borrowing limit i.e ₹ 1000 Crores (One Thousand Crores only).

Hence, the resolution is being placed for the approval of the members.

No Director, Key Managerial Personnel and their relatives, is, in any way, concerned or interested in the resolution except to the extent of their shareholding in the Company.

The Board of Directors recommends the resolution set forth in item no. 23 for the approval of the members.

Details of the Directors seeking re-appointment/appointment at 25th Annual General Meeting (AGM)

Sr. No.	Name of the Director	Date of the Appoin-tment	Brief Profile / Expertise in Specific field of areas	Directorship held in other public Companies as on 31.03.2014 (excluding foreign Companies and Private Companies)	Membership/ Chairmanship of Committees of other public Companies as on 31.03.2014)*	Number of shares held in the Company
1.	Mrs. Sheela Agarwal (DIN : 0178548)	10-11-2008	An active social worker, she possesses great acumen and business understanding. She is a religious lady and is the mother of Mr. Sunil Agrawal, Chairman and Managing Director.	Nil	Nil	21,501
2.	Mr. Pulak Chandan Prasad (DIN:00003557)	29-10-2013	He is the founder of Nalanda Capital. Nalanda Capital takes large and long-term stakes in small to mid-cap listed companies in India on behalf of US and European institutional investors (primarily Endowments and Foundations). Prior to Nalanda, Pulak was with the global private equity firm Warburg Pincus for more than eight years where he was Managing Director and co-head of India. Before Warburg Pincus, Pulak spent 6 years at McKinsey in India, South Africa and the US. He joined McKinsey in 1992 from IIM Ahmedabad. Prior to the IIM, he was at Unilever in India as a Production management Trainee. He has an engineering degree from IIT Delhi.	1. Berger Paints India Ltd.	Nil	Nil
3.	Mr. Vikram Kaushik (DIN:00020529)	21-12-2013	He is B.A (Hons) History & Economics, M. A, Diploma in Mandarin Chinese and Diploma in French. He has an overall rich experience of approx. 40 years in various industries. He started his career from Hindustan Uniliver Ltd. where he spent 16 years and has handled various brands i.e Lux, Liril, Fair & Lovely, Clinic, Sunsilk, Dalda & Flora. He has been Managing Director in Enterprise Advertising from 1989 to 1994, Vice President – Marketing & Exports in "Britannia Industries Limited" from 1994 to 1999, Director and Executive Vice President Marketing in "Colgate Palmolive (India) Limited from 1999 to 2004, Managing Director and Chief Executive Officer in "Tata Sky Ltd" from 2004 to 2010 and Director on the Board of "Prasar Bharti"" from May 2011 to November, 2013. He has also acted as management consultant / advisor to various groups like Voltas, Tata Strategic Management Group, Price Water house coopers, AMAGI Media Labs and also has done shorter assignments for HSBC, Standard Chartered Bank and Warburg Pincus. He is currently holding directorship in Sistema Shyam Teleservices Limited from July 2011 and India Capital Growth Fund from June 2012.	1. Sistema Shyam Teleservices Ltd.	Nil	Nil
4.	Mr. Mahendra Kumar Doogar (DIN:00319034)	23-01-2014	He is a Chartered Accountant and having rich experience of about 38 years in Corporate Finance, Taxation, Statutory and Internal Audit, Merchant banking, financial structuring, project consultancy and fund management. He is presently on the Board of various Companies including PHD Chamber of Commerce and Industry, Shri Natraj Ceramics & Chemical Industries Limited, Frick India Limited, Morgan Ventures Limited, Kamdhenu Ispat Limited, D & A Financial Services (P) Ltd., and Radico Khaitan Limited. He has been member of Corporate Governance Committee constituted by Securities & Exchange Board of India under the Chairmanship of Mr. Narayan Murti. He has also been Chairman of the Capital Market Committee and Banking & Finance Committee of PHD Chamber of Commerce & Industry.He has been appointed as Co Chairman, Financial Services Committee of Indo American Chamber of Commerce .He successfully managed various international assignments with leading funds in Singapore, Hong Kong, UAE, USA, Japan, France, Italy and Nigeria and authored books on (a) Guide to Capital Issues (b) Guide to Sick Industrial Companies (c) Practice & Procedure of Public Issues.	1. Dalmia Refractories Ltd. 2. Frick India Ltd. 3. Indo Alusys Ltd. 4. Kamdhenu Ispat Ltd. 5. PHD Chambers of Commerce & Industry 6. Morgan Ventures Ltd. 7. Radico Khitan Ltd. 8. Doogar & Associates Securites Limited	**Audit Committee** 1. Kamdhenu Ispat Ltd.- Chairman 2. Radico Khaitan Ltd.- Chairman 3. Indo Alusys Ltd.- Chairman **Stakeholders' Relationship Committee** 1. Kamdhenu Ispat Ltd.- Chairman 2. Radico Khaitan Ltd.- Member	Nil

Sr. No.	Name of the Director	Date of the Appoin-tment	Brief Profile / Expertise in Specific field of areas	Directorship held in other public Companies as on 31.03.2014 (excluding foreign Companies and Private Companies)	Membership/ Chairmanship of Committees of other public Companies as on 31.03.2014)*	Number of shares held in the Company
5.	Mr. Peter Duncan Whitford (DIN: 6864709)	14-05-2014	Mr. Peter Duncan Whitford has an International career and brings almost 34 years of extensive experience in various public and private companies in various fields including consumer products, marketing, merchandising, planning and allocation, global branding, sourcing strategies, licensing strategies, media strategies, social compliance programs, growing and re-inventing organizations internationally. Peter has a strong international track record with global experience spanning multiple industries and deep expertise in emerging markets.Peter has Bachelor of Business degree from University of Technology, Austraila, Post Graduate Studies from Oregon State University, Australia and Post Graduate Diploma in Direct Marketing from Monash University, Australia. In his career, Peter has held senior positions in various Companies. He has been Group Chief Executive Officer & Chairman of The Wet Sea Inc., President Worldwide of The Walt Disney Company Inc., President and Chief Executive Officer of Structure Inc./The Limited Inc., President and Chief Executive Officer of Country Road Australia Limited for United States and General Manager at Sheridan Textiles, which is a part of Textile Industries, Australia.Peter has also served on a number of company boards, including The Wet Seal Inc, Kelato Animal Health, Lenox China and Dansk. He is presently on the Board of many Companies including Chairman of Whitmarks, LLC, Chairman of Parker and Morgan LLC, Chairman of Meridian Rapid Defense Group LLC and Lead Director of Normandy Capital LLC.	Nil	Nil	Nil
6.	Mr. Surendra Singh Bhandari (DIN:00043525)	25-01-2004	Mr. S.S. Bhandari, B. Com., FCA, is a Practicing Chartered Accountant since 1970 with meritorious academic record. He is Founder Partner of M/s. S. Bhandari & Co., Chartered Accountants, Jaipur and is one of the leading consultants to various companies in the areas of banking, audit, assurance, tax assignments, corporate restructuring and other advisory services. Mr. Bhandari is presently on the Board of Directors of Bank of Baroda, and M/s. Asian Hotels (West) Ltd., Mumbai as an Independent Director and has worked as Nominee Director on the Board of Central Bank of India and as Trustee of the PNB Mutual Fund and also as Director of Bank of Rajasthan Ltd. He is also deeply involved in various social and philanthropic activities through Shri Bhagwan Mahaveer Viklang Sahayata Samiti and other institutions.	1. Asian Hotels (West) ltd. 2. Bank of Baroda	**Audit Committee** 1. Asian Hotels (West) Ltd. - Member **Stakeholders' Relationship Committee** 1. Bank of Baroda – Member	Nil
7.	Mr. Mitha Lal Mehta (DIN:00043696)	25-01-2004	A retired IAS officer and a renowned public administrator, social activist and human resource developer, he is a gold medalist in MSC (Physics) from the University of Rajasthan. He is also a P.G. Diploma Holder in urbanisation from the University of London with merit and a Graduate of the National Defence College, New Delhi. He has served in various senior government positions culminating in his becoming Chief Secretary of Rajasthan in 1994. He has won prestigious awards like Indira Gandhi Priyadarshni Vriksha Mitra Award (1986), Acharya Jai Mal Gyan Award (1988), Mewar Gaurav Award (1994) and Chanakya Award (2010). He has headed state public undertakings like RSMM, RSCB, RSWC, Spin Fed, Tilam Sangh of RSSC & RKCL. He had been Director of NABARD, Prasar Bharti, Local Area (Northern Region) and Board of RBI.	1. Rajasthan Knowledge Corporation Limited 2. Rajasthan Skill and Livelihoods Development Corporation Ltd.	**Audit Committee** 1. Rajasthan Skill and Livelihoods Development Corporation Ltd. - Chairman	Nil

*Membership / Chairmanship of the Committee includes Audit Committee and Stakeholders' Relationship Committee.

This page has been left blank intentionally

PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and rule 19(3)
of the Companies (Management and Administration) Rules, 2014]

VAIBHAV GLOBAL LIMITED

(Formerly Vaibhav Gems Limited)
CIN : L36911RJ1989PLC004945
K-6B, Fateh Tiba, Adarsh Nagar, Jaipur – 302004
E-mail : brahm.prakash@vaibhavglobal.com
Website : www.vaibhavglobal.com
Tel: +91-141-2601020 | Fax: +91-141-2770510

25th Annual General Meeting – 25th July, 2014

Name of the Member (s)	:
Registered address	:
E-mail Id	:
Folio No/Client Id	:
DP ID	:

I/We, being the member(s) of ……..……shares of the above named Company, hereby appoint

Name :……. Email Id:-……..

Address: ……

Signature: ..... or failing him / her;

Name :……. Email Id:-……..

Address: ……

Signature: ..... or failing him / her;

Name :……. Email Id:-……..

Address: ……

Signature: ..... or failing him / her;

as my / our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the 25th Annual General Meeting of the Company, to be held on Friday, the 25th July, 2014 at 11.00 a.m. at E-69, EPIP, Sitapura, Jaipur-302022 and at any adjournment thereof in respect of such resolutions as are indicated below:

No.	Resolutions	For	Against
	Ordinary Business		
1.	To receive, consider and adopt the audited financial statements of the Company for the year ended 31st March, 2014 together with the Reports of the Board of Directors and Auditors thereon.		
2.	To consider and approve the payment of Interim Dividend of ₹ 289.67 lacs on 44,00,000 1% Non-Convertible Redeemable Cumulative Preference shares of ₹ 100/- each declared and paid during the financial year ended 31st March, 2014.		
3.	To appoint the Director in place of Mrs. Sheela Agarwal (holding DIN : 00178548) who retires by rotation at this Annual General Meeting and being eligible, offers herself for re-appointment.		
4.	To re-appoint Auditors of the Company to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of next Annual General Meeting (AGM) and to fix their remuneration.		
	Special business		
5.	Appointment of Mr. Pulak Chandan Prasad as a Director.		
6.	Appointment of Mr. Vikram Kaushik as an Independent Director.		
7.	Appointment of Mr. Mahendra Kumar Doogar as an Independent Director.		
8.	Appointment of Mr. Peter Duncan Whitford as an Independent Director.		
9.	Appointment of Mr. Mitha Lal Mehta as an Independent Director.		
10.	Appointment of Mr. Surendra Singh Bhandari as an Independent Director.		
11.	Payment of Remuneration to Mr. Vikram Kaushik, Independent Director.		
12.	Payment of Remuneration to Mr. Mahendra Kumar Doogar, Independent Director.		
13.	Payment of Remuneration to Mr. Peter Duncan Whitford, Independent Director.		
14.	Payment of Remuneration to Mr. Mitha Lal Mehta, Independent Director.		
15.	Payment of Remuneration to Mr. Surendra Singh Bhandari, Independent Director.		
16.	Appointment of Mr. Sunil Agrawal as Chairman and Managing Director of the Company and approval of remuneration.		
17.	Change in the Articles of Association of the Company.		
18.	Approval of Vaibhav Global Employee Stock Option Scheme – 2014 (VGL- ESOS) 2014.		
19.	Approval for issue of shares to the eligible employees of subsidiaries of the Company under VGL –ESOS 2014:		
20.	Approval for creating new Stock Options under existing VGL ESOP (As Amended) - 2006.		
21.	Approval for enhancing the exercise period under existing VGL ESOP (As Amended) -2006.		
22.	Approval of funding to Vaibhav Global Employee Stock Option Welfare Trust.		
23.	Approval for borrowing power in terms of Section 180(1)(c) of the Companies Act, 2013.		

Signed this……..day of……2014.

Affix
Revenue
Stamp

Signature of Shareholder ……

Signature of Proxy holder (s)……

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

VAIBHAV GLOBAL LIMITED

(Formerly Vaibhav Gems Limited)
CIN : L36911RJ1989PLC004945
K-6B, Fateh Tiba, Adarsh Nagar, Jaipur – 302004
E-mail : brahm.prakash@vaibhavglobal.com
Website : www.vaibhavglobal.com
Tel: +91-141-2601020 | Fax: +91-141-2770510

ATTENDANCE SLIP

DP ID		Regd. Folio No.	
Client ID		No. of Shares Held	

I/We hereby record my/our presence at the **25th Annual General Meeting** of the Company on Friday the **25th July, 2014 at 11.00** a.m. at E69, EPIP, Sitapura, Jaipur – 302022

…….
Name of Shareholder
(in block letters)

…….
Signature

…….
Name of Proxy
(in block letters)

…….
Signature

NOTE: PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL.

LIQUIDATION
CHANNEL
LIQUIDATION

LIQUIDATION
ON AIR
AUTHORIZED
PERSONNEL ONLY
ON AIR
AUTHORIZED
PERSONNEL ONLY

D
LIQUIDATION
CHANNEL
300

71F10
71E9
71F1

VAIBHAV GLOBAL LIMITED

(Formerly Vaibhav Gems Limited)

CIN : L36911RJ1989PLC004945

Registered Office :

K-6B, Fateh Tiba,, Adarsh Nagar, Jaipur-302 004

Tel. : 91-141-2601020 Fax : 91-141-2770510

E-mail : vgl@vaibhavglobal.com | Website : www.vaibhavglobal.com

Corporate Office :

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

Tel. : 91-141-2771948-49 Fax : 91-141-2770510

VAIBHAV GLOBAL LIMITED

(Formerly Vaibhav Gems Limited)
CIN:L36911RJ1989PLC004945
Regd. Office : K-6B, Fateh Tiba, Adarsh Nagar, Jaipur – 302004
Email :brahm.prakash@vaibhavglobal.com; Website: www.vaibhavglobal.com

Voting through electronic means:

In compliance with the provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to inform that all the resolutions as stated in the notice can be transacted by electronic voting system and the Company has provided facility to exercise their right to vote at the 25th Annual General Meeting (AGM) by electronic means through e-Voting Services provided by Karvy :

The instructions for e-voting are as under:

A. In case a Member receives an email from Karvy [for members whose email IDs are registered with the Company/Depository Participants(s)]:

i. Launch internet browser by typing the URL: https://evoting.karvy.com.

ii. Enter the login credentials (i.e., User ID and password mentioned below). Your Folio No./ DP ID-Client ID will be your User ID. However, if you are already registered with Karvy for e-voting, you can use your existing User ID and password for casting your 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 "EVENT" i.e., Vaibhav Global Limited.

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 in "AGAINST" but the total number in "FOR/AGAINST" taken together should not exceed your total shareholding as mentioned hereinabove. You may also choose the option ABSTAIN. If the shareholder 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. Shareholders holding multiple folios/demat accounts shall choose the voting process separately for each folios/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, you will not be allowed to modify your vote. During the voting period, Members can login any numbers of times till they have voted on the Resolution(s). Once you have voted on the resolution through e-voting then you will not be able to vote in AGM on the same resolution. The earlier vote (cast through e-means) shall be treated as final.

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. together with attested specimen signature(s) of the duly authorized representative(s), to the Scrutinizer at email bksharma162@gmail.com with a copy marked to evoting@karvy.com and brahm.prakash@vaibhavglobal.com. The scanned image of the above mentioned documents should be in the naming format "Vaibhav Global Limited, 25th Annual General Meeting."

B. In case a Member receives physical copy of the Notice of AGM [for members whose email IDs are not registered with the Company/Depository Participants(s) or requesting physical copy] :

i. User ID and initial Password as provided below.

ii. Please follow all steps from Sl. No. (i) to Sl. No. (xii) above, to cast vote.

C. In case of any queries relating to e-voting please visit Help & FAQ section of http://evoting .karvy.com (Karvy Website)

D. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future ` communication(s).

E. The e-voting period commences on 19th July, 2014 (9:00 am) and ends on 21st July, 2014 (6:00 pm). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) being 13th June, 2014, may cast their vote electronically in the manner and process set out hereinabove. The 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. Further the Members who have casted their vote electronically shall not vote by way of poll ,if held at the meeting.

F. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date (record date) being Friday 13th June, 2014.

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

H. The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses, not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.

I. The Results shall be declared within 2 (two) days from the date of AGM of the Company and the resolution will be deemed to be passed on the AGM date, subject to receipt of the requisite number of votes in favour of the Resolution(s).

J. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website: www.vaibhavglobal.com and on the website of the service provider (https://evoting.karvy.com) within two (2) days of passing of the resolutions at the AGM of the Company and communicated to the National Stock Exchange and BSE Limited.