VAIBHAV GLOBAL LIMITED

CIN: L36911RJ1989PLC004945

Form A

Format of covering letter of the Annual Report to be filed with the Stock Exchange

1.	Name of the Company	Vaibhav Global Limited
2.	Annual Standalone Financial Statements for the Year Ended	31st March, 2015
3.	Type of Audit Observation	**Matter of Emphasis** Accounting Policy 8c with regard to identification of specific item of inventory and determination of net realizable value which is based on judgment of the management which is supported by evaluation of independent expert and relied upon by the Auditors.
4.	Frequency of Audit Observation	Since 2010-2011
5. a)	**To be signed by :** **For Vaibhav Global Limited** **Sunil Agrawal** **Chairman & Managing Director** **DIN : 00061142**	**b) For Vaibhav Global Limited** **Hemant Sultania** **Group CFO**
c)	**For Vaibhav Global Limited** **Surendra Singh Bhandari** **Chairman of Audit Committee** **DIN : 00043525**	**d) For B. Khosla & Co., Jaipur** **Chartered Accountant (F. No. 000205C)** **Sandeep Mundra (M. No. 075482)** **Partner**
e)	**For Haribhakti & Co. LLP, Mumbai** **Chartered Accountant (F.No.103523W)** **Chetan Desai (M. No. 17000)** **Partner**	

Date: 21st May, 2015

Place: Jaipur

E-69, EPIP, Sitapura, Jaipuur-302022, India Phone:91-141-2771948/49 FAX: 91-141-2770510

Regd. Office : K-6B, Fateh Tiba, Adarsh Nagar, Jaipur - 302004
Email : vgl@vaibhavglobal.com Website : www.vaibhavglobal.com

VAIBHAV GLOBAL LIMITED

CIN: L36911RJ1989PLC004945

Form A

Format of covering letter of the Annual Report to be filed with the Stock Exchange

1.	Name of the Company	Vaibhav Global Limited
2.	Annual Consolidated Financial Statements for the Year Ended	31st March, 2015
3.	Type of Audit Observation	**Matter of Emphasis** Accounting Policy 8b with regard to inventory of holding company. The identification of specific items and determination of net realizable value is based on judgement of the management which is supported by evaluation of an independent expert. This is relied upon by the Auditors.
4.	Frequency of Audit Observation	Since 2010-2011
5.	**To be signed by :**	
a)	**For Vaibhav Global Limited** **Sunil Agrawal** **Chairman & Managing Director** **DIN : 00061142**	b) **For Vaibhav Global Limited** **Hemant Sultania** **Group CFO**
c)	**For Vaibhav Global Limited** **Surendra Singh Bhandari** **Chairman of Audit committee** **DIN : 00043525**	d) **For B. Khosla & Co., Jaipur** **Chartered Accountant (F. No. 000205C)** **Sandeep Mundra (M. No. 075482)** **Partner**
e)	**For Haribhakti & Co. LLP, Mumbai** **Chartered Accountant (F.No.103523W)** **Chetan Desai (M. No. 17000)** **Partner**	

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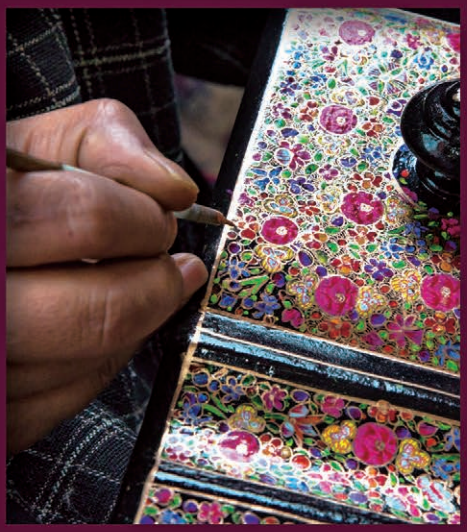

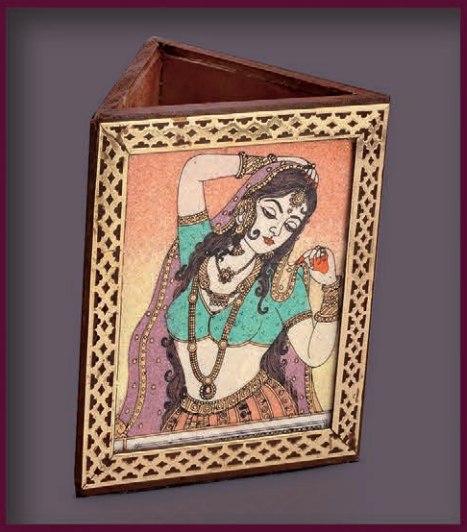

Vaibhav Global Limited

26th Annual Report 2014-15

Corporate Information

Board of Directors

Sunil Agrawal *(Chairman & Managing Director)*
Rahimullah *(Whole Time Director)*
P. N. Bhandari
Surendra Singh Bhandari
Nirmal Kumar Bardiya
Sheela Agarwal
Vikram Kaushik
Pulak Chandan Prasad
Mahendra Kumar Doogar
Peter Duncan Whitford

Key Management Team

Hemant Sultania
Group Chief Financial Officer

Gerald Tempton
President-Liquidation Channel, USA

Colin Wagstaffe
Managing Director- The Jewellery Channel, UK

Jeffery M Allar
Group Senior Vice President-Human Resource

Charlie Curnow
Group Chief Information Officer

Praveen Tiwary
Group Director Business Development

Pushpendra Singh
Vice President-Human Resource Asia

Nitin Dugar
Vice President Strategy-Liquidation Channel, USA

Salil Sud
Vice President Operations-STS China

Company Secretary

Brahm Prakash

Stock Exchanges where Company's Securities are listed

BSE Limited
National Stock Exchange of India Limited
Luxembourg Stock Exchange (GDRs Listed)

Registered Office

K- 6B, Fateh Tiba, Adarsh Nagar, Jaipur - 302004
Tel: +91-141-2601020, Fax: +91-141-2605077

Corporate Office

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

Website

www.vaibhavglobal.com

Investor Relations Email ID

investor_relations@vaibhavglobal.com

Corporate Identity Number

L36911RJ1989PLC004945

Board Committees

Audit Committee

Surendra Singh Bhandari *(Chairman)*
P. N. Bhandari
Mahendra Kumar Doogar
Nirmal Kumar Bardiya

Nomination & Remuneration Committee

P. N. Bhandari *(Chairman)*
Surendra Singh Bhandari
Nirmal Kumar Bardiya
Vikram Kaushik

Compensation Committee

P. N. Bhandari *(Chairman)*
Surendra Singh Bhandari
Nirmal Kumar Bardiya
Vikram Kaushik

Corporate Social Responsibility Committee

P. N. Bhandari *(Chairman)*
Nirmal Kumar Bardiya
Sunil Agrawal

Stakeholders Relationship Committee

Surendra Singh Bhandari *(Chairman)*
Rahimullah
Mahendra Kumar Doogar

Statutory Auditors

M/s Haribhakti & Co. LLP, Mumbai
M/s B. Khosla & Co., Jaipur

Secretarial Auditor

M/s JAKS & Associates, Jaipur

Internal Auditor

M/s S.S Surana & Co., Jaipur

Bankers

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

Registrar & Share Transfer Agent

M/s Karvy Computershare Pvt. Ltd.
Karvy Selenium Tower B, Plot 31-32,
Gachibowli Financial District,
Nanakramguda,
Hyderabad – 500 032
Tel: +91-040-67162222
Fax: +91-040-23001153

How would one describe an online discount jewellery and lifestyle accessory retailer reporting a gross profit margin of 61%, return on employed capital of 44%, return on equity of 31% and remaining a net zero debt company in 2014-15?

Hidden gem, we presume.

Contents

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104 Financial Statements - Consolidated

What makes Vaibhav Global one of the world's few profitable online discount jewellery and lifestyle accessory retailers?

Why do customers trust their precious cash to this company without even being able to physically appraise its products?

How has the company successfully created its virtual personality in as short a time as it has?

What is distinctive about the company's business model in a mature sector?

Online. Deep discount. Profitable.

Vaibhav Global addressed some of the biggest challenges in the global jewellery retail sector.

Through manufacturing products around exceptional quality, exquisite design and outstanding value.

Emerging as a successful industry model.

Rapid growth

Vaibhav Global began to electronically market products in the US and the UK for the first time in 2007 and 2006, respectively; the Company shipped over 9.8 million pieces of jewellery and lifestyle accessory items in 2014-15.

Value chain

Vaibhav Global is not just about the online marketing of discounted products (through teleshopping channels and the Web); it is supported by its extensive vertical integration from a presence across global sourcing hubs to a low-cost, high quality manufacturing competence to a reach across 100-million households and a repeat customer purchase pattern (17.8 times; average purchase of 26 pieces).

Promptness

Vaibhav Global, via its subsidiaries, ships around 95% of its orders to channel customers of LC and TJC within 48 hours of order placement.

US access

Vaibhav Global's US market access is facilitated by major television distributors and satellite television providers (Charter, Comcast, Time Warner, Dishtv, AT&T, Verizon and DIRECTV, among others). This makes it possible to reach 77 million households (out of 117 million households) 24x7, complemented by a web presence (www.liquidationchannel.com).

UK reach

The Company's UK reach on TJL (formerly The Jewellery Channel) is facilitated by FREEVIEW, SKY and freesat and Virgin, penetrating 25 million households (FTE basis); this platform is synergic with the web platform (www.thejewellerychannel.tv).

Manufacturing bandwidth

Vaibhav Global possesses three manufacturing facilities (at Sitapura) with an aggregate gemstone processing capacity of about 300,000 pieces per month. We intend to increase our operational capacity by 50% over the foreseeable future.

Range

Vaibhav Global possesses a wide range of designs comprising fine and fashion jewellery (bracelets, bangles, earrings, studded jewellery etc), fashion accessories (watches, handbags, scarves, phone protective shells etc) and other lifestyle products (for office and home décor). Almost 150 new SKUs are introduced to customers every day.

Brands

Vaibhav Global possesses a clutch of robust homegrown brands comprising ILIANA, Rhapsody, J Francis, FH, Karis, Elanza, Strada, Genoa and Eon1962.

Average realisations

Vaibhav Global generated average per product realizations of USD 23 in 2014-15, shipping 9.8 million pieces to more than 396,000 customers.

Going green

Vaibhav Global emerged as the first within its industry to operate a 100 kV solar power facility (established in December 2014) that addresses almost 10% of its electricity consumption; the Company is engaged in discussions with SEBs to wheel unutilised power to the state electricity grid in exchange for revenues.

Integration vis-à-vis cost reduction

Vaibhav Global intends to integrate operations into a state-of-the-art 100,000 sq. ft manufacturing and warehousing facility (excluding gemstone cutting operations) in exchange for efficiencies and economies bringing down costs.

From the desk of the

Chairman

Dear Shareholders

At Vaibhav Global, we are driven by the conviction that our business model can deliver robust growth coupled with high margins translating into enhanced shareholder value.

I am pleased to state that the depth of our business model was validated through attractive growth in recent years. Though revenue growth in 2014-15 was moderated to 6% for various reasons that have been described in my overview, I wish to communicate that the Company is prudently structured and adequately invested to respond favorably to revenue growth.

I am pleased that the Company reported a 44% return on capital employed and a core product margin of 61%, both of which are among the best-in-class in its sector. The performance translated into compelling Balance Sheet strengths, reflected in efficient working capital management, strong cash flows and zero net debt. As a future-facing corporate, the cash flow was prudently invested in infrastructure, technology, knowledge and brand-building with the objective to reinforce organizational sustainability.

The retail revolution

At Vaibhav Global, we address humankind's intrinsic desires to appear attractive and derive an attractive bargain.

In addition to this enduring reality, we now see a larger scope for our business for some good reasons. In the rapidly growing area of electronic retail, there are two customer segments: one segment in which customers do not know what they want and would like trusted companies like Vaibhav Global to offer product suggestions. The other segment comprises customers who know what they are looking for and would be happy seeking these products online.

I am happy to communicate that Vaibhav Global addresses both these customer segments through proactive investments in its television and e-commerce platforms.

Vision

Be the Value Leader in Electronic Retailing of Jewelry and Lifestyle 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

During the year under review, the Company implemented a number of technology initiatives that enhanced customer proximity. The Company implemented an upgraded TV business management platform across its US operations. It graduated to a SAP-based human resources information platform. It is engaged in the process of launching a SAP-owned Hybris web platform that deepens its web customer engagement. It is poised to launch a mobile app as well as a responsive website in the US, extending its access to new customers on a sales channel that is rapidly gaining traction.

Vaibhav Global recognized that with the increasing integrity of e-commerce engagements, customers will find it increasingly convenient to buy off the net and have products delivered home. The result is that the sweeping e-commerce revolution platforms have evolved from basic order-and-pay to sophisticated extensions of corporate brands, comprising detailed product descriptions, catalog-quality photographs and transparent customer reviews.

Vaibhav Global responded to an evolving reality through proactive social media investments (Facebook), a highly robust Hybris web platform, software-tracking website customer behavior, focused email campaigns to widen customer engagement, periodic software upgrades, outsourced call center management and stronger customer care.

The result is that e-retail is not incidental to Vaibhav Global's business model; it is integral to it. The Company is attractively positioned to capitalize on the sweeping e-commerce revolution with all the attending advantages of asset-lightness and scalability.

Optimism

At Vaibhav Global, we are optimistic of our prospects for a number of reasons.

During 2014-15, the Company's cash profits enabled it to rationalize debt and emerge as a net zero debt Company. The Company returned to the dividend list with an interim payout (including tax) of ₹2.89 per share. Owing to recent amendments in the Companies Act, 2013, which puts restrictions on the payment of dividend, the Board has not proposed any final dividend for the financial year 2014-15. The Company remains committed to utilize cash flows to reinvest and grow its business. However, we are in the process of restructuring our capital subject to approval from Hon'ble High Court and other regulatory bodies in order to start paying dividend.

Vaibhav Global progressively expanded its US coverage of TV households, improved the positioning of its home shopping TV channels, migrated to HD television and increased the share of non-jewellery products (including new categories like home furnishings, beauty and textiles). The Company is building production infrastructure in a Special Economic Zone (SEZ) in Jaipur to address the increasing demand for jewellery products.

The combination of a robust Balance Sheet and these business-strengthening initiatives should sustain revenue and profit growth, translating into enhanced shareholder value.

People

The Company lost the services of its Board member Mr. M. L. Mehta following his sudden demise. On behalf of the Board, I would like to acknowledge his valuable contributions. We appointed Mr. P.N. Bhandari, an ex-IAS officer, to the Board as an Independent Director.

We reinforced our management bandwidth through the recruitment of Jeff Allar as Senior Vice President, Group HR, and Salil Sood as Vice President, Operations, in China.

Overview

At Vaibhav Global, we are optimistic of emerging as a rare Company in our sector that is expanding its customer franchise in some of the world's most developed markets.

We expect to build on this platform to emerge as a respected global brand and enrich value in a larger way for our stakeholders.

Sincerely,

Sunil Agrawal

Chairman and Managing Director

DIN : 00061142

Vaibhav Global's business model is unique.

Reconciling speed, globalness, dynamism, flexibility, economy and scalability.

With the objective to enhance profitability and sustainability.

Hybrid sourcing infrastructure

Presence in major global gemstone hubs in China, Thailand, Indonesia and India

Multi-vendor procurement strategy enabling bottom price discovery, in turn facilitating unmatched customer value

Ear-on-the ground approach in aggressive trend spotting, assessing product value perception, design and prices in end markets

Benchmarked vendor evaluation process including assessment of competency, delivery, designs capability and capacity

Manufacturing aligned with demand patterns

Scalable operational infrastructure synched to major demand periods (Black Friday, Mother's Day, Valentine's Day etc)

Robust 2,300+ well-trained craftsmen at manufacturing facility encouraged and incentivized to reduce costs and enhance quality at every process

Integrated and seamless link between the US, UK and India, ensuring the confluence of expectations and end products

Strategically located manufacturing facility in Sitapura, Jaipur, in a jewellery EPZ, with a monthly capacity of 3 lac pieces

Did you know?

…Vaibhav Global is among the few global companies to deal with more than 400 precious and semi-precious gemstones!

Logistics and warehousing

Favourable contracts with global shipping major including FedEx, DHL, UPS etc

Optimized lead times ensuring on-time product delivery and customer satisfaction

Robust warehousing space and practices both in India (2 lac sq. ft space in Jaipur) and the US (1 lac sq. ft space in Austin, Tx)

High flexibility in despatches including air and ocean freight, depending on cost, product and availability considerations

Ability to scale the logistics value chain to cater to sudden demand spikes, seasonal sales, etc

Marketing with high revenue visibility

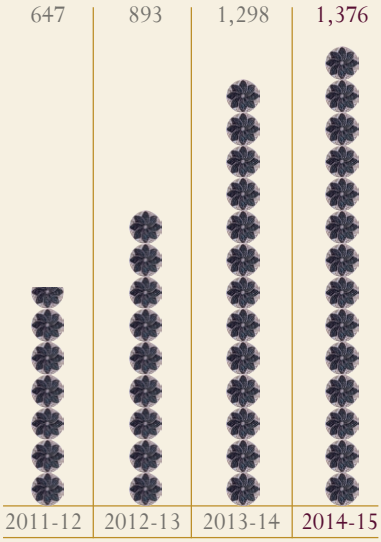
Customer stickiness with TV shopping in developed markets, keeping the Company highly engaged with a loyal and consistent customer base

Highly trusted show hosts engage customers through story-telling as the key sales pitch; dedicated call centre and delivery promises ensure robust customer service

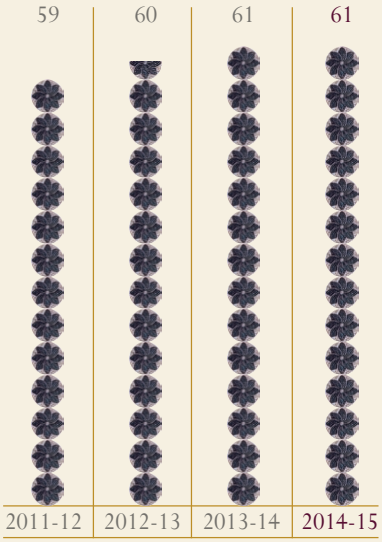
Typical target audience includes the 35-65 year old white Caucasian woman; the US Census Bureau indicates that there are about 63 million women in this age group

Interconnected platforms (TV and e-comm sites) ensure opening up new customer segments, especially in the 15-35 year age bracket (42 million as per the US Census Bureau)

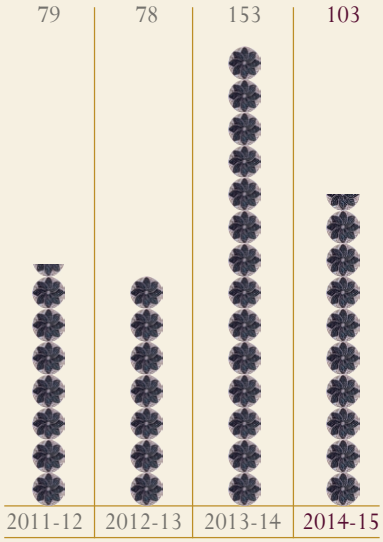
Vaibhav Global has reported one of the biggest transformations in its business model in the last few years. Its dramatically improved financials are proof.



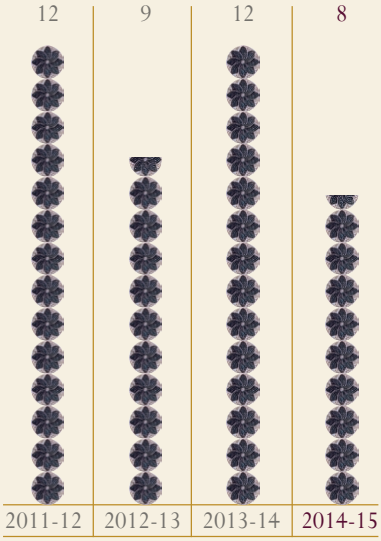
Revenues (₹ cr)



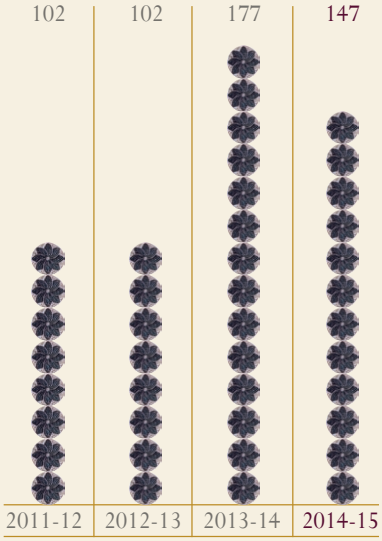
Gross margin (%)



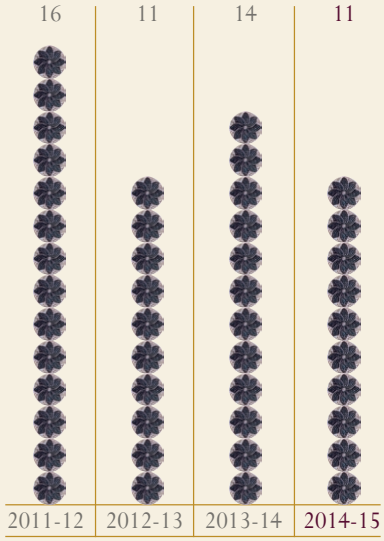
Net profit (₹ cr)



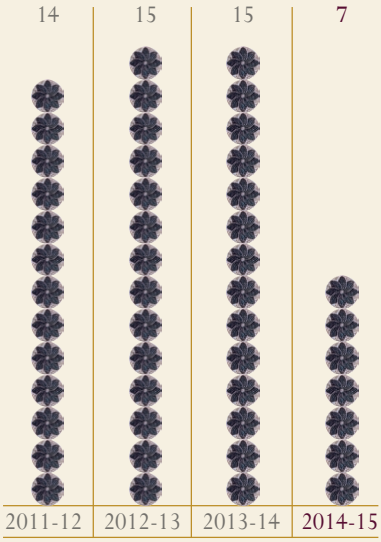
Net profit margin (%)



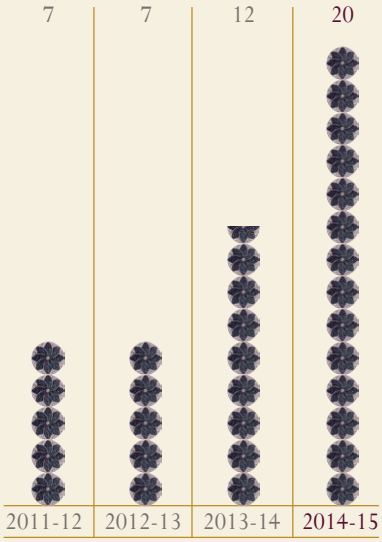
EBIDTA (₹ cr)



EBIDTA margin (%)



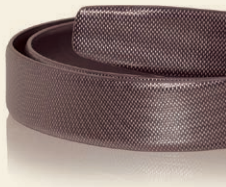
Interest outflow (₹ cr)

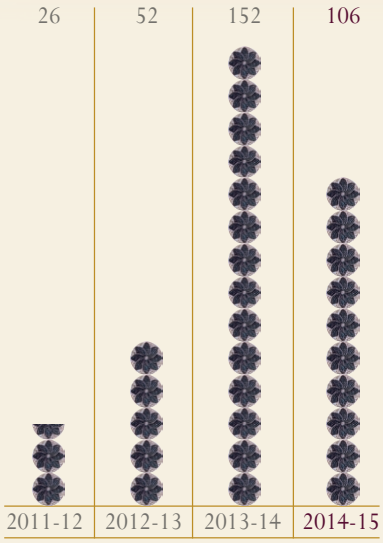


Interest cover (x)

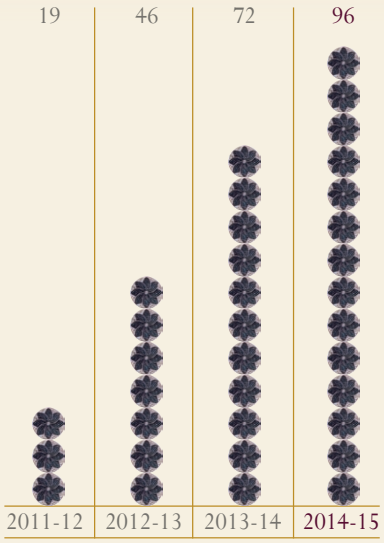
Did you know?

… That Vaibhav Global is among a handful of companies in the world with concept-to-customer product cycle of 21 days including a five-day product development cycle!

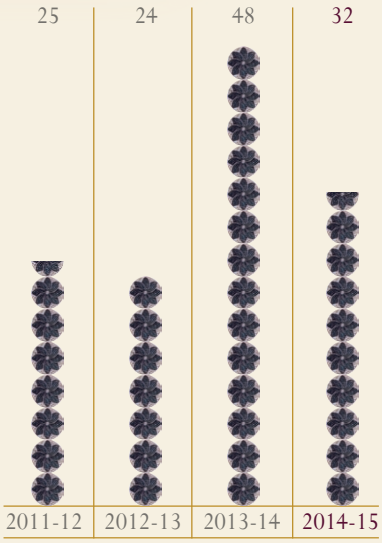




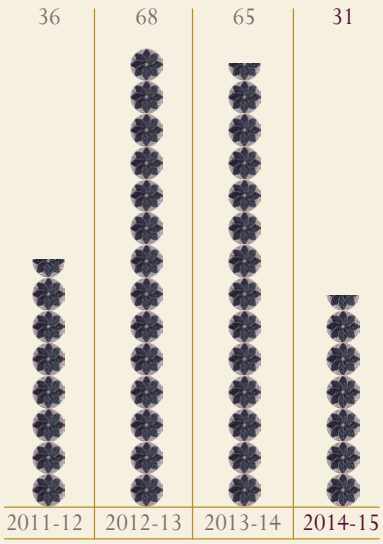
Free cash flow (₹ cr)



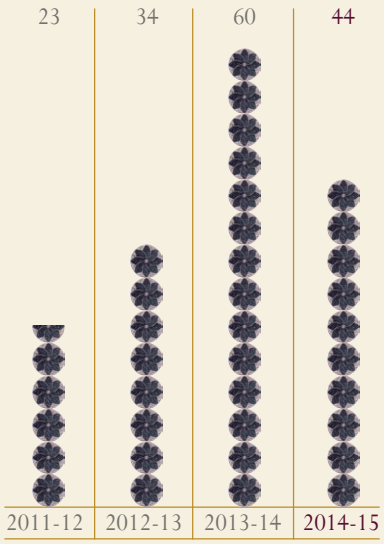
Cash balances (₹ cr)



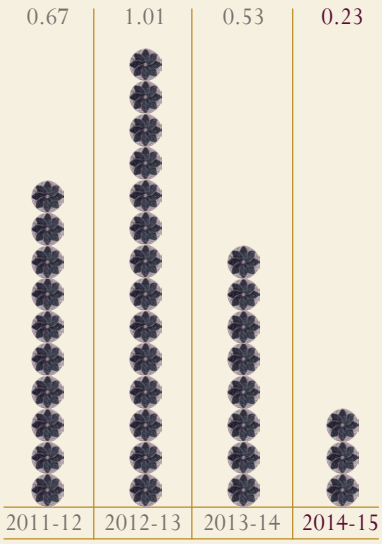
EPS (₹)



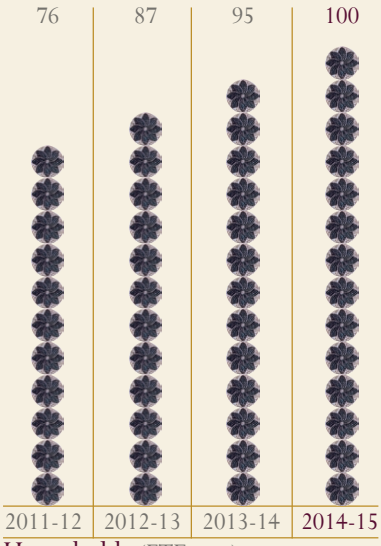
RoE (%)



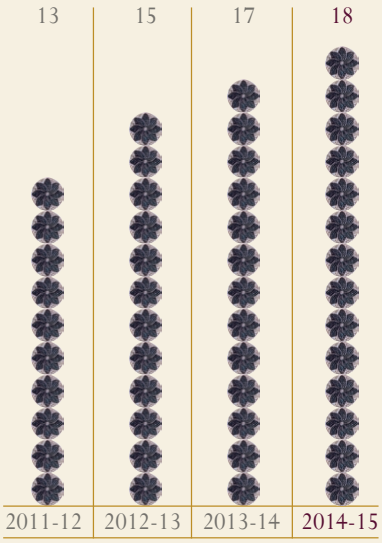
RoCE (%)



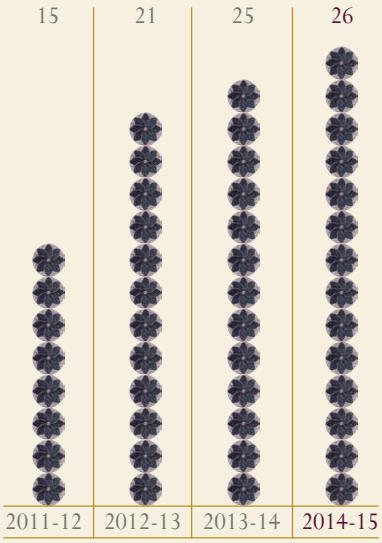
Debt-equity (x)



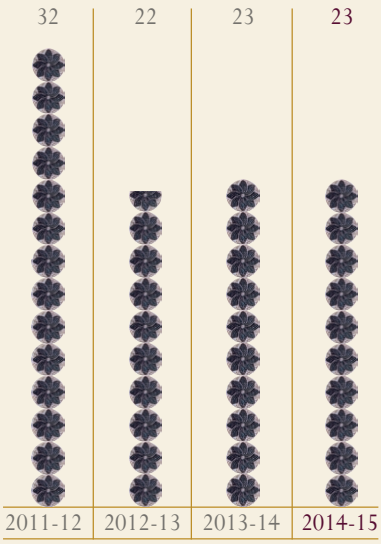
Households (FTE; mn)



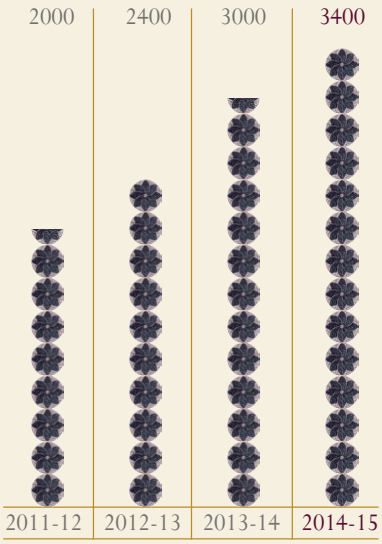
Buying activity (times)



Average purchases (pcs)



Average product price (USD)



Employees

Did you know?

… That Vaibhav Global is in the lowest percentile in the industry as far as wastages are concerned!

"At Vaibhav Global, our excitement is derived from extensive operating leverage, which can potentially translate into profitable and scalable growth."

A financial review by **Hemant Sultania**, *Group Chief Financial Officer*

Q What is the financial anchor of the business?

A The centerpiece of our financial strategy is our gross margin. In 2014-15, we reported a gross margin of 61%, in comparison to mid-30% reported by some of our competitors.

Q In an otherwise competitive business, how did the company report such a high margin?

A The answer is derived from our scale and economies. While on the one hand we source raw material resources from various cities around the world, we are able to provide end products across 100 million US and UK households (FTE basis) with a high proportion of repeat purchases.

This is possible as the company is vertically integrated from gemstones procurement to manufacturing to direct retail. Hence, our margins are not shared with intermediaries.

Q What are some of the revenue highlights of 2014-15? What is the basis of the Company's optimism?

A During 2014-15, we strengthened our foundation with the objective to achieve higher growth. We invested in proprietary auction management software (AMS 2.0) that ensured better sub-component integration; we outsourced our call centre operations to a dedicated US third-party. The AMS updation was completed during the third quarter of the last fiscal; training to the outsourced call centre party was completed during the last quarter. These

Our business is high cash flow-generative. Out of the free cash flow of ₹ 106 crore earned in 2014-15 (₹ 91 crore in 2013-14), we pre / repaid ₹ 48 crore of debt, paid dividends of ₹ 9 crore and returned to the list of dividend-paying companies. We reinvested ₹ 23 crore into our net worth.

transitions caused some customer disturbances; competitive intensity also contributed to muted topline growth of 6% to ₹ 1,376 crore in 2014-15.

Our Web platform updation is expected to be completed by the second quarter of the current fiscal, restoring topline growth to double-digits. I am also pleased to report that a restoration of market sanity related to pricing will enhance realizations. I am optimistic that the core Vaibhav philosophy of providing customers with an unmatched, transparent and value-driven proposition will be increasingly visible from 2015-16 onwards. The organization is also looking at mechanisms like installments / deferred payments to increase revenues.

Q What are some of the major cost components?

Our key cost components include raw material, airtime, people as well as selling, general and administrative expenses. What we are particularly excited about is the operating leverage available to us. There is a fixed carriage cost with a significant upside to grow household reach and penetration to the extent of almost 40% of US households, which can potentially increase repeat sales and bundling purchases (especially following the introduction of lifestyle accessory products). We are confident of restoring growth to erstwhile levels and with high revenues and fixed costs, the resulting operating leverage should lead to incremental EBIDTA.

Q Can you explain the Company's working capital cycle?

A Our B2B sales are only about 13% of our overall sales, which protects us from an excessive reliance on the economic state of our customers. On the other hand, our B2C sales are at about 87-88% of our topline, fitting well with the nature of our products, promoting impulsive, and off-the-shelf non-discretionary purchases due to a low ticket size.

I must also state that our receivables are completely secured, backed by credit card payments. With inventory turns of about 145 days, we strengthened free cash flow generation as well as our Balance Sheet. We believe that free cash flow conversion into EBIDTA and profitability will be maintained going forward.

Q What are the priorities for 2015-16?

A We are establishing a 100,000 sq. ft manufacturing facility adjacent to our existing premises, which will make it possible to grow our manufacturing capacity by 50% to 450,000 pieces per month. The LEED-benchmarked plant, coming up in the jewellery SEZ of Sitapur (Jaipur) will provide employment to additional 500 workers (peak). We are funding the investment of about ₹ 20 crore completely through accruals, potentially enhancing shareholder value.

Our Web upgradation platform (through Hybris) will ensure a seamless customer experience over smart-phones, iPads and tablets etc. This can potentially attract new customers and open up new 'on-the-go' customer engagement formats. We are augmenting our product basket by adding textiles and beauty products that will enhance revenues through bundling and cross-selling. We also look to reinforce our management team through the induction of experienced global professionals to take the organisation to the next level.

What would it take a probable competitor to create the next Vaibhav Global?

"It might be easy for a competitor to copy our business model. However, it would be next to impossible for them to replicate our economics. This represents our competitive moat."

Sunil Agarwal, *Chairman and Managing Director*

1

A competitor will need to have strategic length, breadth and width to access cost-effective quality raw materials.

The procurement of quality and cost-competitive resources represents the hallmark of Vaibhav Global. The Company's sourcing infrastructure is established across most major procurement hubs of the world (Guangzhou, Haifeng, Hauadu Shenzhen, Dongguan, Zhuji, Wenzhou, Wuzhou, Yiwu and Hunan in China; Bangkok, Chiang Mai, Mae Sai, Kanchanaburi and Chanthburi in Thailand; Bali, Yogyakarta, Sumatra and Madura Surabaya in Indonesia). In the absence of scale, a competitor's ability to provide a wide product basket to customers would be restricted, resulting in higher costs to be paid faster, affecting competitiveness from Day One.

2

A competitor will need to complement a sourcing chain with low manufacturing / processing costs.

Vaibhav Global enjoys almost 35 years of experience in jewellery operations. The Company has established a low-cost asset base through the location of its manufacturing facility in Jaipur (India), which employs more than 2,300 trained people, optimising overheads. By virtue of this, the Company is not only able to generate quicker turnaround but cash-in on opportunistic demand up-cycles. The Company possesses a wide-SKU product mix basket following the launch of over 150 designs every single day, sustaining marketplace excitement. For a competitor, sourcing and training this large workforce would not be easy; higher wages could potentially render the business uncompetitive.

3

A competitor will need to find customers.

Vaibhav Global's online B2C retail strategy hinges on low-costs. Our purely online play circumvents the need to lock into high-rental commercial properties. The Company advertises products and engages with customers through television channels (The Liquidation Channel in the US and the TJC in the UK) and the online platform. The Company's expert television hosts not only attract customers but also provide incentives that drive repeat sales. A competitor will not just find it difficult to buy costly airtime on prime American, Canadian and British television networks (airtime procurement costs at Vaibhav Global have been consistent around 17% for last three years) but also find it challenging to access bankable television hosts.

4

Even if a competitor is able to locate customers, it will need to drive repeat purchases to optimise overheads. Even if it succeeds in driving repeat sales, it will need a tried, tested and trusted customer fulfillment strategy.

At Vaibhav Global, the business of jewellery retailing is really akin to customer fulfillment, reconciling logistics, inventory management, IT support and customer service. Vaibhav Global enjoys state-of-the-art infrastructure in this supply chain, which ensures that products (including buffer quantities) are warehoused before they are advertised, products reach customer doorsteps on the promised day (or before) and customers are able to reach us post-sale. Our technology ensures a seamless shopping experience (for online customers), which also ensures a seamless integration between the web and television platforms. Our call center is fully-equipped, making it possible to handle over 40,000 calls a day. Vaibhav Global's success is reflected in repeat purchases at 40% of overall sales; a customer returns to purchase more than 17 times!

5

A competitor will need to keep costs low.

Despite an inflationary environment, Vaibhav Global contained costs through scale economies – scale in procurement, operations and advertising (procuring airtime). A competitor may be able to achieve this in one department, but achieving success in all three – and that too sustainably – could be difficult.

Did you know?

… That Vaibhav Global is among the few in its industry to have announced a new 'Gold Level' Green building manufacturing facility!

Focusing on bringing visibility to unpredictability

"At Vaibhav Global, we are an entrepreneurial enterprise, encouraging our teams to take calculated risks. In doing so, we have not only aggregated rich learnings from previous misjudgments, we have also created an organisation that can be adapted to market dynamics, capitalizing on rebounds and building the foundation for sustainable growth."

Mr Rahimullah, *Wholetime Director*

Economy risks

Global pressures on the economy might impact product offtake.

Vaibhav Global operates in fashion and lifestyle products, retailing them on home television and e-commerce platforms. Due to low average ticket prices, the Company's products actively encourage impulse buys, which are not typically driven by economic considerations. Besides, the products also promote feel-good and look-good, which ensure consistent offtake. The Company's aggressive trend-spotting ensures that products are aligned with contemporary lifestyle trends, strengthening offtake.

Customer risks

Customers halting purchases can significantly impact the business model's sustainability.

The target customers comprise women of Caucasian origin (age 35-65 years). As per the US Census Bureau, this segment comprises the largest percentage of the women population in US at 63 million (about 40% constituent of the total women population). Television shopping in developed markets address an engaged loyal customer base that drives repeat purchases. We build customer loyalty and enhance overall shopping experience; we leverage storytelling as our core sales pitch with our hosts who have become household names and 'buddies' for our target audience. Besides, through Web (e-commerce) platforms and mobile apps, we are looking to tap the 15-35 years age group, the second largest US women population cluster estimated at about 42 million (US Census Bureau). We provide fresh fashion, launching about 100 new designs every single day.

Besides, we enhance the discounting value of our products through the reverse auction process. Even as we invite bids at base prices, customers who have bid for products are eligible to buy it at the final price. Besides, we have put the exact number of articles for purchases on screen, building customer excitement.

Host attrition risks

Attrition of hosts can potentially erode customer confidence and inspire a switch in loyalties.

Vaibhav Global's live televised shopping programs are distributed across the United States and the United Kingdom 24x7x365 to about 100 million households on an FTE basis. Our hosts represent key anchors, building loyalty with customers. The result is that the hosts have come to be recognised not just as marketing agents but trusted lieutenants, guiding customers in making purchases. We provide best-in-class remuneration packages and other facilities to our 30 hosts besides enabling them to visit our facilities around the globe so that they can share this experience with our customers on TV. Besides, our hosts also have a huge follower base on Facebook and Twitter, influencing customers. To reinforce excitement, we introduced dual hosts into a large number of our shows with expert product reviews and commentary, enhancing sales credibility.

We are happy to state that we have not faced any major host attrition over the past year.

Low-moving stock risks

Low moving or dead stock can block working capital and impact inventory turns.

We effect most of our inventory sales through our televised programs. We gauge the demand and rotate it back on screen and dedicate about 3-4 shows with a view to liquidate the rest of the stock, pairing it with other fast moving accessories as a bundled offer. However, even after these if we still carry forward stock, we put it up for auction on our e-commerce platforms at attractive rates. There are good chances that stocks clear at this stage. If they still do not, we use it for gifting purposes.

Geographical, channel and product concentration risks

An excessive concentration across each of these can directly impact the business.

As far as geographical risks are concerned, our presence in the US (65% of overall sales in 2014-15) and the UK (23% of overall sales in 2014-15) with a 100 million household presence on an FTE basis mitigates geography / demand risks. Besides, we still have about 40% more households to cover in the US, which provides attractive headroom for growth.

We have principally two sales channels.

- Home shopping on television across which we have a robust relationship with most broadcasters and DTH service providers
- E-commerce platforms with sales that are further divided into:
  - Catalogue sales
  - Live streaming of televised programs
  - Auction sales

We are actively engaged in beefing our presence with m-commerce that will open new vistas in customer attraction, sales and retention.

Though we are a predominantly fashion jewellery retailer, the lifestyle and fashion accessory pie is steadily growing. We expect this ratio to transform from 87:13 today to 65:35 over the next five years.

Overall, we also have the potential to replicate this discount model across products, countries and channels.

Raw material costs risks

Rising gemstone prices might impact gross margins.

For us, gross margins are sacrosanct and with the range of end product prices and gross margins fixed as anchors, we revolve our sourcing strategies on the basis on these pivots. Our global procurement infrastructure, our ability to purchase in bulk and our financial strength in quicker credit disbursements enable us to mitigate gemstone and other material cost risks. Sometimes, we also integrate backward into the procurement of crystal rocks that are cheaper and cut them at our facilities in Jaipur. We also engineer the product, mixing and matching resources in a way that we are able to price products at pre-determined rates that generate our preset gross margins.

On the manufacturing front, the Company embraces top-of-the-line processes with select automation that helps optimise production costs, reinforce product quality and minimise wastages, which as a percentage of total production declined to 3% over the past two years, even as we focus to go down to 1.5% over the next year. Besides, we also identified some of the major production cost heads; our aspiration is to get this down by 10% in 2015-16.

People risks

Our people represent the organisational backbone.

We have best-in-class remuneration packages even as we fulfill all statutory and even extra-statutory human resource compliances. We offer a high variable pay benchmarked with performance, recognising and rewarding high performers. For our executive teams, we recognise and reward merit on the basis of how much an individual has learned and progressed. We promote multi-skilling and have also commenced the recruitment of executives from IIMs and other top business schools of the country; we attracted senior heads of businessess who will help realise our organisational aspirations, going ahead.

Financial risks

In a consumption-oriented business, the prudent management of inventory and working capital is of prime importance.

Uniquely, we operate a capital-light business with a zero debt equity (₹ 76 crore of debt vs cash and liquid balances of ₹ 96 crore, as on 31 March 2015). With inventory turns (inventory / turnover x 365 days) of 145 days (which is down from 196 days two years ago), we have been able to swiftly convert inventory into cash flows, thereby lubricating our working capital cycle. Our receivables are low as a percentage of current assets and are secured by customer credit card payments.

The Company is also exposed to forex exchange fluctuation risks; however it enjoys a large natural hedge through importing raw materials (gemstones) and exporting products sold through the US and UK via foreign exchange working capital loans from banks.

Technology risks

Technology is a key facilitator of the business.

We recognise the role of technology as a key business enabler. In a significant initiative in 2014-15, we decided to overhaul and update our technology backbone, the auction management software (AMS 2.0) that controls 12 modules including programming, hosting, warehousing etc. The successful update of this core software has not only affected better and more seamless integration among these modules, weeding out inefficiencies and duplicability, but has also ensured a better customer shopping experience. During the year, we also effected a call center migration to a third party in the US and provided extensive training on product information and customer management. This freed our bandwidth to focus on product merchandising and sales, professionalizing a key component of customer service. Going ahead, we also expect to refurbish our Web platforms, making us accessible on smart-phones, tablets etc and also introducing mobile apps, thereby effecting anytime, anywhere customer shopping and engagement.

Pilferage risks

Theft represents a risk while dealing with gemstones.

At the workforce level, most of our employees are old-timers, ensuring stronger loyalty. We have robust security and surveillance systems in place, which help prevent theft. Besides, all incoming and outgoing workers are checked thoroughly; we designed a uniform that has no extra pockets, which makes checking easier, while at the same time, it also becomes easier for us to extract and recycle gold dust from these uniforms as well as carpets. Despite operating in the gemstone industry for the past several decades, we have not discovered any significant theft incidences.

Did you know?

… That a customer visiting our e-commerce site stays with us for an average of 20 minutes, among the highest tenures in our business!

Board's profile

Mr. Sunil Agrawal, Chairman & Managing Director

Mr. Sunil Agrawal 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 jewelry fairs. He is credited with the pioneering commercialization of popular gemstones like Tanzanite.

Mr. Rahimullah, Whole Time Director

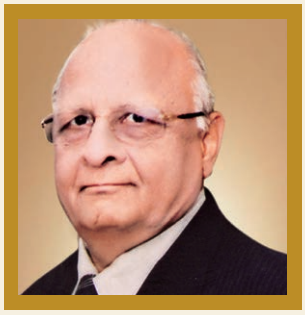
Beginning his career in his emerald trading and export business, he has gained considerable experience and knowledge in this field, and has travelled extensively in Africa, Europe and the Far East to source rough stones. He brings with him 41 years of industry experience. His dedication, vision and acumen have been responsible for the Company's impressive growth.

Mr. P. N. Bhandari, Director

Mr. P. N. Bhandari, a retired IAS officer is B.A. and LLB. He has been Addl. Chief Secretary & Dev. Commissioner, Principal Secretary to the Government, Collector & District Magistrate in five districts and Vice – Chancellor of Udaipur Agriculture University. He has also been the Managing Director of Rajasthan Industrial & Infrastructure Dev. Corp. (RIICO), Raj. Transmission Company (TRANSCO), Raj. State Mines and Minerals (RSMM) and Raj. Tribal Development Corporation and Director in Bank of Rajasthan, BSES, Mumbai and Yamuna Power (Reliance) Delhi.

He was also promoted in the scale of Chief Secretary in 1998 (Equivalent to the rank of Secretary to Govt. of India). He has been appointed as Chairman of the Rajasthan State Electricity Board (RSEB) thrice. He also received "Leading Energy Personality 2013 Award" from Council of Power Utilities at Hyderabad. He is an author of "Commitment and Creativity, Reminiscences of an IAS Officer".

Currently, he is practicing as an Advocate at Rajasthan High Court and also a member of Public Expenditure Review Committee headed by the Chief Secretary, Govt. of Rajasthan, State level Advisory Committee, Rajasthan Electricity Regulatory Commission and State Innovation Council.



Mr. Surendra Singh Bhandari, Director

Mr. S.S. Bhandari, FCA, is a Practicing Chartered Accountant since 1971 with meritorious academic record. He is Founder Partner of M/s. S. Bhandari & Co., Jaipur. Mr. Bhandari is one of the leading consultant in the field of banking, audit, assurance, tax assignments, corporate restructuring and other advisory services. Mr. Bhandari is presently Independent Director of M/s Asian Hotels (West) Ltd., Delhi and Member of Finance Committee, Indian Institute of Technology (IIT), Jodhpur and also Chairman, Audit Committee of Indian Institute of Health and Management Research (IIHMR) University. He had in past served on various coveted positions as Independent Director of Bank of Baroda, Central Bank of India and erstwhile Bank of Rajasthan and as Trustee of the PNB Mutual Fund among others. Mr. Bhandari has also been on Central Council of Institute of Chartered Accountant of India from 1985 to 1991. He is also deeply involved in various social and philanthropic activities through Shri Bhagwan Mahaveer Viklang Sahayata Samiti and other institutions.

Mr. Nirmal Kumar Bardiya, Director

Mr. Nirmal Kumar Bardiya is one of the most renowned jewelers of Jaipur with a vast experience in the manufacturing of coloured gemstones since more than 35 years. 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 Chairman & Managing Director of RMC GEMS INDIA LIMITED, Director of Zari Silk India Pvt. Limited, Bardiya Construction Co.Pvt. Ltd (Hotel Fortune Bela Casa), Jaipur. Mr. Bardiya is the Director of International Colored Gemstone Association, New York, Immediate past President of Jewellers Association, Jaipur, Member of The Gem & Jewellery Export Promotion Council Exhibition sub-committee, Mumbai. He is also Vice President of renowned social organization : Jain International Trade Organization (JITO), Jaipur Chapter.

Mrs. Sheela Agarwal, Director

Mrs. Sheela Agarwal is 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 a rich experience of over 40 years in consumer-facing industries. He started his career with Hindustan Unilever where he spent 16 years and managed leading brands such as Lux, Liril, Fair & Lovely, Clinic, Sunsilk, Dalda & Flora. He was Managing Director of Enterprise Advertising for a few years before becoming Vice President – Marketing & Exports of Britannia which is the leading bakery products company, from 1994 to 1999. He then became a Whole Time Director and Executive Vice President Marketing of Colgate Palmolive (India) Limited from 1999 to 2004. He was Managing Director and Chief Executive Officer of Tata Sky Ltd from 2004 until his retirement in 2010. He joined the Board of Prasar Bharati and was an independent Director from May, 2011 to November, 2013. He now practices as a management consultant / advisor to various businesses like Voltas, the leading Tata Group Company and Pricewaterhouse Coopers, AMAGI Media Labs, and Oracle. He has also done shorter assignments for HSBC, Standard Chartered Bank and Warburg Pincus. He is currently a director of Sistema Shyam Teleservices Limited from July, 2011 and also sits on the board of India Capital Growth Fund, UK, since June, 2012. In addition, he mentors new technology startups in the media space out of Bangalore and consults globally with the Gerson Lehrman Group (GLG).

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 Founder & Managing Partner of M/s Doogar & Associates, Chartered Accountants, Delhi, a fellow member of The Institute of Chartered Accountants of India, with 38 years of experience and exposure in the field of Auditing, Financial and Management Consultancy with a specialization in Corporate Advisory Services, Project Financing/Governance, Corporate Laws and Management Consultancy having expertise in the areas of Statutory and Internal Audits of Large Corporate groups & banks of public sector undertakings. He is presently on the Board of various Companies including PHD Chamber of Commerce and Industry, Natraj Ceramics & Chemical Industries Limited, Frick India Limited, Morgan Ventures Limited, Kamdhenu Ispat Limited, D & A Financial Services Private Limited, and Radico Khaitan Limited. 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.

His powerful vision inspired the firm to grow and set the foundation in many areas. His path breaking achievements guided the destiny of the firm for more than 35 years. He looks after the entire range of practice relating to Audit and rendering consultancy of accounting, Company Laws,

Mr. Peter Duncan Whitford, Director

Mr. Peter has an International career and brings almost 34 years of extensive experience in various public and private companies in a variety of 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 a Bachelor of Business degree from University of Technology, Australia, 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 Seal Inc., President Worldwide of Disney Store at 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.

Social responsibility

"At Vaibhav Global, we are not only committed to a business model that creates economic value but also contribute to the society and lead the path towards life-development value."

Sunil Agarwal, *Chairman and Managing Director*

Besides our regular engagements in providing scholarships to needy students and health interventions we have also initiated a novel CSR program by tying up with Akshaya Patra Foundation, the world's largest NGO that serves wholesome mid-day meals to over 1.4 million children in over 10,000 government and non-government aided schools in 10 states in India.

In doing so, the Foundation fights the cause of hunger, malnutrition and illiteracy among children in India. The Foundation's vision is to reach out to 5 million children every school day by 2020.

Vaibhav Global's CSR model with Akshaya Patra is based on the scope that every jewellery piece sold by the Company's UK-based home shopping television channel (TJC), will contribute to one meal in India. This structuring provides adequate scalability upside; the programme spans 141 schools in Jaipur with 10 vehicles providing logistical support for the entire operation.

The Company has funded over 10,00,000 meals since January 2015 for underprivileged children in Jaipur. It is also the only company in Rajasthan to associate with the Akshaya Patra Foundation.

"We encourage other companies to collaborate with us so that together we can fight the dual issues of hunger and illiteracy among children in India."

Madhu Pandit Dasa,

Chairman, Akshaya Patra

VAIBHAV GLOBAL LIMITED
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Tele No.: 91-141-2601020 • Fax No : 91-141-2605077
Email: investor_relations@vaibhavglobal.com • Website : www.vaibhavglobal.com

NOTICE

Notice is hereby given that the 26th Annual General Meeting (AGM) of the Members of **VAIBHAV GLOBAL LIMITED** will be held on Tuesday, 28th July, 2015 at 10:00 a.m. at E-69 EPIP, Sitapura, Jaipur-302022 (Rajasthan) to transact the following business:

Ordinary Business :

1. To receive, consider and adopt the Audited Financial Statements of the Company along with Consolidated Financial Statements for the financial year ended 31st March, 2015 together with the Reports of the Board of Directors and Auditors thereon.
2. To confirm the payment of interim dividend paid @ ₹ 2.40 per equity share.
3. To appoint a Director in place of Mr. Nirmal Kumar Bardiya (holding DIN : 00044624) who retires by rotation at this Annual General Meeting and being eligible, offers himself for re-appointment.
4. To re-appoint 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) and to fix their remuneration and in this regard, to pass the following resolution as an Ordinary Resolution :

   "**RESOLVED THAT** pursuant to Section 139, 142 and any other applicable provisions of Companies Act, 2013 and rules made thereunder, M/s Haribhakti & Co. LLP, 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. Pashupati Nath 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. Pashupati Nath Bhandari (holding DIN : 00355178), who was appointed as an Independent Director in casual vacancy w.e.f 29th January, 2015 pursuant to the provisions of Section 161(4) of the -Companies Act, 2013 and shall hold office from 29th January, 2015 to 31st March, 2017 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 29th January, 2015 to 31st March, 2017 and whose office shall not 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. Hemant Sultania as 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 152, 160 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. Hemant Sultania (holding DIN : 00472577) 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 Director and whose office shall be liable to retire by rotation."

   "**RESOLVED FURTHER THAT** the Board of Directors 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."

By order of the Board of Directors

Place: Jaipur — **Brahm Prakash**

Date: 21st May, 2015 — **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. The Notice is being sent to all the Members whose name appear in the Register of Members /List of Beneficial Owners received from National Securities Depository Limited (NSDL) and Central Depository Services Limited (CDSL) as on 12th June, 2015 (cut off date). 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 said date.
3. **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.**
4. 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.
5. Members /proxies should bring the duly filled attendance slip enclosed herewith to attend the meeting.
6. Corporate members intending to send their authorized representative to attend the meeting are requested to send to the Company, a certified copy of the Board Resolution authorising their representative to attend and vote at the meeting on their behalf.
7. 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.
8. The Register of Members and Share Transfer Books of the Company will remain closed from Tuesday, 21st July, 2015 to Tuesday, 28th July, 2015 (both inclusive).
9. 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.
10. Members are requested to send their demat/remat applications, request for share transfers, intimation of change of address and other correspondence to the Company's Registrar and Share Transfer Agent, M/s Karvy Computershare Pvt. Ltd., Karvy Selenium Tower B, Plot 31-32, Gachibowli Financial District, Nanakramguda, Hyderabad - 500 032.
11. Members who hold shares in physical form are requested to notify immediately, any change in their addresses to the Registrar and Share Transfer Agent of the Company at the above address and to their respective depository participants, in case shares are held in electronic form.
12. Non Resident Indian Members are requested to inform Registrar and Share Transfer Agent of the Company in any change in their residential status on return to India for permanent settlement, particulars of their bank account maintained in India with complete name, branch account type, account number and address of the bank with pin code number, if not furnished earlier.
13. The Securities Exchange Board of India (SEBI) mandate the submission of Permanent Account Number (PAN) by every participant in securities market. The Companies Act, 2013 and rules made thereunder also require the further details to be submitted to the Company like email address, Father's/Mother's/ Spouse's name. Members holding shares in electronic form are, therefore requested to submit PAN and other details to their Depository Participants with whom they are maintaining demat accounts. Members holding shares in physical form can submit their PAN and other details to the Company's Registrar and Share Transfer Agent.
14. 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.
15. In terms of Section 205A and 205C of the Companies Act, 1956, the Company has transferred the unclaimed or unpaid dividend for the financial year 2006-07 to Investor Education Protection Fund (IEPF) during the financial year 2014–15. Further, Members wishing to claim their unpaid or unclaimed interim dividend for the financial year 2014-15 are requested to claim the same.
16. The Notice of AGM along with the Annual Report 2014-15 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.
17. As a measure of austerity, copies of the Annual Report will not be distributed at the Annual General Meeting. Members are therefore, requested to bring their copies of the Annual Report in the meeting.
18. The Annual Report of the Company circulated to the Members of the Company will be made available on the Company's website at www.vaibhavglobal.com and also on the website of respective Stock Exchanges.
19. The Members who have not registered their email address are requested to register the same with the Registrar and Share Transfer Agent/Depositories.
20. The instruction for remote 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 Shareholders of the Company at their 25th Annual General Meeting (AGM) held on 25th July, 2014 appointed Late Shri. Mitha Lal Mehta as an Independent Director of the Company for a period of three years commencing from 1st April, 2014 to 31st March, 2017. Due to sudden demise of Mr. Mehta on 7th December, 2014, the Board of Directors pursuant to the provisions of Section 161(4) of the Companies Act, 2013 appointed Mr. Pashupati Nath Bhandari as an Independent Director in casual vacancy w.e.f 29th January, 2015 to 31st March, 2017. 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. Pashupati Nath Bhandari as an Independent Director of the Company and a declaration from Mr. Pashupati Nath Bhandari to the effect that he meets the criteria of independence as provided in 149(6) of the Companies Act, 2013 and clause 49(II)(B)(1) of the Listing Agreement.

The resolution seeks the approval of members for the appointment of Mr. Pashupati Nath Bhandari 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. Pashupati Nath Bhandari 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 :

Mr. Hemant Sultania, Group CFO of the Company has resigned from the services of the Company and will be relieved on 27th July, 2015. In view of his valuable contribution to the Company during his tenure, the Board of Directors wishes that Mr. Sultania should continue his association with the Company and after deliberation, Board of Directors decided to induct Mr. Hemant Sultania as a Non-Executive and Non-Independent Director, subject to the consent of the Shareholders 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. Hemant Sultania as a Director in the category of Non-Executive and Non-Independent.

The resolution seeks the approval of members for the appointment of Mr. Hemant Sultania as a Director pursuant to the provisions of Section 152, 160 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. Hemant Sultania 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.

By order of the Board of Directors

Place: Jaipur **Brahm Prakash**

Date: 21st May, 2015 **Company Secretary**

Details of Directors seeking re-appointment/appointment at 26th Annual General Meeting (AGM) as required under Clause 49 of the Listing Agreement

Sl. No	Name of the Director	Brief Profile / Expertise in Specific field of areas	Directorship held in other Companies as on 31.03.2015	Membership/ Chairmanship of Committees of other Companies as on 31.03.2015	Number of shares held in the Company
1.	Mr. Nirmal Kumar Bardiya (DIN: 00044624)	Mr. Nirmal Kumar Bardiya is one of the most renowned jewelers of Jaipur with a vast experience in the manufacturing of coloured gemstones since more than 35 years. 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 Chairman & Managing Director of RMC GEMS INDIA LIMITED, Director of Zari Silk India Pvt. Limited, Bardiya Construction Co.Pvt. Ltd (Hotel Fortune Bela Casa), Jaipur. Mr. Bardiya is the Director of International Colored Gemstone Association, New York, Immediate past President of Jewellers Association, Jaipur, Member of The Gem & Jewellery Export Promotion Council Exhibition sub-committee, Mumbai. He is also Vice President of renowned social organization : Jain International Trade Organization (JITO), Jaipur Chapter.	1. RMC Gems India Limited. 2. VGL Softech Limited 3. Kalpavriksha Construction (P) Ltd. 4. RMC Constructions (P) Ltd. 5. Devashish Builders (P) Ltd. 6. Bardiya Constructions Co. (P) Ltd. 7. Zari Silk (India) Pvt. Ltd.	Nil	17,91,628
2.	Mr. Pashupati Nath Bhandari (DIN: 00355178)	Mr. P. N. Bhandari, a retired IAS officer is B.A. and LLB. He has been Addl. Chief Secretary & Dev. Commissioner, Principal Secretary to the Government, Collector & District Magistrate in five districts and Vice – Chancellor of Udaipur Agriculture University. He has also been the Managing Director of Rajasthan Industrial & Infrastructure Dev. Corp. (RIICO), Raj. Transmission Company (TRANSCO), Raj. State Mines and Minerals (RSMM) and Raj. Tribal Development Corporation and Director in Bank of Rajasthan, BSES, Mumbai and Yamuna Power (Reliance) Delhi. He was also promoted in the scale of Chief Secretary in 1998 (Equivalent to the rank of Secretary to Govt. of India). He has been appointed as Chairman of the Rajasthan State Electricity Board (RSEB) thrice. He also received "Leading Energy Personality 2013 Award" from Council of Power Utilities at Hyderabad. He is an author of "Commitment and Creativity, Reminiscences of an IAS Officer". Currently, he is practicing as an Advocate at Rajasthan High Court and also a member of Public Expenditure Review Committee headed by the Chief Secretary, Govt. of Rajasthan, State level Advisory Committee, Rajasthan Electricity Regulatory Commission and State Innovation Council.	Nil	Nil	Nil
3.	Mr. Hemant Sultania (DIN: 00472577)	Mr. Hemant Sultania is CA, CS and CWA and having 18 years of rich experience in strategic financial planning, budgeting, project evaluation, commercial and legal affairs, taxation, fund management, finalization of accounts, revenue assurance, auditing, MIS development & Merger and acquisition. He has worked as CFO with Dr. Lal Path labs, Vice President with Bata India Limited and Senior Tax Manager at Ernst & Young India Private Limited.	1. Garymuskan Estate Private Limited 2. Vidhman Estate Private Limited	Nil	Nil

Board's Report

To the Members of Vaibhav Global Limited,

Your Directors take pleasure in presenting the 26th Annual Report together with the audited financial statements for the year ended 31st March, 2015.

Financial Performance and Highlights

The Standalone and Consolidated Audited Financial Results of the Company for year ended 31st March, 2015 are as follows:

₹ *in Crore*

Particulars	Standalone (F.Y)		Consolidated (F.Y)	
	2014-15	2013-14	2014-15	2013-14
Revenue from Operations and Other Income	415.82	379.42	1,388.45	1,333.31
Less: Operating Cost	365.16	315.30	1,241.56	1,156.05
Operating Profit / PBDIT	**50.66**	**64.12**	**146.89**	**177.25**
Less : Interest & Finance Charge	5.33	11.75	7.33	14.50
Less : Depreciation & Amortization Expenses	5.58	2.46	11.88	7.47
Profit Before Tax and Exceptional Items	**39.75**	**49.91**	**127.67**	**155.28**
Add : Exceptional items	-	3.39	-	-
Profit Before Tax (PBT)	**39.75**	**53.30**	**127.67**	**155.28**
Less : Tax Expenses	9.78	0.14	24.50	2.75
Less : Minority Interest	**-**	**-**	**0.00**	**-**
Profit after Tax (PAT)	**29.98**	**53.16**	**103.16**	**152.53**
Less: Interim Dividend (Previous year on Preference Shares; Current year on Equity Shares)	9.32	3.39	9.32	3.39
Less: Transfer to General Reserve	5.00	-	5.00	-
Less: Transfer to Capital Redemption Reserve	-	44.00	-	44.00
Add: Impact on Inter transfer of Shares & Minority Interest	-	-	-	1.83
Surplus	**15.65**	**5.77**	**88.84**	**106.97**

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

Dividend

The Board of Directors at its meeting held on 11th November, 2014 declared an interim dividend of ₹ 2.89 per equity share including dividend tax.

The Companies (Amendment) Bill, 2014 (which is passed by both Houses of Parliament) puts certain restriction on payment of dividend. In view of this, no final dividend has been proposed by the Board.

Transfer to Reserve

The Board of Directors proposes to transfer a sum of ₹ 5 crores to the General Reserve.

Business Review

Vaibhav Global Limited (VGL) is a global retailer of fashion jewelry and lifestyle accessories on its proprietary TV home shopping and e-commerce platforms with live telecasts in the US, the UK, Canada and Ireland. Our TV home shopping platform provides direct customer access to over 100 million households on full-time equivalent basis in our principal operating markets. Retail websites in these geographies further expand our customer visibility and engagement.

The fashion jewelry portfolio has been extended to incorporate lifestyle accessories, home textiles and cosmetics, all of which are adjacent markets with similar price points and buying behaviors that together targets a larger portion of the existing customer's shopping basket. Products are outsourced from micro-markets across India, China, Thailand and Indonesia, while core manufacturing operations are in Jaipur, India. For details please refer to Business Overview Section in Management Discussion and Analysis Report.

Conversion of loan given to Genoa Jewelers Limited, wholly owned subsidiary of the Company

During the period under review, the Company has, out of loan of ₹ 74.79 crores given to M/s Genoa Jewelers Limited, a wholly owned subsidiary of the Company, converted ₹ 27.81 crores into equity of the said subsidiary and accordingly, 45,00,000 equity shares of USD 1 has been issued by the subsidiary.

Repayment of Term Loan

During the period under review, your Company has repaid the entire amount of long term loan of ₹ 45.94 crores from its internal accruals and consequently, the Company has become zero debt Company on net basis. The Company has Cash and Bank Balance including liquid investments in liquid funds of ₹ 96.2 crores against Working Capital loan of ₹ 76.2 crores as on 31st March, 2015.

Consolidated Financial Statements

The Consolidated Financial Statements prepared by the Company include financial information of its subsidiaries prepared in accordance with the Accounting Standards issued by Institute of Chartered Accountants of India (ICAI) and Listing Agreement, as prescribed by SEBI.

Audited Financial Statements of the Company's Subsidiaries

The audited financial statements, the Auditors' report thereon and the Board's report for the financial year ended 31st March, 2015 in respect of each subsidiary are available on the website of the Company i.e www.vaibhavglobal.com. A copy of said documents shall be provided to the shareholder upon request. A separate statement in form AOC-1 containing salient feature of the financial statement of its subsidiaries is enclosed herewith as Annexure 1 to this report. The statement also provides the details of performance and financial positions of each of the subsidiaries.

Particular of Loans, Guarantees and Investment

Particulars of loans, guarantees and investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the note no. 13, 29, 11 respectively to the Standalone Financial Statements of the Company.

Income Tax

The demand of ₹ 14.49 crores for the financial year 2009-10 on account of certain transfer pricing adjustments namely exports, loan and bank guarantees to wholly owned subsidiaries was contested and appeal was filed with the Hon'ble Income Tax Appellate Tribunal (ITAT) Jaipur, Bench. The Hon'ble ITAT has now issued order in favour of the Company except minor adjustments.

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 of the Company, 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 of the Company, 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 of the Company, engaged in outsourcing jewelry and lifestyle products for the group from China and Hong Kong.

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

e) Jewel Gems USA Inc. a wholly owned step down subsidiary of the Company engaged in providing call center and other support services to the VGL Group companies.

f) The Jewelery Channel Ltd. UK (TJC UK), a wholly owned step down subsidiary of the Company, 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 the Company 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.

h) PT STS BALI, a step down subsidiary of the Company, Hong Kong engaged in a outsourcing products for the group from Indonesia.

Change in Capital Structure

a) Conversion of Global Depository Receipts (GDRs)

During the year under review, Sonymike's Holdings Limited, a promoter group Company and GDR holder has converted 1,80,000 (One Lac Eighty Thousand) GDRs, convertible into 18,00,000 (Eighteen Lac) Equity Shares of ₹ 10 each. Pursuant to conversion of GDRs, the aggregate shareholding of Promoter & Promoter Group increased to 1,52,78,383 (One Crore Fifty Two Lac Seventy Eight Thousand Three Hundred Eight Three) Equity Shares.

b) Allotment of Equity Shares

During the year, the Company has allotted 2,26,765 Equity Shares of ₹ 10 each to eligible employees / Vaibhav Global Employee Stock Option Welfare Trust, pursuant to exercise of Stock Options and consequently, the Paid Up Equity Share Capital of the Company increased from ₹ 32,17,56,180 (Thirty Two Crores Seventeen Lac Fifty Six Thousand One Hundred Eighty) to ₹ 32,40,23,830 (Thirty Two Crores Forty Lac Twenty Three Thousand Eight Hundred Thirty). Further, the Company has not issued shares with differential voting rights.

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

During the year, the Compensation Committee of the Board of Directors of the Company granted 5,36,555 (Five Lac Thirty Six Thousand Five Hundred Fifty Five) stock options convertible into 5,36,555 (Five Lac Thirty Six Thousand Five Hundred Fifty Five) Equity Share of ₹ 10 each to various employees of the Company and its Subsidiaries.

The information as required by SEBI Guidelines and Companies Act, 2013 are set out in Annexure 2 to this report.

CREDIT RATING

Your Company's credit rating has been strengthened for Long term facilities from CARE BB+ (Double B Plus) to CARE BBB (Triple BBB) and for short term facilities from CARE A4+ (A Four Plus) to CARE A3+ (A Three Plus).

Directors and Key Managerial Personnel (KMP)

The Central Government vide its letter dated 26th December, 2014 has approved the appointment of Mr. Sunil Agrawal as Chairman & Managing Director of the Company for a period of five years i.e. 1st February, 2014 to 31st March, 2019.

During the year, Mr. Santosh Madan, Nominee Director (Punjab National Bank) resigned w.e.f 14th May, 2014. On the recommendation of the Nomination & Remuneration Committee, the Board, subject to the consent of shareholders, appointed Mr. Peter D. Whitford as an Independent Director for a period commencing from 14th May, 2014 to 31st March, 2017 and also appointed Mr. P. N. Bhandari as a Director in casual vacancy as an Independent Director, caused due to demise of Mr. Mitha Lal Mehta w.e.f. 29th January, 2015 for the remaining period of Mr. Mehta i.e. upto 31st March, 2017. They gave a declaration that they meet the criteria of independence as mentioned in Section 149(6) of the Companies Act and Clause 49 of the Listing Agreement.

In accordance with the provisions of the Companies Act, 2013 and in terms of the Memorandum and articles of Association of the Company, Mr. Nirmal Kumar Bardiya, Director of the Company retire by rotation and being eligible, offer himself for re-appointment.

The Board of Directors designated the following persons as Key Managerial Personnel (KMP) in terms of requirements of Section 203 of the Companies Act, 2013 :

i) Mr. Sunil Agrawal - Chairman & Managing Director

ii) Mr. Hemant Sultania – Group CFO

iii) Mr. Brahm Prakash – Company Secretary

Mr. Hemant Sultania, Group CFO resigned from the services of the Company and the Board accepted his resignation and placed on record its deep appreciation of the high quality work put in by him during his tenure. He will be relived from his duties on 27th July, 2015.

a. Board Evaluation

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of

the Listing Agreement, the Board has carried out an annual performance evaluation of its own performance, that of its Committees and individual Directors. The evaluation process has been explained in the Corporate Governance Report.

b. Remuneration Policy

The Board has, on the recommendation of the Nomination & Remuneration Committee framed a policy for selection and appointment of Directors, senior management and their remuneration. The Remuneration Policy is given in the Corporate Governance Report.

c. Board Meetings

The Board of Directors met five times during the financial year 2014-15 on 14th May, 2014, 25th July, 2014, 5th November, 2014, 11th November, 2014 and 29th January, 2015 as detailed in the Corporate Governance Report. The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013 and Clause 49 of the Listing Agreement.

d. Declaration by Independent Directors

All Independent Directors of the Company have given declarations that they meet the criteria of independence as laid down under Section 149 (6) of the Companies Act, 2013 and Clause 49 of the Listing Agreement. The terms & conditions for the appointment of Independent Directors are given at the website of the Company and separately disclosed in the Corporate Governance Report.

Committees of the Board

There are currently four Committee of the Board which are as follows :

a) Audit Committee

b) Nomination & Remuneration Committee

c) Corporate Social Responsibility (CSR) Committee

d) Stakeholders" Relationship Committee

e) Compensation Committee

The Board of Directors at its meeting held on 21st May, 2015 merged the "Nomination & Remuneration Committee" and "Compensation Committee". Details of all the Committees along with their composition, charters and meetings held during the year, are provided in the "Report on Corporate Governance", a part of this Annual Report.

Directors' Responsibility Statement

Pursuant to the provisions of Section 134(3)(c) of the Companies Act, 2013, your Directors confirm that :

(a) in the preparation of the annual accounts for the financial year ended 31st March, 2015, the applicable accounting standards have been followed along with proper explanation relating to material departures;

(b) such accounting policies as mentioned in note 1 to the financial statements have been selected and applied them consistently and made judgments and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the 31st March, 2015 and profit and loss of the Company for that period;

(c) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

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

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

(f) proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Related Party Transactions

All related party transactions entered into during the financial year were on an arm's length basis and were in the ordinary course of business. There are no material significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons and their relatives which may have a potential conflict with the interest of the Company at large. Particulars of contracts or arrangements with related parties referred to Section 188(1) of the Companies Act, 2013 in the form AOC 2 is annexed herewith as Annexure 3.

A list of all related party transactions is placed before the Audit Committee as well as the Board of Directors. The Board has also framed a policy on related party transactions and the same is available on Company's website i.e. http://www.vaibhavglobal.com/vaibhav2/investorsection/Policy-on-Related-Party-Transactions.pdf.

Pursuant to the provision of the Listing Agreement, the Board has framed a Policy on Material Subsidiaries and the same is available on Company's website i.e. www.vaibhavglobal.com/vaibhav2/investorsection/Policy-on-Material-Subsidiaries.pdf

Vigil Mechanism / Whistle Blower Policy

The Company has established a Vigil Mechanism / Whistle Blower Policy to deal with instances of fraud and mismanagement, if any. The Policy has a systematic mechanism for directors and employees to report concerns about unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct or policy. The policy is also available on the Company's website at the link : www.vaibhavglobal.com/vaibhav2/investorsection/Policy-of-Whistle-Blower-Vigil-Mechanism.pdf

Internal Control Systems and their Adequacy

The Company has well defined mechanisms in place to establish and maintain adequate internal controls over all operational and financial functions considering the nature, size and complexity of its business. The Company maintains adequate internal control systems that provide, among other things, reasonable assurance of recording the transactions of its operations in all material respects and of providing protection against significant misuse or loss of Company assets. M/s S.S Surana & Co., Chartered Accountants appointed as an Internal Auditors of the Company. The Internal Auditors independently evaluate adequacy of internal controls and audit the majority of the transactions undertaken by the Company. Post audit reviews are carried out to ensure that audit recommendations have been implemented. The Audit Committee of the Board of Directors which comprises of majority of Independent Directors, inter alia, reviews the adequacy and effectiveness of internal Control and monitors implementation of Internal Audit observations.

The Company has also appointed M/s Mahajan & Aibara, Chartered Accountants, Mumbai as consultant for review of certain Internal Control mechanism and Related Party Transactions of the Company.

Listing of Shares

The shares of the Company are listed at BSE Limited & National Stock Exchange of India Ltd. and the listing fee for the year 2015-16 has been duly paid. Global Depository Receipts (GDRs) of the Company are listed at Luxembourg Stock Exchange.

Deposits

The Company has not accepted any fixed deposits and, as such, no amount of principle or interest was outstanding as of the Balance Sheet date.

Award

During the year under review, your Company has been awarded "India Gem & Jewellery Awards 2014" in the category of "Silver Jewellery" continuously for the second time by the Gem & Jewellery Export Promotion Council, sponsored by the Ministry of Commerce, Government of India.

Extract of Annual Return

The extract of the Annual Return as required by Section 134(3)(a) of the Companies Act, 2013 in form MGT 9 is annexed herewith as Annexure 4.

Auditors and Auditors' Report

A. Statutory Auditors

M/s Haribhakti & Co. LLP, Chartered Accountants, Mumbai and M/s B. Khosla & Co., Chartered Accountants, Jaipur, Joint Statutory Auditors of the Company will hold office till the conclusion of 26th Annual General Meeting and are eligible for re-appointment. The Company received a certificate from M/s Haribhakti & Co. LLP, 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 in accordance with the provisions of Section 141 of the Companies Act, 2013. As per the provisions of Companies Act, 2013, they are being re-appointed for one year.

There is no reservation, qualification or adverse remark contained in the Statutory Auditors' Report attached to Balance Sheet as at 31st March, 2015. Information referred in Auditors' Report are self-explanatory and don't call for any further comments.

B. Secretarial Auditor

As per the provisions of Section 204 of Companies Act 2013 and rules made thereunder, 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 2015-16.

The Secretarial Audit Report for the financial year 2014-15 is attached herewith as Annexure 5. There is no reservation, qualification or adverse remark contained in the Secretarial Auditor Report. Information referred in Secretarial Auditor Report are self-explanatory and don't call for any further comments.

C. Cost Auditor

Pursuant to Cost Record & Audit Rules, 2014 notified on 31st December, 2014, the products manufactured by the Company are not covered in Cost Audit w.e.f financial year 2014-15. Hence, the requirement of cost audit is not applicable to the Company.

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. Earning call transcript thereof are posted on the website of the Company. During the year, reputed Foreign Institutional Investors Matthews Asia Funds and Grandeur Peak Funds invested in your Company.

Particular of Employees

The information required pursuant to Section 197(12) of the Companies Act, 2013 read with rules made thereunder, as amended from time to time, has been given in the annexure appended as 6.

Prevention of Insider Trading

In compliance with the provisions of Securities Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, the Board has adopted a code of conduct and code of practices and procedures for fair disclosure of unpublished price sensitive information on 14th May, 2015 to preserve the confidentiality of price sensitive information, prevent misuse thereof and regulate the trading by Insiders. The code of practice and procedures for fair disclosure of unpublished price sensitive information is also available on the Company's website i.e. www.vaibhavglobal.com.

Corporate Social Responsibility (CSR)

As required under Section 135 of the Companies Act, 2013, the Board of Directors has constituted a Corporate Social Responsibility (CSR) Committee to formulate and recommend to the Board, a Corporate Social Responsibility (CSR) Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013, to recommend the amount of expenditure to be incurred on the activities and to monitor the Corporate Social Responsibility Policy of the Company from time to time. The composition of CSR Committee has been given in Annual Report on CSR activities.

Your Company has contributed a sum of ₹ 1.06 crores to various social institutions in the field mid-day, education, health and scholarship. For details, please refer to CSR Activities under Management Discussion Analysis on page no. 56. The Annual Report on CSR activities is annexed herewith as Annexure 7.

Risk Management

The Company has framed and implemented a Risk Management Policy to identify the various business risks. This framework seeks to create transparency, minimize adverse impact on the business objectives and enhance the Company's competitive advantage. The risk management policy defines the risk management approach across the enterprise at various levels including documentation and reporting.

Disclosure under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

The Company has in place an Anti Sexual Harassment Policy in line with the requirement of the Sexual Harassment of Women at the workplace (Prevention, Prohibition, Redressal) Act, 2013. Internal Complaints Committee (ICC) has been set up to redress the complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy. No compliant has been received in this regard.

Transfer of Unclaimed Dividend to Investor Education and Protection Fund (IEPF)

The Company has transferred a sum of ₹ 18,094 (Rupees Eighteen Thousand Ninety Four) 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 2006-07 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.

Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo

Information in accordance with the provisions of Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of The Companies (Accounts) Rules, 2014 :

A. Conservation of Energy

The operations of the Company are not energy intensive. We regularly evaluate and use new energy efficient technologies and make necessary investment in these equipment to make our infrastructure more energy-efficient. The Company has taken significant measures to reduce the energy consumption by the following means :

a) The installation of Solar Power System of 100 KVA which generates 10% of the energy needed by the Company.

b) The installation of efficient transformers and stabilizers to reduce the electric fluctuation and consumption.

c) To reduce process cycle of burnout furnaces by 40%.

d) More efficient use of investment of flask and casting machines by synchronizing the production process.

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 processes. During the year, the Company has taken the following initiatives :

a) In house caming work (3D print) with latest technology.

b) Long lasting plating technology through Ion Plating Method.

c) Automatic wax injector for better productivity.

d) Investment in casting machines with maximum capacity of 10 flask per cycle.

e) Installation of plasma machine for electronic polishing and furnacing work.

f) Manufacturing of Stainless Steel Products with studded gems

g) CNC machine for gems production.

C. Foreign Exchange Earnings and Outgo

The information on foreign exchange earnings and outgo is furnished in the notes to accounts Note No 32 and 33 to the Standalone Financial Results of the Company.

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, Bankers, 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

Sunil Agrawal
Chairman & Managing Director
DIN: 00061142

Place: Jaipur
Date: 21st May, 2015

Annexure – 1

FORM AOC –1

(Pursuant to First Proviso to sub-section (3) of section 129 read with Rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the Financial Statement of Subsidiaries/ Associate Companies/Joint Ventures

Part "A": Subsidiaries

Amount in ₹

Name of Subsidiary	Subsidiaries					Step Down Subsidiaries			
	STS Jewels Inc., USA	STS Gems Thai Limited, Thailand	STS Gems Limited, Hong Kong	STS Gems Japan Limited	Genoa Jewelers Limited, BVI	PT STS Bali	Jewel Gem USA Inc.	The Jewellery Channel limited, UK	The Jewelery Channel Inc. USA
Reporting Period for the Subsidiary Concerned, if different from the holding Company's reporting period	1st April 2014 to 31st March 2015	1st April 2014 to 31st March 2015	1st April 2014 to 31st March 2015	1st April 2014 to 31st March 2015	1st April 2014 to 31st March 2015	1st April 2014 to 31st March 2015	1st April 2014 to 31st March 2015	1st April 2014 to 31st March 2015	1st April 2014 to 31st March 2015
Reporting Currency and exchange rate as on the last date of the relevant Financial Year in the case of Foreign Subsidiaries	USD 1 = ₹ 62.53	THB 1 = ₹ 1.9162	HKD 1 = ₹ 8.0634	JPY 1 = ₹ 0.5226	USD 1 = ₹ 62.53	Rupiah 1 = ₹ 0.0051	USD 1 = ₹ 62.53	GBP 1 = ₹ 92.7563	USD 1 = ₹ 62.53
Share Capital	3,12,65,000	6,70,67,000	7,05,54,750	3,91,95,000	2,43,09,55,861	-	2,06,34,900	67,24,88,265	18,75,90,000
Reserves & Surplus	2,43,64,482	(6,18,19,209)	29,70,51,338	(3,94,84,780)	(1,41,67,02,571)	9,39,140	(26,69,00,646)	(77,57,29,397)	31,40,30,927
Total Assets	33,14,20,652	20,13,36,363	77,79,78,146	11,249	72,12,81,529	73,25,667	11,48,50,519	67,23,87,932	1,35,32,81,761
Total Liabilities	27,57,91,120	19,60,88,573	41,03,72,058	3,27,159	73,83,92,932	63,86,528	36,11,16,329	77,56,28,988	85,16,60,878
Investments	-	-	-	26,130	1,03,13,64,848	-	-	-	-
Turnover	76,27,88,502	41,39,94,367	1,90,87,40,606	-	-	92,28,528	-	3,18,49,23,697	8,97,42,55,993
Profit Before Taxation	3,40,23,272	1,63,41,477	7,49,51,915	85,78,017	1,59,22,836	8,90,752	3,31,35,554	10,69,34,026	58,18,35,174
Provision for Taxation	-	32,92,290	1,15,11,897	-	-	-	-	7,780	13,24,71,103
Profit after Taxation	3,40,23,272	1,30,49,187	6,34,40,018	85,78,017	1,59,22,836	8,90,752	3,31,35,554	10,69,26,246	44,93,64,071
Proposed Dividend	-	-	-	-	-	-	-		-
% of shareholding	100%	100%	100%	100%	100%	99%	100%	100%	100%

Part "B": Associates and Joint Ventures

Statement pursuant to Section 129(3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

There is no Associate Company / Joint venture as on 31st March 2015

For and on behalf of the Board of Directors

	Brahm Prakash	**Hemant Sultania**	**Rahimullah**	**Sunil Agrawal**
Place: Jaipur	*Company Secretary*	*Group CFO*	*Whole Time Director*	*Chairman & Managing Director*
Date: 21st May, 2015			DIN: 00043791	DIN: 00061142

Annexure-2

Disclosure with respect to the Employee Stock Option Scheme of the Company

No.	Item of Disclosure	Remarks
1.	Options Granted	During the year 5,36,555 Stock Options were granted to the eligible employees of the Company and its Subsidiaries i.e.

Date of Grant	No. of Options	Option Price (₹)
16th April, 2014	25,726	743.95
14th May, 2014	3,579	734.65
18th October, 2014	4,85,560	742.50
22nd January, 2015	21,690	752.60
During the year 8,470 Stock Options were revived.		

No.	Item of Disclosure	Remarks
2.	The Pricing Formula	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.
3.	Options Vested	46,857
4.	Options exercised	2,04,588
5.	The total number of shares arising as a result of exercise of option	2,04,588
6.	Exercise Price of Stock Option exercised	

Exercise Price (₹)	26.75	33.57	45.30	119.05	126.35	418.40
No. of Option	60,000	10,000	117,537	8,631	2,148	6,272

No.	Item of Disclosure	Remarks
7.	Options forfeited & lapsed (re-issuable)	59,257
8.	Variation of terms of options	The exercise period of the Stock Options increased from 1 (One) year / (Four) years to 7 (Seven) years.
9.	Money realized by exercise of options	₹ 111.89 Lacs
10.	Total number of options in force	8,30,838
11.	Employee wise details of options granted : (i) (a) Key Managerial Personnel :	

Name of the Employee	No. of Options Granted
1. Mr. Hemant Sultania	14,970
2. Mr. Brahm Prakash	3,200

(b) Senior Managerial Personnel:

Name of the Employee	No. of Options Granted
1. Mr. Gerald Tempton	14,970
2. Mr. Colin Wagstaffe	14,970
3. Mr. Pushpendra Singh	7,480
4. Mr. Praveen Tiwary	7,250
5. Mr. Salil Sud	7,000
6. Mr. Gulzar Sharif	6,460
7. Mr. Jiten Dattani	5,670
8. Mr. Raj Singh	4,330

No.	Item of Disclosure	Remarks
	(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.	NIL
	(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;	NIL
12.	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'	9.22

13. Information relating to Stock Options granted during the year 2014-15

	Options Granted on			
i) Pricing Formula	16 April, 2014	14 May, 2014	18 Oct, 2014	22 Jan, 2015
	₹743.95/-	₹734.65/-	₹742.50/-	₹752.60/-
ii) Weighted average share price during the year	₹768/-			
iii) Range of exercise price of options outstanding at the end of the year	₹734/-to ₹753/-			
iv) Weighted average remaining contractual life of options outstanding at the end of the year	8.34 Years	8.42 Years	8.85 Years	9.11 Years
v) Weighted average fair value of option as on date of grant (₹)	414.34	408.70	410.95	412.11

vi) Adjusted Net Income and Earnings Per Share

Particulars	₹
Net Income as reported (in Lacs)	2997.67
Add: Intrinsic Value Compensation Cost	NIL
Less: Fair Value Compensation Cost (in lacs)	513.33
Adjusted Net Income	2484.34
Basic Earning Per Share	
-As Reported	9.30
-Adjusted Earning Per Share	7.67
Diluted Earning Per Share	
-As Reported	9.22
-Adjusted Earning Per Share	7.64

vii) Impact on Profits and EPS for the Fiscal 2015 had the company followed Fair value Method of accounting employee compensation cost instead of Intrinsic Value Method

Impact on Profits	Impact on Basic EPS	Impact on Diluted EPS
Lower by 513.33 Lacs	Lower by 1.63	Lower by 1.58

viii) Significant Assumptions made during the year to estimate the fair value of options

a. Risk Free Interest rate	7.91% -8.96%
b. Expected Life	3.5 years
c. Expected Volatility	68.07%
d. Expected Dividend Yield	NIL

Annexure - 3

Form AOC - 2

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

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

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

Name(s) of Related Party and Nature of relationship	Nature of Contracts / Arrangements/ Transactions	Duration of Contracts/ Arrangements/ Transactions	Salient features of Contracts/ Arrangements/ Transactions, including value, if any	Justification for entering into such contracts or arrangements or transactions including the value, if any	Date(s) of approval by the Board / Audit Committee	Amount paid as advances, if any	Date on which special resolution passed in general meeting as required under first proviso to Section 188
N.A							

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

Name(s) of Related Party and Nature of relationship	Nature of Contracts / Arrangements/ Transactions	Duration of Contracts/ Arrangements/ Transactions	Salient features of Contracts/ Arrangements/ Transactions, including value, if any	Date of approval by the Board / Audit Committee	Amount paid as advances, if any
The Jewelery Channel Inc. (100% step down Subsidiary)	Fixed Assets purchase	One Time	Purchase for the business of the Company ₹1,13,55,063	N.A	N.A
	Sales	Ongoing	180 Days for Payment from the Date of Invoice ₹2,12,79,25,048	N.A	N.A
STS Gems Ltd. (100% Subsidiary)	Purchase	Ongoing	120 Days for Payment from the Date of Invoice ₹21,62,61,308	N.A	N.A
	Fixed Assets purchase	One Time	Purchase for the business of the Company ₹54,84,722	N.A	N.A
	Sales	Ongoing	180 Days for Payment from the Date of Invoice ₹13,60,14,953	N.A	N.A
STS Gems Thai Ltd. (100% Subsidiary)	Purchase	Ongoing	120 Days for Payment from the Date of Invoice ₹6,68,36,165	N.A	N.A
	Sales	Ongoing	180 Days for Payment from the Date of Invoice ₹47,55,449	N.A	N.A
STS Jewels Inc. (100% step down Subsidiary)	Purchase	Ongoing	120 Days for Payment from the Date of Invoice ₹15,38,26,724	N.A	N.A
	Sales	Ongoing	180 Days for Payment from the Date of Invoice ₹29,20,27,025	N.A	N.A
The Jewellery Channel Limited (100% step down Subsidiary)	Sales	Ongoing	180 Days for Payment from the Date of Invoice ₹60,15,99,865	N.A	N.A

Sunil Agrawal
Chairman & Managing Director
DIN:00061142

Place: Jaipur
Date: 21st May, 2015

Annexure - 4

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31st March, 2015

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

i	CIN	L36911RJ1989PLC004945
Ii	Registration Date	8th May, 1989
Iii	Name of the Company	Vaibhav Global Limited
Iv	Category / Sub Category of the Company	Company Limited by Shares
v	Address of the Registered office and Contact Details	K-6B, Fateh Tiba, Adarsh Nagar, Jaipur – 302004 Tele No.: 91-141-2601020 • Fax No : 91-141-2605077 Email: investor_relations@vaibhavglobal.com Website : www.vaibhavglobal.com
vi	Whether listed Company	Yes
vii	Name, Address and Contact Details of Registrar and Share Transfer Agent	Karvy Computershare Pvt. Ltd., Karvy Selenium Tower B, Plot 31-32, Gachibowli Financial District, Nanakramguda, Hyderabad - 500 032 Tel No.: 91-40-67162222 • Fax No : 91-40-23001153

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

All the business activities contributing 10% or more of the total turnover of the Company shall be stated:-

Sl. No	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Manufacturing and export of all kind of jewellery, coloured gems stones, precious and semi-precious stones, studded jewellery.	321	97.3%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

Sl. No	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary / Associate	% of Shares Held	Applicable Section
1.	Genoa Jewelers Limited Drake Chambers, Road Town, Tortola, BVI	Foreign Company	Wholly Owned Subsidiary	100	2(87)
2.	STS Jewels Inc. 100 Michael Angelo way, Suite 400 D, Austin, Texas-78728, USA	Foreign Company	Wholly Owned Subsidiary	100	2(87)
3.	STS Gems Limited Unit 614, 6/F Heng Ngai Jewelry Centre, No. 4, Hokyuen Street East, Hunghom, Kowloon, Hong Kong	Foreign Company	Wholly Owned Subsidiary	100	2(87)
4.	STS Gems Thai Limited 919/390 Jewelry Trade Center Building 31 Floor, Silom Road, Silom, Bangrak, Bangkok 10500	Foreign Company	Wholly Owned Subsidiary	100	2(87)
5.	STS Gems Japan Limited 602, Kotokudo Building, 5-7-7 UENO, TAITO-KU, TOKYO – 110-0005	Foreign Company	Wholly Owned Subsidiary	100	2(87)

Sl. No	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares Held	Applicable Section
6.	Jewel Gems USA Inc. 100 Michael Angelo way, Suite 400 D, Austin, Texas-78728, USA	Foreign Company	Step Down Subsidiary	100% through Subsidiary Company	2(87)
7.	The Jewellery Channel Ltd. Surrey House, Plane Tree, Crescent, Feltham TW13 7HF, UK	Foreign Company	Step Down Subsidiary	100% through Subsidiary Company	2(87)
8.	The Jewelry Channel Inc. 100 Michael Angelo way, Suite 400 D, Austin, Texas-78728, USA	Foreign Company	Step Down Subsidiary	100% through Subsidiary Company	2(87)
9.	P T STS Bali Jl. Sekar Tunjung No. 6A, Ds Kesiman, Kertalangu Denpasar, Bali	Foreign Company	Step Down Subsidiary	100% through Subsidiary Company	2(87)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

(i) Category-wise Share Holding :

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change During the Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	39,66,688	-	39,66,688	12.33	39,27,013	-	39,27,013	12.12	(0.21)
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt.(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	79,84,457	-	79,84,457	24.82	83,44,124	-	83,44,124	25.75	0.93
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other.....	-	-	-	-	-	-	-	-	-
Sub-total (A) (1):-	**1,19,51,145**	**-**	**1,19,51,145**	**37.14**	**1,22,71,137**	**-**	**1,22,71,137**	**37.87**	**0.73**
(2) Foreign									
a) NRIs-Individuals	38,606	-	38,606	0.12	38,606	-	38,606	0.12	-
b) Other-Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	11,68,640	-	11,68,640	3.63	29,68,640	-	29,68,640	9.16	5.53
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other....	-	-	-	-	-	-	-	-	-
Sub-total (A) (2):-	**12,07,246**	**-**	**12,07,246**	**3.75**	**30,07,246**	**-**	**30,07,246**	**9.28**	**5.53**
Total shareholding of Promoter (A) = (A) (1)+(A)(2)	**1,31,58,391**	**-**	**1,31,58,391**	**40.89**	**1,52,78,383**	**-**	**1,52,78,383**	**47.15**	**6.26**
B. Public Shareholding									
(1) Institutions									
a) Mutual Funds	67,156	-	67,156	0.21	153	-	153	0.00	(0.21)
b) Banks / FI	5,063	-	5,063	0.02	3,137	-	3,137	0.01	(0.01)

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change During the Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt. (s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	46,44,717	-	46,44,717	14.44	59,85,067	-	59,85,067	18.47	4.03
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (Specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	**47,16,936**	**-**	**47,16,936**	**14.66**	**59,88,357**	**-**	**59,88,357**	**18.48**	**3.82**
(2) Non- Institutions									
a) Bodies Corp.									
i) Indian	15,83,427	600	15,84,027	4.92	14,01,641	600	14,02,241	4.33	(0.59)
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individual									
i) Individual shareholders holding nominal share capital up to ₹ 1 lakh	8,32,168	38,518	8,70,686	2.71	9,24,158	40,115	9,64,273	2.98	0.27
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	18,94,822	16,452	19,11,274	5.94	11,24,792	-	11,24,792	3.47	(2.47)
c) Others (specify)									
i) Clearing Members	6879	-	6,879	0.02	3,934	-	3,934	0.01	(0.01)
ii) Non Resident Indians	11,26,742	12,683	11,39,425	3.54	6,55,326	5,900	6,61,226	2.04	(1.50)
iii) Trusts	38,000	-	38,000	0.12	29,177	-	29,177	0.09	(0.03)
Sub-total (B)(2):-	54,82,038	68,253	55,50,291	17.25	41,39,028	46,615	41,85,643	12.92	(4.33)
Total Public Shareholding (B)=(B) (1)+ (B)(2)	1,01,98,974	68,253	1,02,67,227	31.91	101,27,385	46,615	1,01,74,000	31.40	(0.51)
C. Shares held by Custodian for GDRs ~~& ADRs~~	87,50,000	-	87,50,000	27.19	69,50,000	-	69,50,000	21.45	(5.74)
Grand Total (A+B+C)	3,21,07,365	68,253	3,21,75,618	100.00	3,23,55,768	46,615	3,24,02,383	100.00	-

ii) Shareholding of Promoters :

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% Change in Shareholding During the Year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1.	Shivram Global Pvt. Ltd.	52,48,065	16.31	-	53,11,865	16.39	-	0.08
2.	Brett Plastics Pvt. Ltd.	27,25,012	8.47	7.94	28,54,516	8.81	0.78	0.34
3.	Nirmal Kumar Bardiya	17,91,628	5.57	-	17,91,628	5.53	-	(0.04)
4.	Rahimullah	13,26,500	4.12	-	13,11,500	4.05	-	(0.07)
5.	Sonymike's Holdings Ltd.	8,08,600	2.51	-	29,68,640	9.16	-	6.65
6.	Deepti Agrawal	6,61,854	2.06	-	6,36,854	1.97	-	(0.09)
7.	Punag Limited	3,60,040	1.12	-	-	-	-	(1.12)
8.	Kusum Bardiya	1,65,205	0.51	-	1,65,205	0.51	-	-
9.	Krishkin Impex Private Limited	-	-	-	65,000	0.20	-	0.20
10.	Reengus Exim Private Limited	5,600	0.02	-	63,100	0.19	-	0.17
11.	STP Exim Private Limited	5,780	0.02	-	49,643	0.15	-	0.13
12.	Sunil Agrawal	28,140	0.09	0.09	28,140	0.09	0.09	-
13.	Sheela Agarwal	21,501	0.07	-	21,826	0.07	-	-
14.	Sanjeev Agrawal	8,320	0.03	-	8,320	0.03	-	-
15.	Shefali Agrawal	1,400	0.00	-	1,400	0.00	-	-
16.	Neil Agrawal	746	0.00	-	746	0.00	-	-

(iii) Change in Promoters' Shareholding (please specify, if there is no Change)

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of Share	% of share capital*	No. share	% of share capital*
1	Shivram Global Pvt. Ltd.				
	At the beginning of the year	52,48,065	16.20	52,48,065	16.20
	02.12.2014 (Market Purchase)	22,900	0.07	52,70,965	16.27
	09.12.2014 (Market Purchase)	17,000	0.05	52,87,965	16.32
	17.12.2014 (Market Purchase)	23,900	0.07	53,11,865	16.39
	At the end of the year			53,11,865	16.39
2	Brett Plastics Pvt. Ltd.				
	At the beginning of the year	27,25,012	8.41	27,25,012	8.41
	02.07.2014 (Market Purchase)	25,000	0.08	27,50,012	8.49
	17.11.2014 (Market Purchase)	10,000	0.03	27,60,012	8.52
	18.11.2014 (Market Purchase)	25,000	0.08	27,85,012	8.60
	19.11.2014 (Market Purchase)	30,000	0.09	28,15,012	8.69

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of Share	% of share capital*	No. share	% of share capital*
	25.11.2014 (Market Purchase)	2,504	0.01	28,17,516	8.70
	26.11.2014 (Market Purchase)	5,600	0.02	28,23,116	8.71
	02.12.2014 (Market Purchase)	19,500	0.06	28,42,616	8.77
	23.12.2014 (Market Purchase)	11,900	0.04	28,54,516	8.81
	At the end of the year			28,54,516	8.81
3	Nirmal Kumar Bardiya				
	At the beginning of the year	17,91,628	5.53	17,91,628	5.53
	Increase / Decrease	No change			
	At the end of the year			17,91,628	5.53
4	Rahimullah				
	At the beginning of the year	13,26,500	4.09	13,26,500	4.09
	17.03.2015 (Market Sale)	(15,000)	(0.05)	13,11,500	4.05
	At the end of the year			13,11,500	4.05
5	Sonymike's Holdings Ltd.				
	At the beginning of the year	8,08,600	2.49	8,08,600	2.49
	29.09.2014 (Transfer from Punag Ltd. due to merger)	3,60,040	1.11	11,68,640	3.60
	17.03.2015 (GDR Conversion)	18,00,000	5.56	29,68,640	9.16
	At the end of the year			29,68,640	9.16
6	Deepti Agrawal				
	At the beginning of the year	6,61,854	2.04	6,61,854	2.04
	02.07.2014 (Market Sale)	(25,000)	(0.08)	6,36,854	1.97
	At the end of the year			6,36,854	1.97
7	Punag Limited				
	At the beginning of the year	3,60,040	1.11	3,60,040	1.11
	29.09.2014 (Transfer to Sonymike's Holding Ltd. due to merger)	(3,60,040)	(1.11)	0	0
	At the end of the year			0	0
8	Sunil Agrawal				
	At the beginning of the year	28,140	0.09	28,140	0.09
	Increase / Decrease	No Change			
	At the end of the year			28,140	0.09
9	Sheela Agarwal				
	At the beginning of the year	21,501	0.07	21,501	0.07
	04.04.2014 (Market Purchase)	50	0.00	21,551	0.07
	27.05.2014 (Market Purchase)	50	0.00	21,601	0.07
	16.10.2014 (Market Purchase)	50	0.00	21,651	0.07
	17.10.2014 (Market Purchase)	50	0.00	21,701	0.07
	19.11.2014 (Market Purchase)	25	0.00	21,726	0.07

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of Share	% of share capital*	No. share	% of share capital*
	20.11.2014 (Market Purchase)	100	0.00	21,826	0.07
	At the end of the year			21,826	0.07
10	Kusum Bardiya				
	At the beginning of the year	1,65,205	0.51	165205	0.51
	Increase / Decrease	No Change			
	At the end of the year			1,65,205	0.51
11	STP Exim Private Limited				
	At the beginning of the year	5,780	0.02	5,780	0.02
	25.11.2014 (Market Purchase)	16,813	0.05	22,593	0.07
	26.11.2014 (Market Purchase)	450	0.00	23,043	0.07
	28.11.2014 (Market Purchase)	8,500	0.03	31,543	0.10
	09.12.2014 (Market Purchase)	5,000	0.02	36,543	0.11
	23.12.2014 (Market Purchase)	13,100	0.04	49,643	0.15
	At the end of the year			49,643	0.15
12	Reengus Exim Private Limited				
	At the beginning of the year	5,600	0.02	5,600	0.02
	17.12.2014 (Market Purchase)	8,500	0.03	14,100	0.04
	22.12.2014 (Market Purchase)	49,000	0.15	63,100	0.19
	At the end of the year			63,100	0.19
13	Sanjeev Agrawal				
	At the beginning of the year	8,320	0.03	8,320	0.03
	Increase / Decrease	No Change			
	At the end of the year			8,320	0.03
14	Shefali Agrawal				
	At the beginning of the year	1,400	0.00	1,400	0.00
	Increase / Decrease	No Change			
	At the end of the year			1,400	0.00
15	Neil Agrawal				
	At the beginning of the year	746	0.00	746	0.00
	Increase / Decrease	No Change			
	At the end of the year			746	0.00
16	Krishkin Impex Pvt. Ltd.				
	At the beginning of the year	0	0.00	0	0.00
	13.11.2014 (Market Purchase)	25,000	0.08	25000	0.08
	15.11.2014 (Market Purchase)	25,000	0.08	50000	0.15
	17.11.2014 (Market Purchase)	15,000	0.05	65000	0.20
	At the end of the year			65,000	0.20

*Percentage has been calculated on the total no. of shares at the end of financial year 2014-15.

(iv) Shareholding Pattern of Top Ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sr. No.	Shareholding of Each of top 10 Shareholder of the Company	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company*	No. of shares	% of total shares of the company*
1	Nalanda India Fund Limited				
	At the beginning of the year	41,10,600	12.69	41,10,600	12.69
	There is no change during the financial year 2014-15				
	At the end of the year			41,10,600	12.69
2	Panyaek Jainkijmanee				
	At the beginning of the year	4,21,137	1.30	4,21,137	1.30
	There is no change during the financial year 2014-15				
	At the end of the year			4,21,137	1.30
3	Runner Marketing Pvt Ltd				
	At the beginning of the year	3,00,000	0.93	3,00,000	0.93
	There is no change during the financial year 2014-15				
	At the end of the year			3,00,000	0.93
4	Srihari Burugapalli				
	At the beginning of the year	3,19,555	0.99	3,19,555	0.99
	Purchase / (Sale) from 1st April, 2014 to 31st March, 2015	(3,19,555)	(0.99)	-	-
	At the end of the year			-	-
5	Amit Kumar Dugar				
	At the beginning of the year	2,50,803	0.77	2,50,803	0.77
	Purchase / (Sale) from 1st April, 2014 to 31st March, 2015	(1,53,529)	(0.47)	97,274	0.30
	At the end of the year			97,274	0.30
6	Mindset Technologies Pvt. Ltd.				
	At the beginning of the year	2,36,866	0.73	2,36,866	0.73
	Purchase / (Sale) from 1st April, 2014 to 31st March, 2015	(1,01,404)	(0.31)	1,35,462	0.42
	At the end of the year			1,35,462	0.42
7	Hem Chand Jain				
	At the beginning of the year	2,05,122	0.63	2,05,122	0.63
	Purchase / (Sale) from 1st April, 2014 to 31st March, 2015	(10,151)	(0.03)	1,94,971	0.60
	At the end of the year			1,94,971	0.60
8	Nitin Tandon				
	At the beginning of the year	2,01,000	0.62	2,01,000	0.62
	Purchase / (Sale) from 1st April, 2014 to 31st March, 2015	(54,000)	(0.17)	1,47,000	0.45
	At the end of the year			1,47,000	0.45

Sr. No.	Shareholding of Each of top 10 Shareholder of the Company	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company*	No. of shares	% of total shares of the company*
9	Grandeur Peak International Opportunities Fund				
	At the beginning of the year	1,91,000	0.59	1,91,000	0.59
	Purchase / (Sale) from 1st April, 2014 to 31st March, 2015	69,500	0.21	2,60,500	0.80
	At the end of the year			2,60,500	0.80
10	Vibgyor Investors and Developers Pvt Ltd				
	At the beginning of the year	1,90,000	0.59	1,90,000	0.59
	There is no change during the financial year 2014-15				
	At the end of the year			1,90,000	0.59
11	Mathews India Fund				
	At the beginning of the year	-	-	-	-
	Purchase / (Sale) from 1st April, 2014 to 31st March, 2015	5,00,000	1.54	5,00,000	1.54
	At the end of the year			5,00,000	1.54
12	Grandeur Peak Emerging Markets Opportunities Fund				
	At the beginning of the year	-	-	-	-
	Purchase / (Sale) from 1st April, 2014 to 31st March, 2015	2,89,337	0.89	2,89,337	0.89
	At the end of the year			2,89,337	0.89
13	Grandeur Peak Global Opportunities Fund				
	At the beginning of the year	-	-	-	-
	Purchase / (Sale) from 1st April, 2014 to 31st March, 2015	2,04,557	0.63	2,04,557	0.63
	At the end of the year			2,04,557	0.63
14	Grandeur Peak Global Reach Fund				
	At the beginning of the year	-	-	-	-
	Purchase / (Sale) from 1st April, 2014 to 31st March, 2015	1,57,200	0.49	1,57,200	0.49
	At the end of the year			1,57,200	0.49

*percentage has been calculated on the no. of shares at the end of financial year 2014-15.

(v) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	For Each of the Directors and KMPs	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company*	No. of shares	% of total shares of the company*
1	Sheela Agarwal, Director				
	At the beginning of the year	21,501	0.07	21,501	0.07
	04.04.2014 (Market Purchase)	50	0.00	21,551	0.07
	27.05.2014 (Market Purchase)	50	0.00	21,601	0.07
	16.10.2014 (Market Purchase)	50	0.00	21,651	0.07
	17.10.2014 (Market Purchase)	50	0.00	21,701	0.07
	19.11.2014 (Market Purchase)	25	0.00	21,726	0.07
	20.11.2014 (Market Purchase)	100	0.00	21,826	0.07
	At the end of the year			21,826	0.07
2	Rahimullah, Whole Time Director				
	At the beginning of the year	13,26,500	4.09	13,26,500	4.09
	17.03.2015 (Market Sale)	(15,000)	(0.05)	13,11,500	4.05
	At the end of the year			13,11,500	4.05
3	Nirmal Kumar Bardiya, Director				
	At the beginning of the year	17,91,628	5.53	17,91,628	5.53
	Increase / Decrease	No Change			
	At the end of the year			17,91,628	5.53
4	Sunil Agrawal, Chairman & Managing Director				
	At the beginning of the year	28,140	0.09	28,140	0.09
	Increase / Decrease	No Change			
	At the end of the year			28,140	0.09
5	Hemant Sultania, Group CFO				
	At the beginning of the year	-	-	-	-
	02.01.2015 (Allotment pursuant to exercise of Stock Option	4,000	0.01	4,000	0.01
	02.01.2015 (Market Sale)	(3,000)	(0.01)	1,000	0.00
	02.02.2015 (Market Sale)	(1,000)	(0.00)	-	-
	At the end of the year			-	-
6	Brahm Prakash, Company Secretary				
	At the beginning of the year	1,986	0.01	1,986	0.01
	21.04.2014 (Market Sale)	(60)	(0.00)	1,926	0.01
	11.08.2014 (Allotment pursuant to exercise of stock option)	1313	0.00	3,239	0.01
	07.01.2015 (Market Sale)	(400)	(0.00)	2,839	0.01
	04.02.2015 (Market Sale)	(339)	(0.00)	2,500	0.01
	05.02.2015 (Market Sale)	(104)	(0.00)	2,396	0.01
	19.02.2015(Market Sale)	(513)	(0.00)	1,883	0.01
	20.02.2015 (Market Sale)	(570)	(0.00)	1,313	0.00
	At the end of the year			1,313	0.00

*Percentage has been calculated on the total no. of shares at the end of financial year 2014-15.

Note: The following director did not held any shares during the financial year 2014-15:

1. Mr. Surendra Singh Bhandari
2. Mr. P. N. Bhandari
3. Mr. Peter D. Whitford
4. Mr. Pulak Chandan Prasad
5. Mr. Vikram Kaushik
6. Mr. Mahendra Kumar Doogar

V. INDEBTEDNESS:

Indebtedness of the Company including interest outstanding/accrued but not due for payment (Amount in ₹)

Particulars	Secured Loans Excluding Deposits	Unsecured loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
(i) Principal Amount	98,44,18,134	2,10,00,000	-	1,00,54,18,134
(ii) Interest due but not paid	-	-	-	
(iii) Interest accrued but not due	-	-	-	
Total (i+ii+iii)	**98,44,18,134**	**2,10,00,000**	**-**	**1,00,54,18,134**
Change in Indebtedness during the financial year				
Addition	-	-	-	
Reduction	38,94,51,725	2,10,00,000	-	41,04,51,725
Net Change	(38,94,51,725)	(2,10,00,000)	-	(41,04,51,725)
Indebtedness at the end of the financial year				
(i) Principal Amount	59,49,66,409	-	-	59,49,66,409
(ii) Interest due but not paid	-	-	-	-
(iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	**-**	**-**	**-**	**-**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

A. Remuneration to Managing Director, Whole-time Directors and/or Manager : (Amount in ₹)

Sr. No.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount
		Mr. Sunil Agrawal, Chairman & MD	Mr. Rahimullah, Whole Time Director	
1.	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	42,00,000	42,00,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission - as % of profit - others, specify…	-	-	-
5.	Others, please specify	-	-	-
	Total (A)		42,00,000	42,00,000
	Ceiling as per the Act (Schedule V, Part-II, Section-II)		60,00,000	60,00,000

B. Remuneration to other Directors:

1. Independent Directors (Amount in ₹)

Sr. No.	Particulars of Remuneration	Name of Directors						Total Amount
		Mr. S.S Bhandari	Mr. M.L Mehta*	Mr. M. K. Doogar	Mr. P.N Bhandari	Mr. Peter D. Whitford	Mr. Vikram Kaushik	
	· Fee for attending board/ committee meetings	7,60,000	3,80,000	3,80,000	50,000	-	3,10,000	18,80,000
	· Commission	-		-	-	-	-	
	· Others, please specify	-		-	-	-	-	
	Total (1)							**18,80,000**

*Mr. M. L. Mehta ceased to be Director with effect from 7th December, 2014 due to demise.

2. Other Non - Executive Directors **(Amount in ₹)**

Sr. No	Particulars of Remuneration	Name of Directors			Total Amount
		Mrs. Sheela Agarwal	Mr. Pulak Chandan Prasad	Mr. Nirmal Kumar Bardiya	
	· Fee for attending board / committee meetings	1,80,000	-	4,60,000	6,40,000
	· Commission	-	-	-	-
	· Others, please specify	-	-	-	-
Total (2)					**6,40,000**
Total (B) = (B)(1)+(B)(2)					**25,20,000**

C. Remuneration to key managerial personnel other than MD/Manager/WTD : (Amount in ₹)

Sr. No	Particulars of Remuneration	Key Managerial Personnel		Total Amount
		Mr. Hemant Sultania, Group CFO	Mr. Brahm Prakash, Company Secretary	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	66,37,041	7,58,184	73,95,225
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	9,27,216	-	9,27,216
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2	Stock Option	6,39,080	10,46,658	16,85,738
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	- as % of profit - Others, specify…	-		-
5	Others, please specify	-	-	-
	Total	**82,03,337**	**18,04,842**	**1,00,08,179**

XII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES :

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
B. DIRECTORS					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
C. OTHER OFFICERS IN DEFAULT					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL

Annexure - 5

Secretarial Audit Report

for the financial year ended on 31st March, 2015

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

The Members,

VAIBHAV GLOBAL LIMITED

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Vaibhav Global Limited (hereinafter called the Company).

Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2015, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by M/s. Vaibhav Global Limited for the financial year ended on 31st March, 2015 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and Overseas Direct Investment.

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

(d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 & SEBI (Share Based Employee Benefits) Regulation, 2014

(e) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

(vi) and other applicable Laws like Factories Act, 1948; The Payment of Gratuity Act, 1972; Industrial Disputes Act,1947;The Payment of wages Act, 1936; Employees State Insurance Act, 1948; The Employees' Provident Fund and Misc. Provisions Act, 1952;The Payment of Bonus Act, 1985; The Contract Labour (Regulation & Abolition) Act, 1970.

We have also examined compliance with the applicable clauses of the following:

(i) The Listing Agreements entered into by the Company with Bombay Stock Exchange (BSE) and National Stock Exchange (NSE).

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that-

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

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

This Report is to be read with our letter of even date which is annexed as "Annexure A" and forms as an integral part of this report.

For **JAKS & Associates**
Company Secretaries
Firm Regn. No. P2014RJ033600

[B K SHARMA]
Partner
M. No. : FCS - 6206
COP No.: 12636

Place: Jaipur
Date: 21st May, 2015

"Annexure 'A' to the Secretarial Audit Report"

To,

The Members

VAIBHAV GLOBAL LIMITED

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on the test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices we followed provide reasonable basis of our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company. We have relied upon the Report of Statutory Auditors regarding compliance of Companies Act, 2013 and Rules made thereunder relating to maintenance of Books of Accounts, papers and financial statements of the relevant Financial Year, which give a true and fair view of the state of the affairs of the Company.
4. We have relied upon the Report of Statutory Auditors regarding compliance of Fiscal Laws, like the Income Tax Act, 1961 & Finance Acts, the Customs Act, 1962, the Central Excise Act, 1944 and Service Tax.
5. Wherever required, we have obtained the Management representation about the compliances of laws, rules and regulations and happening of events etc.
6. The compliances of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination is limited to the verification of procedures on test basis.
7. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **JAKS & Associates**
Company Secretaries
Firm Regn. No. P2014RJ033600

[B K SHARMA]
Partner
Membership No. : FCS - 6206
Certificate of Practice No.: 12636

Place: Jaipur
Date: 21st May, 2015

Annexure-6

Particulars of Employees

(a) Informations as per Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

A. Remuneration paid to Whole Time Director

Name of Director	Remuneration in FY 2014-15	Remuneration in FY 2013-14	% Inc./(Dec) in Remuneration	Ratio to Remuneration to MRE
Mr. Rahimullah	₹ 42.00 Lacs	₹ 42.00 Lacs	0.00	26.32

B. Remuneration paid to KMPs

Name of Director	Remuneration in FY 2014-15	Remuneration in FY 2013-14	% Inc./(Dec) in Remuneration	Ratio to Remuneration to MRE
Mr. Hemant Sultania – Group CFO	₹ 115.00 Lacs	₹ 100.00 Lacs*	15.00	72.05
Mr. Brahm Prakash – Company Secretary	₹ 10.94 Lacs	₹ 9.14 Lacs	19.7	6.85

*based on annualized salary, MRE - Median Remuneration of Employees

C. The median remuneration of employees was ₹1,59,600 in financial year 2014-15 and ₹1,43,604 in financial year 2013-14. There was increase in MRE in financial year 2014-15 of 11.1% as compared to financial year 2013-14.

D. Number of permanent employees on the rolls of Company was 1083 employees as on 31.03.2015.

E. The total revenue growth of the Company during the financial year 2014-15 as compared to financial year 2013-14 was 9.59 % and the net profit declined by 43.60%.

F. The aggregate remuneration of the employees was increased by 9.3% over the previous financial year.

G. There was no increase in the salary of Whole Time Director. The increase in remuneration of other than KMPs was 15.4%. The increase in total remuneration of KMPs including whole time director was 11.1% over the previous financial year.

H. Increase in the total revenue of the Company (9.59%) was near to match with increase in total remuneration of the employees (9.3%) and all KMPs (11.1%)

I. Our market capitalization increase by 26.5% to ₹ 2611 Crores as on 31st March, 2015 from ₹ 2063 Crores as on 31st March, 2014. The price earning ratio was 86.65 as on 31st March, 2015 which was increase 124.31% as compared to 31st March, 2014. The closing price of the Company's Equity Share was at NSE and BSE as on 31st March, 2015 was ₹805.85 and ₹805.05 respectively. The Company has not made any Public issue or Right issue of securities in the last year, so comparison have not been made of current share price with public offer price.

J. Average Salary increase of non-managerial employees was 9.2% and that of managerial employees 11.1% in financial year 2014-15. There are no exceptional circumstances in increase in managerial remuneration.

K. No Director received any variable component of remuneration in the financial year 2014-15.

L. The Whole Time Director is the highest paid Director. Mr. Hemant Sultania, Group CFO of the Company received remuneration higher than the Whole Time Director. The ratio of the remuneration of the highest paid Director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year was 0.36.

M. Remuneration paid during the year ended 31st March, 2015 is as per the Remuneration Policy of the Company.

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

Name of the Employee	Mr. Hemant Sultania
Remuneration (CTC)	₹1.15 Crore (Rupees One Crore Fifteen Lacs)
Designation	Group CFO
Nature of employment	Permanent
Qualifications and experience	CA, CS, CWA and 18 years of rich experience
Date of commencement of employment	2nd December, 2013
Age	44 years
The last employment held	Dr. Lal Pathlabs Pvt. Ltd. as Chief Financial Officer and Company Secretary
The percentage of equity shares held	Nil
Whether any such employee is relative of any director or manager of the company and if so name of such director or manager	NA

Annexure-7

Annual Report on Corporate Social Responsibility (CSR) Activities 2014-15

1. A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and reference to the web-link to the CSR policy and projects or programs

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

CSR Policy is available at Company's website:

Weblink:http://www.vaibhavglobal.com/vaibhav2/investorsection/Corporate%20Social%20Responsibility%20(CSR)%20Policy.pdf

2. Composition of Corporate Social Responsibility Committee:

Sr. No.	Name of Director	Category	Position
1	Mr. Pashupati Nath Bhandari*	Non- Executive Independent Director	Chairman
2	Mr. Nirmal Kumar Bardiya	Non-Executive Non Independent Director	Member
3	Mr. Sunil Agrawal	Chairman & Managing Director	Member
4.	Mr. Mitha Lal Mehta**	Non-Executive Independent Director	Chairman

*Mr. Pashupati Nath Bhandari, Non-Executive Independent Director has appointed Chairman of the Corporate Social Responsibility Committee w.e.f 29th January, 2015.

** Mr. Mitha Lal Mehta, Non-Executive Independent Director, ceased to be Chairman of the Committee w.e.f. 7th December, 2014 due to his demise.

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

Average Net Profit/(Loss): (₹559.88 Lacs)

4. Prescribed CSR Expenditure (two percent of the amount as in item 3 above): N.A

5. Detail of CSR spends for the financial year:

a. Total amount spent for the financial year: ₹ 106.48 lacs

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

c. Manner in which the amount spent during the financial year is detailed below:

(₹ In lacs)

1	2	3	4	5		7	8
Sr. No.	**CSR Project or activity identified**	**Sector in which the Project is covered**	**Project or Programms: 1)Local Area or other 2) Specify the state and district where projects or programms was undertaken**	**Amount outlay (budget) Project or programs**	**Amount spent on the projects or programs subheads: 1)Direct Expenditure on project of programs 2)Overheads:**	**Cumulative expenditure up to the reporting period**	**Amount spent: Direct or through implementing agency**
1	Promoting education through schools and other organisation	Support the schools for meeting the expenses relating to educational aids and other expenses	Jaipur, Rajasthan	53.26	53.26	53.26	Through implementing agency (Manav Seva Sangh Prem Niketan Bal Mandir, Jaipur)
2	Eradicating hunger, poverty and malnutrition	Providing mid-day meal through recognized trust & other institutions	Jaipur, Rajasthan	31.39	31.39	84.65	Through implementing agency (Akshya Patra Foundation, Jaipur)
3	Promoting health care including preventive health care facilities to the society through recognized trust or societies and hospitals	Taking care of mentally retarded children	Jaipur, Rajasthan	10.00	10.00	94.65	Through implementing agency (Umang, Jaipur)
4	Eradicating hunger, poverty and malnutrition	Providing mid-day meal through recognized trust & other institutions	Jaipur, Rajasthan	6.00	6.00	100.65	Through implementing agency (Hare Krishna Movement, Jaipur)
5	Promoting health care including preventive health care facilities to the society through recognized trust or societies and hospitals	Taking care of old age people.	Jaipur, Rajasthan	4.39	4.39	105.04	Through agency (Prem Niketan Hospital, Durgapura, Jaipur)

1	2	3	4	5		7	8
Sr. No.	**CSR Project or activity identified**	**Sector in which the Project is covered**	**Project or Programms:** **1)Local Area or other** **2) Specify the state and district where projects or programms was undertaken**	**Amount outlay (budget) Project or programs**	**Amount spent on the projects or programs subheads:** **1)Direct Expenditure on project of programs** **2)Overheads:**	**Cumulative expenditure up to the reporting period**	**Amount spent: Direct or through implementing agency**
6	Promoting education through schools and other organisation	Support the schools for meeting the expenses relating to educational aids and other expenses.	Jaipur, Rajasthan	1.44	1.44	106.48	Through implementing agency (Akshar Society, Jaipur)
	Grand Total				106.48		-

6. Responsibility Statement

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

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

Sunil Agrawal
Chairman & Managing Director
DIN: 00061142

P. N. Bhandari
Chairman (CSR Committee)
DIN: 00355178

Place : Jaipur
Date : 21st May, 2015

Management Discussion and Analysis

Industry Structure and Developments

The global retail industry is witnessing substantial changes that are now fully entrenched and gaining momentum every year. Consumers are increasingly adopting digital, social and mobile technologies to transform their shopping experience. Leading retailers, focused on deep consumer engagements, have been trying to ensure strong presence on electronic sales channels, supplementing their existing in-store presence. Today's increasingly demanding consumer looks for an aesthetic and competitively-priced product from a large collection that should reach her doorstep within a reasonable timeframe. Retailers who take cognizance of this new reality and action their strategies accordingly are more likely to succeed.

The US retail market is the largest in the world, valued at almost $ 5 trillion[1], or 30% of the size of the country's economy and growing in line with the GDP growth. Within this framework, the US e-commerce retail market is valued at over $ 250 billion[2], growing at over 10% as customers increasingly turn to the internet for their buying decisions along with TV-based home shopping. Similarly, the UK retail industry is valued at £ 340 billion/$ 500 billion, representing 18% of the country's GDP. In line with the global trend, the UK's e-commerce market has been expanding faster than the overall retail spending and accounts for 30% of retail sales in the country. Mobility has delivered the most recent leg of growth in the online shopping space across the world, with this trend gaining prominence in country after country.

Clearly, retail growth is a reflection of what's shaping the broader economy, which is starting to gain momentum. In line with the global trends, customers are displaying an increasing propensity to buy online across various categories.

The TV home shopping industry, much like traditional brick-and-mortar retail, is looking to create an omni-channel experience for consumers. More and more consumers are closing the transaction online and on mobile-based shopping platforms. Successful retailers have recognized the transition in the buying behavior and are deriving substantially higher life-time value from customers who use both traditional TV home shopping as well as emerging online and mobile buying platforms. The key objective is customer retention and expanding the tenure of the engagement, which is well-achieved when the customer starts engaging on one channel and ends up resolving or transacting on another channel seamlessly through a well-integrated, multi-channel system.

The jewelry industry is undergoing a gradual transformation from being a 'valuable investment' into a '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 take new trends to the mass market in quicker timeframes.

Vaibhav Global's electronic retail channels are operating in the fashion jewelry and lifestyle accessories space in the US and the UK markets and are slated to benefit significantly from these evolving trends.

Source: [1]U.S. Census Bureau News; [2]IMRG Capgemini e-Retail Sales, Jan 2013; 3Euromonitor

http://www.springfair.com/files/uk_retail_market_opportunities_report.pdf

http://www.retail-week.com/multichannel/online-retail/uk-online-retail-sales-exceed-100bn-for-first-time-in-2014/5068051.article

Business Overview

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

access to over 100 million households on full-time equivalent basis in our principal operating markets. Retail websites in these geographies further expand our customer visibility and engagement.

The fashion jewelry portfolio has been extended to incorporate lifestyle accessories, home textiles and cosmetics, all of which are adjacent markets with similar price points and buying behaviors that together targets a larger portion of the existing customer's shopping basket. Products are outsourced from micro-markets across India, China, Thailand and Indonesia, while core manufacturing operations are in Jaipur, India.

During 2014-15, revenues grew by 6% to ₹1376 crore, EBITDA margins were 10.7% of revenue and profit after tax (before exceptional items) was 7.5% of revenue. Revenue growth in the retail segment was around 6.8 % with TV home shopping and e-commerce sales growing by 5.2% and 13.5%, 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 over a period of time, technology is expected to converge the TV and the web, leading to an integrated, seamless viewing experience for customers globally.

VGL's global retailing business model is well-positioned to benefit from this trend of convergence. Retail growth was subdued in 2014-15 in comparison with the previous few years as we embraced certain major initiatives which always disrupts businesses like ours in the short-term. However, most of these initiatives have now been stabilized and we expect enduring benefits from them in the long range. Furthermore, retail in the US was also impacted because of higher competitive intensity from certain players who adopted various methods like stretch pay, free shipping and extended returns to gain market share. We are reviewing various options to respond appropriately.

In 2014-15, realizations on TV came in at $ 23 compared with $ 24 in the previous year and web realizations were at $ 14 compared with $ 13. Overall, realizations have stabilized as the Company's retail platforms have established a stronger position in the target product categories. Growth has been achieved on expanding volumes after the Company successfully transitioned its previously fine jewelry-based business profile into one that is now dominated by fashion jewelry and adjacent product accessories.

Our operations continue to deliver healthy profitability and cash generation remains robust. In 2014-15, after a gap of seven years, your Company returned to paying dividend by announcing an interim dividend including tax of ₹ 2.89 per share paid in November 2014. We considered paying final dividend but were unable due to recent amendments in the Companies Act, 2013 which prohibits payment of dividend unless past losses are fully absorbed against current year's profit. We are in the process of restructuring our capital subject to approval of Hon'ble High Court and other regulatory bodies so that we are able to payout regular dividends. We have repaid all long-term debts and debt at the net level is now negative after considering cash and bank balances. We continue to maintain return on capital employed at over 44%.

We have made investments in physical, technology and human infrastructure, which we believe will improve our growth visibility further. These include an upgraded SAP-based human resources platform, an upgraded TV business management platform in the US, an advanced SAP-based web platform and outsourcing of call center operations. In the pipeline is the launch of mobile applications and a responsive website, which adds a new dimension to our customer engagement. We have also increased manufacturing and sourcing capabilities to expand our supply chain ecosystem, which represents one of our key competitive strengths.

Going forward, we are keen to expand the wallet share of our 1.6 million customers by continuing to deliver a deep value proposition from our portfolio of high quality fashion and lifestyle products. This will help us attain our goal of emerging as a significant global retailer of repute.

CSR Activities

Your Company believes that as a responsible corporate citizen, it must address the needs of underprivileged and committed to serving them. The Company is keen to fulfill its social responsibility by being actively involved in a variety of public services projects. Our CSR is not limited to philanthropy but encompasses holistic community development, institution building and sustainability related initiatives. We encourage collaboration with various NGOs to support in CSR activities at group level. Your Company has contributed a sum of ₹ 106.48 lacs to various social institutions in the field of mid-day meal, education, health and scholarship. The main recipient have been Akshaya Patra, Umang, Prem Niketan and Manav Seva Sangh. The following major areas are covered in the CSR initiatives at group level:

- VGL sponsors one Akshaya Patra mid-day meal for every item sold at The Jewelery Channel, a step down subsidiary, UK and is currently feeding 14000 students everyday.

- Programme spanning across 141 schools in Jaipur with 10+ vehicles providing logistics support.
- Donation of ₹ 10 Lacs to Umang that strives for an inclusive Society that provides equal opportunity for all, by enhancing the quality of life of individuals with various disabilities.
- Sponsored winter clothes to poor students in Western China through one of our subsidiary Company in China.
- Awarded around ₹ 12.4 Lacs in Hope Scholarship to employees' children in US.
- Donated $1 from every transaction on Memorial Day to Snowball Express amounting to around ₹ 12.5 Lacs.

SWOT ANALYSIS

Strengths

- Exclusive end-to-end business model covering the entire electronic retail industry across the US and the UK, delivering strong growth momentum, expanding market share, maintaining stable margins and generating robust cash flows.
- Low-cost operations at both retail and manufacturing levels.
- Efficient sourcing units that allow expansion in other product categories.
- Successful homegrown brands such as ILIANA, Rhapsody, J Francis, FH, Karis, Elanza, Strada, Genoa and Eon 1962.
- Scalable business model with limited capex requirements.
- Strong managerial and talent pool across operations, technical and strategy functions.
- In-depth knowledge and vast experience in the jewelry and retail markets.
- Highly experienced senior management team 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 with European jewelry manufacturing countries like Italy, Spain and France.

Opportunities

- Large potential of increasing revenue per household.
- Deeper penetration of adjacent product categories.
- Acquisition potential for an additional 40 million TV households.
- Launch of mobile commerce applications that add a new dimension to our customer engagement initiatives.
- Faster electronic retail segment growth vis-à-vis the overall retail segment (in target markets).
- Strengthening asset base with the latest manufacturing and product development technologies.
- Reinforcing the low price point 'discount' model in both the US and the UK markets, which should receive stronger traction as the 'value' retailers have always done well in any market cycle.
- Potential to replicate the end-to-end discount electronic retail business model in other countries.

Threats

- Increase in rough and gemstones prices.
- Low cost end-to-end business model being adopted by existing or new competitors.
- Heightened competitive intensity with externally-funded players looking to drive aggressive strategies in the market.

Outlook

At Vaibhav Global, we believe that we are well-positioned, based on our brand, quality, leadership and expertise in target markets and our ability to create customer loyalty by delivering value.

The Company's strategy of sustained new product development seems to be paying off. VGL expects growth to be led by improved business opportunities in the retail segment in key targeted markets. In addition, we will continue to explore prospects in other developed and emerging markets and make judicious decisions based on strategic potential benefits accruing to the organization and its unique business model.

Currently, we believe that VGL is one of few Indian companies to successfully create a strong, respected and sizeable B2C franchise in developed markets globally. This also makes us unique from the consumer's perspective as our extreme cost consciousness translates into better value in our products, thereby deepening the relationship. Given that most of the initiatives / changes have been completed successfully (except the SAP-based web platform which is in the test stage), we see strong reasons to grow reasonably over a period of time and deliver value to our shareholders.

Risk and Concerns

The current economic environment, in combination with significant growth ambitions of the Company, carries with it an evolving set of risks. Your Company recognizes that these risks need to be managed to protect customers, employees, shareholders and other stakeholders to achieve our business objectives. In line with this, your Company has put in place a detailed Risk Management Policy which identifies the various types of risks at all levels of the Company. Early risk identification along with appropriate measures has enabled the Company to mitigate all threats which may arise from time to time. Also, the possibility of occurrence of the risk event and the magnitude of their consequences on the organization is determined and used to prioritize risk management.

Internal Control System and their Adequacy

An effective system of internal control is necessary for building, maintaining and improving shareholder confidence as well as enhance the overall quality of the enterprises. The Company has well-defined mechanisms in place to establish and maintain adequate internal controls over all operational and financial functions considering the nature, size and complexity of its business. The Company intends to undertake further measures as necessary in line with its intent to adhere to procedures, guidelines and regulations as applicable in a transparent manner.

The Company maintains adequate internal control systems that provide, among other things, reasonable assurance of recording the transactions of its operations in all material respects and of providing protection against significant misuse or loss of Company assets. M/s S.S. Surana & Co., Chartered Accountants, acts as Internal Auditors of the Company. The Internal Auditors independently evaluate adequacy of internal controls and audit the majority of the transactions undertaken by the Company. Post audit reviews are also carried out to ensure that audit recommendations have been implemented. The Audit Committee of the Board of Directors which comprises a majority of Independent Directors, inter alia, reviews the adequacy and effectiveness of the internal controls and monitors implementation of internal audit observations. Further, the Company has also appointed M/s Mahajan & Aibara, Chartered Accountants for carrying out internal audit in certain specific areas in order to strengthen the internal audit mechanism in the Company.

Discussion on Financial Performance with respect to Operational Performance

On a consolidated basis, the Group registered total operating revenues of ₹ 1376 crore in 2014-15, which represents a growth of 6% compared with ₹ 1298 crore achieved in 2013-14. The Company registered a net profit of ₹ 103 crore in 2014-15 as compared with ₹ 153 crore for the financial year 2013-14. The profits were mainly impacted by ₹ 17 crore on account of lower foreign exchange gain and by ₹ 22 crore due to higher tax provision in F.Y 15 as compared to previous year.

A. Retail via a 24x7 TV Shopping Network

TV home shopping sales comprises 70% of the total retail sales through live shows on all major cable, satellite and DTH platforms. Your Company sold 6.8 million pieces during the current year against 6.4 million pieces during the last year. Average selling price per piece remained more or less constant.

B. Web Sales

Almost 19% of the total sale came from the web which increased from ₹ 225 crores in 2013-14 to ₹ 256 crores in 2014-15. Web sales comprises catalogue sales, rising auction and live TV streaming. Volumes under this segment remained more or less constant at 3 million pieces.

C. B2B Sales

B2B sales comprise wholesale distribution to various retail chains in the US and the UK as well as sale of rough stones to various parties. B2B sale was constant at ₹ 161 crores.

Development Plans

We are keen to invest in expanding marketing, operations, human capital, facilities and technologies to build the infrastructure that will enable us to meet customer expectations by delivering a deep value proposition to discount-seeking consumers. Your Company is in the process of setting up an additional manufacturing facility in Jaipur SEZ which will enable the Company to increase the supply of 2.1 million pieces monthly apart from bringing cost and operational efficiencies.

Human Capital

VGL's employees are its greatest strength. The success of the Company is largely attributable to the remarkable commitment, dedication and hard work of the employees. The Company has on its rolls experienced, creative, talented and motivated staff to address the business demands. The Company provides a work environment which recognizes that its employees are integral to its success. VGL helps employees nurture ambitions and make ongoing progress through learning and skill development.

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

VGL aims to develop the potential of every individual associated with the Company as part of its business goals. The human resources strategy has enabled the Company attract, integrate, develop and retain the best talent to deliver business growth. We strengthened our talent pool by providing employees with growth and career enhancement opportunities. Our robust HR systems and sound strategy execution ensure that the Company is able to manage the complexities associated with this scale and geographic spread and remain compliant with the regulatory requirement in the countries where it operates. The Company strives to keep its employees updated with the latest cutting-edge developments in their fields of work and accordingly provide training using in-house and external faculty.

In line with the Human Resource Strategy, the Company has implemented numerous initiatives that will enable it to sustain competitiveness in the global marketplace. The focus is to attract and retain the best talent. Some of these initiatives are:

i) Employees Stock Option Plan (ESOP)

ii) Performance-based incentive plan

iii) Suggestion-based reward program

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

v) Identifying potential talent and offering growth opportunities within the organization

vi) Reward program for employees who have obtained qualification while working in the Company

vii) 360-degree appraisal system

As on 31 March, 2015, the Company's (VGL Group) employee base was 3,210 which will increase in line with the growing business aspirations in the current fiscal

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.

For and on behalf of the Board of Directors

Sunil Agrawal
Chairman & Managing Director
DIN: 00061142

Place: Jaipur
Date: 21st May, 2015

Corporate Governance Report

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

VGL's philosophy of Corporate Governance is founded on the pillars of fairness, accountability, disclosures and transparency. Corporate Governance encompasses a set of systems and practices to ensure that the Company's affairs are being managed in a manner which ensures accountability, transparency and fairness in all transactions. The objective is to meet stakeholders' aspirations and societal expectations. VGL has been practicing the principles of good corporate governance over the years. The Company has adopted best practices for corporate governance, disclosures standards and enhanced shareholder value while protecting the interest of all other stakeholders including clients, suppliers and its employees. The Company's Code of Conduct, its Risk Management Policy and well-structured internal control systems which are subjected to regular assessment for its effectiveness, reinforces integrity of Management and fairness in dealing with the Company's Stakeholders. Your Company has complied with the requirements as laid down under clause 49 of the Listing Agreement with the Stock Exchanges.

2. Board of Directors

Composition

The Board of Directors has an optimum combination of Executive and Independent Directors. The composition of the Board and category of Directors as on 31st March, 2015 are as follows :

Category	No. of Directors	Name of Directors	Promoter / Promoter Group
Executive Directors	2	Mr. Sunil Agrawal[1]	Yes
		Mr. Rahimullah[2]	Yes
Non-Executive Non-Independent Directors	3	Mr. Nirmal Kumar Bardiya	Yes
		Mrs. Sheela Agarwal	Yes
		Mr. Pulak Chandan Prasad	No
Non-Executive Independent Directors	6	Mr. Surendra Singh Bhandari	No
		Mr. Mitha Lal Mehta[3]	No
		Mr. Vikram Kaushik	No
		Mr. Mahendra Kumar Doogar	No
		Mr. Peter Duncan Whitford	No
		Mr. P. N. Bhandari[4]	No
Total	**11**		

1. Mr. Sunil Agrawal is the Chairman and Managing Director of the Company.
2. Mr. Rahimullah is the Whole Time Director of the Company.
3. Mr. Mitha Lal Mehta ceased to be Non-Executive Independent Director, w.e.f. 7th December, 2014 due to his demise.
4. Mr. P. N. Bhandari was appointed as Director in casual vacancy in the capacity of Non-Executive Independent Director w.e.f. 29th January, 2015.

There is no inter-se relationship between our board members except Mrs. Sheela Agarwal who is the mother of Mr. Sunil Agrawal, Chairman and Managing Director. Prior to the Commencement of the Companies Act, 2013, Mrs. Sheela Agarwal had been acting as a woman director which was noted by the Board at its meeting held on 14th May, 2014 in compliance with Section 149(1) of the Companies Act, 2013 and Clause 49(II)(A)(1) of the Listing Agreement.

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.

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

The Board meets once in every quarter to review the quarterly financial results and other items of the agenda and if necessary, additional meetings are held as and when required. The intervening gap between the meetings was within the period prescribed under Clause 49 of the Listing Agreement.

Name of the Directors	Date of Board Meetings					
	Attendance of AGM Held on 25th July, 2014	14th May, 2014	25th July, 2014	5th November, 2014	11th November, 2014	29th January, 2015
Mr. Sunil Agrawal	√	√	√	√	Leave of Absence	√
Mr. Rahimullah	√	√	√	√	√	√
Mr. Nirmal Kumar Bardiya	Leave of Absence	√	Leave of Absence	√	√	Leave of Absence
Mrs. Sheela Agarwal	√	√	√	√	√	Leave of Absence
Mr. Pulak Chandan Prasad	√	√	√	√	Leave of Absence	√
Mr. Surendra Singh Bhandari	√	√	√	√	√	√
Mr. Vikram Kaushik	√	√	√	√	Leave of Absence	√
Mr. Mahendra Kumar Doogar	Leave of Absence	Leave of Absence	Leave of Absence	√	Leave of Absence	√
Mr. Peter Duncan Whitford	√	NA	√	Leave of Absence	Leave of Absence	NA
Mr. P.N. Bhandari[1]	NA	NA	NA	NA	NA	NA
Mr. Mitha Lal Mehta[2]	√	√	√	√	√	NA

1. Mr. P. N. Bhandari appointed as Director w.e.f. 29th January, 2015.

2. Mr. Mitha Lal Mehta ceased to be Director w.e.f. 7th December, 2014 due to his demise.

Other Relevant details of the Directors:

Name of the Director	Number of Directorship(s) held in other Indian public limited Companies*	Committee(s) Position(including VGL)**	
		Membership	Chairmanship
Mr. Sunil Agrawal	1	Nil	Nil
Mr. Rahimullah	2	1	Nil
Mr. Nirmal Kumar Bardiya	2	1	Nil
Mrs. Sheela Agarwal	Nil	Nil	Nil
Mr. Pulak Chandan Prasad	1	Nil	Nil
Mr. Surendra Singh Bhandari	1	1	2
Mr. Vikram Kaushik	1	Nil	Nil
Mr. Mahendra Kumar Doogar	7	2	3
Mr. Peter Duncan Whitford	NIL	Nil	Nil
Mr. P. N. Bhandari	NIL	1	Nil
Mr. Mitha Lal Mehta	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.

Board Committees

The Board has five Committees namely Audit Committee, Nomination & Remuneration Committee, Corporate Social Responsibility (CSR) Committee, Compensation Committee and Stakeholders Relationship Committee.

(A) Audit Committee

The Committee is governed by a Charter which is in line with the regulatory requirements mandated by Companies Act, 2013 and Clause 49 of the Listing Agreement. The primary objective of the Committee is to monitor and provide an effective supervision of the management's financial reporting process, to ensure accurate and timely disclosures, with the highest level of transparency, integrity and quality of financial reporting. The Committee oversees the work carried out in the financial reporting process by the management, by Internal Auditors and Statutory Auditors and notes the processes and safeguards employed by each of them. 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. Recommendation of appointment, remuneration and terms of appointment 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 and auditor's report thereon before submission to the board for approval, with particular reference to:
   a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's Report in terms of clause (c) of sub-section of Section 134 of the Companies Act, 2013.
   b. Changes, if any, in accounting policies and practices and reasons for the same.
   c. Major accounting entries involving estimates based on the exercise of judgment by management
   d. Significant adjustments made in the financial statements arising out of audit findings
   e. Compliance with listing and other legal requirements relating to financial statements
   f. Disclosure of any related party transactions
   g. Qualifications in the draft audit report

5. Reviewing with the management, the quarterly financial statements before submission to the board for approval.
6. Reviewing with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue etc.), the statement of funds 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.
7. Review and monitor the auditor's independence and performance and effectiveness of audit process.
8. Approval or any subsequent modification of transactions of the Company with related parties.
9. Scrutiny of inter-corporate loans and investments.
10. Valuation of undertakings or assets of the Company wherever it is necessary
11. Evaluation of internal financial controls and risk management systems.
12. Review with the management, performance of statutory and internal auditors and adequacy of the internal control systems.
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
14. Discussion with internal auditors of any significant findings and follow up there on.
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
18. To review the Whistle Blower mechanism.
19. 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.
20. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
21. 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.
22. 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.

Composition, name of the Chairperson and Members

Name of the Director	Category of the Directors	Position Held in the Committee
Mr. Surendra Singh Bhandari	Non- Executive Independent Director	Chairman
Mr. Mahendra Kumar Doogar	Non- Executive Independent Director	Member
Mr. P. N. Bhandari (w.e.f 29th January, 2015)	Non- Executive Independent Director	Member
Mr. Nirmal Kumar Bardiya	Non- Executive Non-Independent Director	Member
Mr. Mitha Lal Mehta (till 7th December, 2014)	Non- Executive Independent Director	Member

The Company Secretary is also the Secretary to the Committee.

Attendance of Directors at Audit Committee's Meetings

Name of the Directors	14th May, 2014	24th July, 2014	5th November, 2014	28th January, 2015	29th January, 2015
Mr. Surendra Singh Bhandari	√	√	√	√	√
Mr. Mahendra Kumar Doogar	Leave of Absence	Leave of Absence	√	√	√
Mr. P.N Bhandari	NA	NA	NA	NA	NA
Mr. Nirmal Kumar Bardiya	√	Leave of Absence	√	√	Leave of Absence
Mr. Mitha Lal Mehta	√	√	√	NA	NA

(B) Nomination and Remuneration Committee

The Committee's constitution and terms of reference are in compliance with provisions of the Section 178 of the Companies Act, 2013 and Clause 49 of the Listing Agreement.

(a) 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 authorized 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.

(b) Remuneration to Whole-time / Executive / Managing Director

1. **Remuneration**

   The Whole-time Director/Managing Director shall be eligible for remuneration as may be approved by the Shareholders of the Company on the recommendation of the Committee and the Board of Directors. The break-up of the pay scale, performance bonus and quantum of perquisites including, employer's contribution to P.F, pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board on the recommendation of the Committee and shall be within the overall remuneration approved by the shareholders and Central Government, wherever required.

2. **Minimum Remuneration**

   If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Whole-time Directors in accordance with the provisions of the Companies Act, 2013 and if it is not able to comply with such provisions, then with the previous approval of the Central Government.

3. **Provisions for excess remuneration**

   If any Whole-time Director/Managing Director draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Companies Act, 2013 or without the prior sanction of the Central Government, where required, he/

she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.

(c) Remuneration to Non-executive / Independent Director

1. **Sitting Fees**

   The Non-executive / Independent Directors of the Company may receive remuneration by way of sitting fees for attending the meeting of the Board of Directors or Committee thereof. Provided that the amount of such fees shall not exceed the maximum amount as provided in the Companies Act, 2013 and rules framed or such amount as may be prescribed by the Central Government.

2. **Profit-linked Commission**

   The profit-linked Commission may be paid within the monetary limit approved by the shareholders of the Company subject to the limit not exceeding 1% of the net profits of the Company computed as per the applicable provisions of the Companies Act, 2013 and rules framed thereunder.

3. **Stock Options**

   An Independent Director shall not be entitled to any stock option of the Company.

(d) Criteria for performance evaluation of Independent Directors and the Board

As per the provisions of Clause 49 of Listing Agreement, the Nomination and Remuneration Committee (the "Committee") has laid down the evaluation criteria for performance evaluation of Independent Directors and the Board.

Further, the Board is required to monitor and review Board Evaluation Framework. This Framework shall contain the details of Board's self-evaluation.

The Board is committed to assess its own performance in order to identify its strengths and areas in which it may improve its functioning.

The Committee shall establish the following processes for evaluation of performance of Independent Director and the Board:

1. Once a year, the Board will conduct a self-evaluation. It is the responsibility of the Chairman of the Board, supported by the Company Secretary of the Company, to organize the evaluation process and act on its outcome;

2. The Committee shall formulate evaluation criteria for the Board and the Independent Directors which shall be broadly based on:

   2.1 Knowledge to perform the role;

   2.2 Time and level of participation;

   2.3 Performance of duties; and level of oversight; and

   2.4 Professional conduct and independence.

Accordingly, a separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board. The performance evaluation of Independent Directors was also carried out by the entire board. The performance evaluation of the Chairman and Non-Independent Directors was also carried out by the Independent Directors.

(e) Remuneration to KMP, Senior Management Personnel and Other Employees

The KMP except Managing Director and Whole Time Director, Senior Management Personnel and other employees of the Company shall be paid monthly remuneration as per the Company's HR policies and / or as may be approved by the Board on the recommendation of the Committee. The break-up of the pay scale and quantum of perquisites including, employer's contribution to P.F, pension scheme, medical expenses, club fees etc. shall be as per the Company's HR policies.

The VP HR and / or the Chief Financial Officer of the Company will make annual presentation(s) before the Committee which would have requisite details setting out the proposed performance bonus payouts for the current financial year as well as the proposed increments for the next financial year. The Committee shall peruse and approve the same unless it is required under relevant regulations, to refer the same to the Board of Directors and / or Shareholders of the Company.

This Remuneration Policy shall apply to all future/ continuing employment / engagement(s) with the Company.

The remuneration for KMP and Senior Managerial Personnel and other employees of the Company shall be approved by the Committee based on the recommendation / presentation by the Head HR and / or the Chief Financial Officer of the Company. In case any of the relevant regulations require that remuneration of KMPs or any other officer is to be specifically approved by the Committee and / or the Board of Directors then such approval will be accordingly procured.

Details of Remuneration, Sitting fees, etc. paid to all the Directors for the year ended 31st March, 2015 are given hereunder:

Name of the Director	Remuneration (₹)	Sitting Fees (₹)	Shares held as on 31st March, 2015
Mr. Sunil Agrawal	Nil	Nil	28,140
Mr. Rahimullah	42,00,000	Nil	13,11,500
Mr. Nirmal Kumar Bardiya	Nil	4,60,000	17,91,628
Mrs. Sheela Agarwal	Nil	1,80,000	21,826
Mr. Pulak Chandan Prasad	Nil	Nil	Nil
Mr. Surendra Singh Bhandari	Nil	7,60,000	Nil
Mr. Vikram Kaushik	Nil	3,10,000	Nil
Mr. Mahendra Kumar Doogar	Nil	3,80,000	Nil
Mr. Peter Duncan. Whitford	Nil	Nil	Nil
Mr. P.N. Bhandari	Nil	50,000	Nil
Mr. Mitha Lal Mehta	Nil	3,80,000	Nil

Composition, name of the Chairperson and Members

Name of the Director	Category of the Directors	Position Held in the Committee
Mr. P. N. Bhandari (w.e.f. 29th January, 2015)	Non- Executive Independent Director	Chairman
Mr. Vikram Kaushik	Non- Executive Independent Director	Member
Mr. Surendra Singh Bhandari	Non- Executive Independent Director	Member
Mr. Nirmal Kumar Bardiya	Non- Executive Non-Independent Director	Member
Mr. Mitha Lal Mehta (till 7th December, 2014)	Non- Executive Independent Director	Chairman

The Company Secretary is also the Secretary to the Committee.

Attendance at the meetings of Nomination and Remuneration Committee

Name of the Director	14th May, 2014	29th January, 2015
Mr. P.N Bhandari	NA	NA
Mr. Vikram Kaushik	√	√
Mr. Surendra Singh Bhandari	√	√
Mr. Nirmal Kumar Bardiya	√	Leave of Absence
Mr. Mitha Lal Mehta	√	NA

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.

Composition, name of the Chairperson and Members

Name of the Director	Category of the Directors	Position Held in the Committee
Mr. P. N. Bhandari (w.e.f. 29th January, 2015)	Non- Executive Independent Director	Chairman
Mr. Vikram Kaushik	Non- Executive Independent Director	Member
Mr. Surendra Singh Bhandari	Non- Executive Independent Director	Member
Mr. Nirmal Kumar Bardiya	Non- Executive Non-Independent Director	Member
Mr. Mitha Lal Mehta (till 7th December, 2914)	Non- Executive Independent Director	Chairman

The Company Secretary is also the Secretary to the Committee.

Attendance of Directors at Compensation Committee's meetings

Name of the Directors	16th April, 2014	14th May, 2014	18th October, 2014	22nd January, 2015
Mr. P.N Bhandari	NA	NA	NA	NA
Mr. Vikram Kaushik	Leave of Absence	√	Leave of Absence	√
Mr. Surendra Singh Bhandari	√	√	√	√
Mr. Nirmal Kumar Bardiya	√	√	√	√
Mr. Mitha Lal Mehta	√	√	√	NA

(D) Stakeholders Relationship Committee

The Committee's constitution and terms of reference are in compliance with provisions of the Section 178 of the Companies Act, 2013 and Clause 49 of the Listing Agreement which are given below :

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 authorized 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.

Composition, name of the Chairperson and Members

Name of the Director	Category of the Directors	Position Held in the Committee
Mr. Surendra Singh Bhandari	Non- Executive Independent Director	Chairman
Mr. Mahendra Kumar Doogar	Non- Executive Independent Director	Member
Mr. Rahimullah	Whole Time Director	Member

The Company Secretary also acts as a Secretary to the Committee.

Attendance of Directors at Stakeholders Relationship Committee's meeting

Name of the Directors	30th March, 2015
Mr. Surendra Singh Bhandari	√
Mr. Mahendra Kumar Doogar	Leave of Absence
Mr. Rahimullah	√

Details of Complaints Received and Resolved

Particulars	No. of Complaints
Complaints pending as on 1st April, 2014	Nil
Complaints received during the period 1st April, 2014 to 31st March, 2015	60
Complaints disposed off during the period 1st April, 2014 to 31st March, 2015	60
Complaints outstanding as on 31st March, 2015	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 Committee's constitution and terms of reference are in compliance with provisions of the Section 135 of the Companies Act, 2013 which are given below :

Terms of reference :

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.

Composition, name of the Chairperson and Members

Name of the Director	Category of the Directors	Position Held in the Committee
Mr. P. N. Bhandari (w.e.f. 29th January, 2015	Non- Executive Independent Director	Chairman
Mr. Nirmal Kumar Bardiya	Non- Executive Non-Independent Director	Member
Mr. Sunil Agrawal	Chairman and Managing Director	Member
Mr. Mitha Lal Mehta (till 7th December, 2014)	Non- Executive Independent Director	Chairman

The Company Secretary is also the Secretary to the Committee.

Attendance of Directors at Corporate Social Responsibility (CSR) Committee

Name of the Directors	14th May, 2015
Mr. P. N. Bhandari	NA
Mr. Nirmal Kumar Bardiya	√
Mr. Sunil Agrawal	√
Mr. Mitha Lal Mehta	√

(F) Independent Directors' Meeting

As per the requirement of Clause 49 of the Listing Agreement, the Independent Directors of the Company met on 30th March, 2015, inter alia to discuss:

1. Review the performance of non - Independent Directors and the Board of Directors as a whole;
2. Review the performance of the Chairperson of the Company, taking into account the views of the Executive and Non – Executive Directors;
3. Assess the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

Attendance of Directors at Independent Directors Meeting

Name of the Directors	30th March, 2015
Mr. Surendra Singh Bhandari	√
Mr. P. N. Bhandari	√
Mr. Peter Duncan Whitford	√
Mr. Mahendra Kumar Doogar	√
Mr. Vikram Kaushik	Leave of Absence

3. General Body Meetings

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

Year	Date	Time	Venue	No. of Special Resolution(s) Passed
2011-12	29th September, 2012	11.00A.M.	E-69, EPIP, Sitapura, Jaipur – 302022 (Rajasthan)	1
2012-13	14th August, 2013	11.00A.M.	E-69, EPIP, Sitapura, Jaipur – 302022 (Rajasthan)	Nil
2013-14	25th July, 2014	11.00A.M.	E-69, EPIP, Sitapura, Jaipur – 302022 (Rajasthan)	13

The Company has not passed any special resolution during financial year 2014 -15 through postal ballot. No special resolution is proposed to be conducted through postal ballot.

4. 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) Pursuant to Section 177(9) and (10) of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Company has a Whistle Blower Policy for establishing a vigil mechanism for Directors and employees. The policy has been hosted on the website of the Company at http://vaibhavglobal.com/vaibhav2/investorsection/Policy-of-Whistle-Blower-Vigil-Mechanism.pdf. We affirm that no personnel has been denied access to the Audit Committee.

(iv) The Company has fully complied with all the mandatory requirements prescribed under clause 49 of the Listing Agreement.

5. Means of Communication

i. Annual report containing Audited Annual Accounts, Consolidated Financial Statements, Board's 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 Nafa Nuksan 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, if any

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. The same is also displayed on Company's website.

v. In case of any problem / query, Shareholders may write to :

– Mr. Brahm Prakash : Company Secretary at investor_relations@vaibhavglobal.com

vi. The Company has made quarterly presentations to analysts.

6. General Shareholder Information

(i) Annual General Meeting :

Date and Time – 28th July, 2015 at 10.00 a.m.

Venue - E-69, EPIP, Sitapura, Jaipur - 302022

(ii) Financial Year : 1st April, 2014 to 31st March, 2015

(iii) Date of Book Closure: 21st July, 2015 to 28th July, 2015 (both days inclusive)

(iv) Dividend 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 : INE884A01019

Global Depository Receipts (GDR) listed 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 2015-2016 to BSE Limited and National Stock Exchange of India Limited.

(vii) Custodian Fees to the Depository

Annual custodian fees for the financial year 2015-16 will be paid by the Company to NSDL and CDSL on receipt of the invoices.

(viii) Registrar & Share Transfer Agent:

Karvy Computershare Pvt. Limited,
Karvy Selenium Tower B, Plot 31-32,
Gachibowli Financial District, Nanakramguda,
Hyderabad - 500 032

(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.

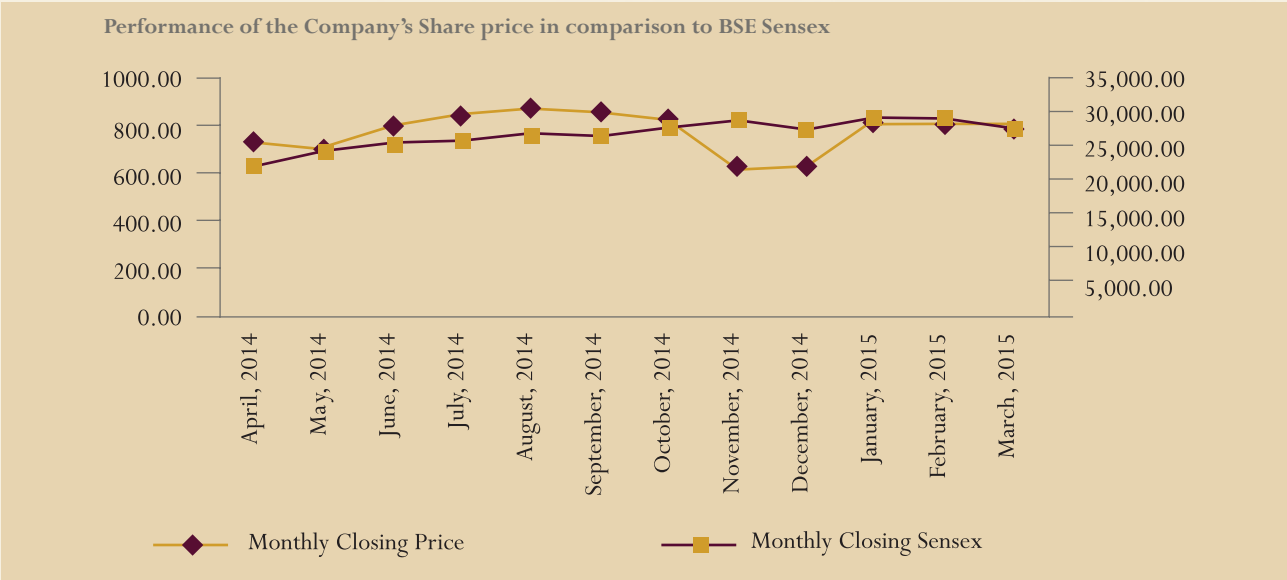
(x) Dematerialization of Shares

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, 2015 is as under:

Mode	No. of Shares	% (Percentage)
NSDL	3,07,58,310	94.93%
CDSL	15,97,458	4.93%
Physical Form	46,615	0.14%
Total	**3,24,02,383**	**100%**

(xi) Market Price Data

Month	VGL Price at BSE (₹)		VGL Price at NSE (₹)	
	High Price	Low Price	High Price	Low Price
April, 2014	809.35	641.50	806.00	630.30
May, 2014	830.00	680.00	834.00	680.25
June, 2014	822.00	650.00	822.00	650.00
July, 2014	910.00	761.00	912.00	762.40
August, 2014	975.00	820.00	900.00	821.65
September, 2014	900.00	845.00	896.30	842.20
October, 2014	879.45	720.00	880.00	719.80
November, 2014	845.00	479.00	849.90	518.30
December, 2014	663.00	501.00	664.00	535.00
January, 2015	859.00	610.65	858.80	610.00
February, 2015	837.55	775.00	851.00	774.30
March, 2015	834.00	773.75	835.00	774.60



(xii) Distribution of Shareholding

i. Distribution of Shareholding as on 31st March, 2015

Sr. No	No. of Equity shares	Number of Shares	% of Shareholding	Number of Shareholders
1.	1-5000	3,32,303	1.03	4,173
2.	5001-10000	1,73,924	0.54	228
3.	10001-20000	1,49,716	0.46	99
4.	20001-30000	1,66,061	0.51	63
5.	30001-40000	73,358	0.23	21
6.	40001-50000	79,827	0.25	17
7.	50001-100000	3,28,535	1.01	46
8.	100001 & Above	3,10,98,659	95.98	86
	Total	**3,24,02,383**	**100.00**	**4,733**

ii. Category of Shareholders as on 31st March, 2015

Category	No. of shares	% Holding
Indian Promoters	12,271,137	37.87
Foreign Promoters	30,07,246	9.25
FIIs including Foreign Portfolio Investor	59,85,067	18.47
Corporate Bodies	14,02,241	4.33
Individuals	20,89,065	6.45
NRIs	6,61,226	2.04
Mutual Funds	153	0.00
Financial Institution / Banks	3,137	0.01
Others		
(i) Clearing Members	3,934	0.01
Trusts	29,177	0.09
GDRs	69,50,000	21.45
Total	**3,24,02,383**	**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, Andheri (E), SEEPZ-SEZ, Mumbai-400 096

(xv) Branch Office

- 905, Panchratna, Opera House, Mumbai – 400001
- HW – 4070, H Tower, West Wing, 4th Floor, Bharat Diamond, Bourse Bandra Kurla Complex, Bandra (E) Mumbai - 400051

(xvi) Address for Correspondence

Mr. Brahm Prakash, Company Secretary heads the 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: Investor_relations@vaibhavglobal.com

(xvii) GDR holder converted 1,80,000 GDRs into 18,00,000 Equity Shares of ₹10 each on 17th March, 2015. Pursuant to this conversion the aggregate shareholding of Promoter and Promoter Group increase to 1,52,78,383 Equity Shares of ₹10 each. As on 31st March, 2015 outstanding GDRs are 6,95,000.

(xviii) 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.

7. Risk Management

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

8. Management Discussion and Analysis

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

9. 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.

For the purpose of determining Material Subsidiaries, the Company has formulated a policy on Material Subsidiaries as required under clause 49 of the Listing Agreement and the policy is available on the Company's website i.e. http://vaibhavglobal.com/vaibhav2/investorsection/Policy-on-Material-Subsidiaries.pdf.

10. 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.

11. CEO / CFO Certification

The CEO and CFO certification on the financial statements for the financial year ended 31st March, 2015 is enclosed at the end of this report.

12. 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.

13. Familiarization programme for Independent Director

The Company conducts the familiarization programme for Independent Director as required under Clause 49 of the Listing Agreement and details are available at Company's website i.e. http://www.vaibhavglobal.com/vaibhav2/investorsection/Familiarisation-Programme-for-Independent-Directors.pdf

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. http://www.vaibhavglobal.com/vaibhav2/investorsection/Code-of-Conduct-for-Directors-and-senior-management-personnel.pdf. 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, 2015. 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 the Independent Directors

The Company has laid down a code of conduct for the Independent Directors of the Company and the same is available on the Company's website i.e. http://www.vaibhavglobal.com/vaibhav2/investorsection/Code-of-conduct-for-Independent-Director.pdf.

CEO / CFO Certification

To,
The Board of Directors
Vaibhav Global Limited
K-6B, Fateh Tiba, Adarsh Nagar,
Jaipur – 302 004

A. We have reviewed financial statements and the cash flow statement for the year ended 31st March, 2015 and that to the best of our knowledge and belief, certify that :
   1. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
   2. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year 2014-2015 which are fraudulent, illegal or violative of the Company's code of conduct.

C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

D. We have indicated to the Auditors and the Audit committee that :
   1. There are no significant changes in internal control over financial reporting during the year;
   2. There are no significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
   3. There are no instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Sunil Agrawal
Chairman & Managing Director
DIN : 00061142

Hemant Sultania
Group Chief Financial Officer

Place: Jaipur
Date: 21st May, 2015

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 2014-15

Sunil Agrawal
Chairman & Managing Director
DIN-00061142

Place : Jaipur
Date : 21st May, 2015

Auditors' Certificate on Corporate Governance

To,

The Members of Vaibhav Global Limited

We have examined the compliance of conditions of Corporate Governance by Vaibhav Global Limited, for the year ended on 31st March, 2015, as stipulated in clause 49 of the Equity 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 implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

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

For and on behalf of Haribhakti & Co. LLP

Chartered Accountants

ICAI Firm Regn.103523W

Chetan Desai

Partner

Membership No. 17000

For and on behalf of B. Khosla & Co.

Chartered Accountants

ICAI Firm Regn. 000205C

Sandeep Mundra

Partner

Membership No. 75482

Place: Jaipur

Date : 21st May, 2015

Independent Auditor's Report

To the Members of Vaibhav Global Limited

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of Vaibhav Global Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss, 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 Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone 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 principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls and ensuring their operating effectiveness and the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the standalone financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone 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 whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2015, its profit and its cash flows for the year ended on that date.

Emphasis of Matter

We draw attention to the following matter in the notes to the standalone financial statements:

Accounting Policy 8c with regard to identification of specific item of inventory and determination of net realizable value which is based on judgement of the management which is supported by evaluation of independent expert. This is relied upon by us.

Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditors' Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

As required by Section 143(3) of the Act, we report that:

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

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

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

d. In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014;

f. On the basis of written representations received from the directors as on March 31, 2015, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015 from being appointed as a director in terms of Section 164 (2) of the Act;

h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

(i) The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 40 (1b) to the standalone financial statements;

(ii) The Company did not have any long-term contracts including derivative contracts hence, the question of any material foreseeable losses does not arise;

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

For Haribhakti & Co.LLP
Chartered Accountants
ICAI Firm Reg. No.103523W

Chetan Desai
Partner
Membership No.17000
Jaipur: May 21, 2015

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

Sandeep Mundra
Partner
Membership No.75482
Jaipur: May 21, 2015

Annexure to Independent Auditor's Report

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report of even date to the members of Vaibhav Global Limited on the standalone financial statements for the year ended March 31, 2015]

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

(b) During the year, the fixed assets of the Company have been physically verified by the management and as informed, no material discrepancies were noticed on such verification. In our opinion, the frequency of verification is reasonable having regard to the size of the Company and the nature of its assets.

(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) The Company is maintaining proper records of inventory. As informed no material discrepancies were noticed on physical verification carried out during the year.

(iii) The Company has granted unsecured loans to 3 companies covered in the register maintained under section 189 of the Companies Act, 2013. The maximum amount involved during the year was ₹108,45,00,891/- and the year-end balance of such 2 companies was ₹65,41,67,746/-.

(a) 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.

(b) 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 183 of the Companies Act, 2013.

(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 for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system of the Company.

(v) 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 provisions of Sections 73 to 76 of the Act and the rules framed there under.

(vi) We have broadly reviewed the books of account maintained by the Company in respect of products where the maintenance of cost records has been specified by the Central Government under sub-section (1) of Section 148 of the Act and the rules framed there under and we are of the opinion that prima facie, the prescribed accounts and records have been made and maintained.

(vii) (a) The Company is regular in depositing with appropriate authorities, undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, value added tax, customs duty, excise duty, cess and any other material statutory dues applicable to it.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, value added tax, customs duty, excise duty, cess and any other material statutory dues applicable to it, were outstanding, at the year end, for a period of more than six months from the date they became payable except advance income tax amounting to ₹3,16,65,000/-.

(b) According to the information and explanation given to us, the dues outstanding with respect to, income tax, sales tax, wealth tax, service tax, value added tax, customs duty, excise duty, cess and any other material statutory dues applicable to it, on account of any dispute,are as follows:

Nature of Statute	Nature of Dues	Amount (₹)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961		38,80,370	AY 2007-08	CIT (Appeals)
Central Excise Act	Excise Duty	6,42,26,582	2001-02 to 2009-10	Commissioner (Central Excise)
	Excise Duty (Penalties)	13,41,00,000		

(c) According to the information and explanations given to us, there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

(viii) The accumulated losses of the Company are not more than fifty percent of its net worth. Further, the Company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.

(ix) According to the information and explanations given to us, the Company has not defaulted in repayment of dues to financial institution(s), bank(s) or debenture holder(s).

(x) 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, are not prejudicial to the interest of the Company.

(xi) The Company has not obtained any term loans.

(xii) 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 any such instance by the management.

For Haribhakti & Co.LLP
Chartered Accountants
ICAI Firm Reg. No.103523W

Chetan Desai
Partner
Membership No.17000
Jaipur: May 21, 2015

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

Sandeep Mundra
Partner
Membership No.75482
Jaipur: May 21, 2015

Balance Sheet as at 31st March, 2015

Particulars	Notes	As at 31st March, 2015 (₹)	As at 31st March, 2014 (₹)
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	2	323,802,060	321,756,180
Reserves and Surplus	3	4,211,829,158	4,016,877,361
		4,535,631,218	**4,338,633,541**
Share application pending allotment		-	424,158
Non-Current Liabilities			
Long-Term Borrowings	4	-	180,055,581
Long-Term Provisions	5	23,898,882	12,481,320
		23,898,882	**192,536,901**
Current Liabilities			
Short-Term Borrowings	6	594,966,408	546,032,553
Trade Payables	7	281,246,367	345,693,509
Other Current Liabilities	8	39,282,802	325,671,208
Short-Term Provisions	9	85,561,873	7,831,748
		1,001,057,450	**1,225,229,018**
Total		**5,560,587,550**	**5,756,823,618**
ASSETS			
Non-Current Assets			
Fixed Assets			
Tangible Assets	10	225,261,978	175,854,651
Intangible Assets	10	10,375,045	-
Capital Work-In-Progress	10	11,587,721	-
Non-Current Investments	11	2,400,690,824	2,122,775,744
Deferred Tax Assets (Net)	12	6,197,605	258,350
Long-Term Loans and Advances	13	688,677,066	1,145,711,626
		3,342,790,239	**3,444,600,371**
Current Assets			
Current Investments	14	300,000,000	-
Inventories	15	848,642,819	921,407,929
Trade Receivables	16	745,917,117	881,780,204
Cash and Bank Balances	17	100,098,643	312,605,645
Short-Term Loans and Advances	18	142,743,296	114,366,101
Other Current Assets	19	80,395,436	82,063,368
		2,217,797,311	**2,312,223,247**
Total		**5,560,587,550**	**5,756,823,618**
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. LLP
Chartered Accountants
F.R. No.: 103523W

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

HEMANT SULTANIA
Group CFO

SUNIL AGRAWAL
Chairman & Managing Director
DIN :00061142

CHETAN DESAI
Partner
M.No.: 17000

SANDEEP MUNDRA
Partner
M.No.: 075482

BRAHM PRAKASH
Company Secretary

RAHIMULLAH
Whole Time Director
DIN :00043791

Jaipur, 21st May 2015

Statement of Profit & Loss for the year ended 31st March, 2015

Particulars	Notes	Year ended 31st March, 2015 (₹)	Year ended 31st March, 2014 (₹)
REVENUE			
Revenue from Operations	20	4,037,839,227	3,482,732,637
Other Income	21	120,394,279	311,447,018
Total		**4,158,233,506**	**3,794,179,655**
EXPENSES			
Cost of Materials Consumed	22	2,698,479,225	2,297,950,939
Purchases of Stock-In-Trade	23	89,744,939	63,886,220
Changes in Stock-In-Trade	24	(47,159,075)	(5,614,540)
Employee Benefits Expense	25	317,303,707	290,508,541
Finance Costs	26	53,322,428	117,511,790
Depreciation and Amortization (Refer note no.36)	10	55,833,307	24,643,963
Other Expenses	27	593,181,365	506,241,287
Total		**3,760,705,896**	**3,295,128,200**
Profit Before Exceptional Items and Tax		**397,527,610**	**499,051,455**
Exceptional Items	28	-	33,935,293
Profit Before Tax		**397,527,610**	**532,986,748**
Tax Expense:			
(1) Current Tax		103,700,000	-
(2) Deferred Tax Charges/(Credits)	12	(5,939,255)	1,382,070
		97,760,745	**1,382,070**
Profit for the Year		**299,766,865**	**531,604,678**
Earnings Per Equity Share of ₹10 Each (Refer Note No.42)			
Basic (₹)		9.30	16.60
Diluted (₹)		9.22	16.39
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. LLP
Chartered Accountants
F.R. No.: 103523W

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

HEMANT SULTANIA
Group CFO

SUNIL AGRAWAL
Chairman & Managing Director
DIN :00061142

CHETAN DESAI
Partner
M.No.: 17000

SANDEEP MUNDRA
Partner
M.No.: 075482

BRAHM PRAKASH
Company Secretary

RAHIMULLAH
Whole Time Director
DIN :00043791

Jaipur, 21st May 2015

Cash Flow Statement for the year ended 31st March, 2015

Particulars	Year ended 31st March, 2015 (₹)	Year ended 31st March, 2014 (₹)
A. Cash Flow from Operating Activities		
Net Profit before Tax and Exceptional Items	397,527,610	499,051,458
Adjustment for :		
Depreciation	55,833,307	24,643,963
Unrealised Foreign Exchange Difference	40,334,965	23,068,511
Exchange difference on loans transferred from FCTR	(54,786,566)	(163,743,521)
Employee Compensation Expenses	421,405	(421,405)
Assets written off	-	8,469,400
Loss/(Profit) on sale of Fixed Assets	81,214	1,491,913
Loss/(Profit) on sale of Investments	(154,106)	-
Gratuity and Compensated Absences Provision	16,941,388	1,687,746
Liability No Longer required	500,502	(531,624)
Interest and Dividend Earned	(32,673,889)	(63,650,123)
Interest paid on borrowings	53,322,428	117,511,790
Operating Profit before working Capital Changes	**477,348,258**	**447,578,107**
Adjustment for :		
Trade and other Receivables	124,314,487	(45,875,403)
Trade payables, Provisions, Other Current Liabilities	(97,489,194)	48,636,230
Stock-in-Trade	72,765,110	(47,204,731)
Cash Generated from Operations	**576,938,660**	**403,134,204**
Direct Taxes paid - Current Year	30,857,308	-
- Earlier Year	20,000,000	50,687,579
Net Cash from Operating Activities	**526,081,352**	**352,446,625**
B. Cash Flow from Investing Activities		
Purchase of Fixed Assets	(127,731,510)	(60,450,028)
Sale of Fixed Assets	447,046	10,538,528
Sale/(Purchase) of Investments	(299,702,374)	19,833,000
Movement in Long term advances	26,701,415	(29,003,228)
Movement of Loan to Subsidiaries	185,918,585	652,831,908
Movement in deposits	184,904,639	(185,564,639)
Interest and Dividend received	32,673,889	63,650,123
Net Cash used in Investing Activities	**3,211,689**	**471,835,664**
C. Cash flow from Financing Activities		
Proceeds from / (Repayment of) Long Term Borrowings	(459,385,581)	(195,110,078)
Proceeds from / (Repayment of) Short Term Borrowings	48,933,855	(93,171,016)
Redemption of Preference Shares	-	(440,000,000)
Proceeds from Issuance of Share Capital/ Premium	11,185,498	4,228,498
Dividend and Tax on Dividend paid	(93,406,912)	(33,889,552)
Interest Paid on Borrowings	(53,322,428)	(117,511,790)
Net Cash used in Financing Activities	**(545,995,568)**	**(875,453,938)**
Net Increase in Cash and Cash Equivalents	**(16,702,526)**	**(51,171,649)**
Opening Balance of Cash and Cash Equivalents	107,775,649	158,947,298
Closing Balance of Cash and Cash Equivalents	**91,073,123**	**107,775,649**
Cash and Cash Equivalents Comprises		
Cash, cheques and drafts in hand	1,054,757	1,349,717
Balance with scheduled bank in current accounts	90,018,366	106,425,932
	91,073,123	**107,775,649**

Note:

The Cash Flow Statement has been prepared under the "Indirect Method " as set out in 'Accounting Standard-3 Cash Flow Statement '.

As per our attached report of even date

For and on behalf of the Board

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

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

HEMANT SULTANIA
Group CFO

SUNIL AGRAWAL
Chairman & Managing Director
DIN :00061142

CHETAN DESAI
Partner
M.No.: 17000

SANDEEP MUNDRA
Partner
M.No.: 075482

BRAHM PRAKASH
Company Secretary

RAHIMULLAH
Whole Time Director
DIN :00043791

Jaipur, 21st May 2015

Notes accompanying financial statements for the year ended 31st March, 2015

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 specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 and other pronouncement of Institute of Chartered Accountant of India, with relevant provisions of Companies Act, 2013; 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.

   c. All the assets and liabilities have been classified as current or noncurrent as per Company`s normal operating cycle and other criteria set out in Schedule III to the Companies Act, 2013. Based on the nature of product and time between the acquisition of assets for processing and their realization in cash and cash equivalent, the Company has ascertained its operating cycle to be 12 months for the purpose of current – noncurrent classification of assets & liabilities.

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 over the useful life of an asset on written down value method and in the manner specified in Schedule II of the Companies Act, 2013.

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

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

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.

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 Costs attributable to the acquisition or construction of qualifying assets are capitalized 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 realizable 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 judgment of the management. The valuation is further supported by certificate from an independent approved valuer, 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.

Export Incentives:

Export Incentive including duty drawback is recognized on accrual basis in the year of export.

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. Such accumulated exchange differences are taken to statement of profit and loss account on liquidation or on proportionate basis on partial liquidation of such loans and advances.

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 and long term Compensated Absences 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

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

b. 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.

c. 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. Earnings per Share

The basic earnings 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. Lease

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the Statement of Profit and Loss on a straight-line basis over the period of the lease or other systematic basis more representative of the time pattern of the user's benefits.

17. 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 financial statements for the year ended 31st March, 2015

Note No. SHAREHOLDER'S FUND

2 Share Capital

a **The details of Authorised, Issued, Subscribed and Paid up Capital are as under :-**

Particulars	As at 31st March, 2015 (₹)		As at 31st March, 2014 (₹)	
	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	32,402,383	324,023,830	32,175,618	321,756,180
Less : Loan to VGL ESOP Welfare Trust	22,177	221,770	-	-
		323,802,060		**321,756,180**

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

Particulars	As at 31st March, 2015 (₹)		As at 31st March, 2014 (₹)	
	Equity Shares	Preference shares	Equity Shares	Preference shares
Shares outstanding at the beginning of the year	32,175,618	-	32,064,201	4,400,000
Shares Issued on exercise of ESOP	226,765	-	111,417	-
Shares redeemed during the year	-	-	-	4,400,000
Shares outstanding at the end of the year	32,402,383	-	32,175,618	-

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 details of shareholders holding more than 5% equity shares as at reporting date are as under :-**

Name	As at 31st March, 2015		As at 31st March, 2014	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Equity Shares				
Sonymike`s Holdings Ltd.#	6,950,000	21.45	-	-
Shivram Global Pvt Ltd.	5,311,865	16.39	5,187,963	16.12
Nalanda India Fund Limited	4,110,600	12.78	4,110,600	12.78
Sonymike`s Holdings Ltd.	2,968,640	9.16	-	-
Brett Plastics Pvt Ltd.	2,854,516	8.81	2,725,012	8.47
Nirmal Kumar Bardiya	1,791,628	5.53	1,669,177	5.19
Surawell Pacific Ltd #	-	-	3,175,000	9.87
Heartiford Ltd #	-	-	2,400,000	7.46
Accelstar Investment Ltd #	-	-	3,175,000	9.87

Held through Global Depositories Receipt (GDR). The benefeciaries details is based on the information available with the management.

e **Employee Stock Option Scheme:**

For details of Employee Stock Options Plan (ESOP) Scheme, refer to note no. 35

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

Notes accompanying financial statements for the year ended 31st March, 2015

3 Reserves & Surplus

Particulars	As at 31st March, 2015 (₹)		As at 31st March, 2014 (₹)	
A. Capital Reserve				
As per last Balance Sheet		81,263,600		81,263,600
B. Capital Redemption Reserve				
As per last Balance Sheet		440,000,000		440,000,000
C. Securities Premium Account				
Opening Balance	5,887,684,265		5,884,266,016	
Add: Security Premium received on share issue	10,453,613		2,690,170	
Add: Transfer from Employee stock option outstanding	402,099		728,079	
	5,898,539,977		5,887,684,265	
Less : Loan to VGL ESOP Welfare Trust	1,311,242			
		5,897,228,735		5,887,684,265
D. Employee Stock Option Outstanding				
Options granted till date	402,099		1,551,581	
Add : Additonal Compensation on account of revival	421,405			
	823,504		1,551,581	
Less : Transfer to Security premium on allotment	402,099		728,077	
Less : Written off	-		421,405	
		421,405		402,099
E. General Reserve				
Opening Balance	79,647,256		79,647,256	
Add: Transferred from Profit and Loss Account	50,000,000		-	
		129,647,256		79,647,256
F. Foreign Currency Translation Reserve				
Opening Balance	327,129,052		382,861,615	
Add : Current year transfer	26,034,686		108,010,958	
	353,163,738		490,872,573	
Less : Transfer to Statement of Profit & Loss	54,786,566		163,743,521	
		305,986,672		327,129,052
G. Surplus/ (Deficit)				
Opening balance	(2,799,248,911)		(2,856,964,040)	
Net Profit for the year	299,766,865		531,604,681	
Transfer to Capital Redemption Reserve	-		(440,000,000)	
Transfer to General Reserve	(50,000,000)			
Interim dividend & tax thereon @ ₹2.89 per equity share (Previous Year on Pref. Shares) #	(93,236,464)		(33,889,552)	
		(2,642,718,509)		(2,799,248,911)
		4,211,829,158		**4,016,877,361**

#The Companies (Amendment) Bill, 2014 (which is recently passed by both houses of Parliament) puts certain restriction on payment of dividend. In view of this, though the Company intended to propose final dividend out of current year's profit, no final dividend has been proposed.

NON CURRENT LIABILITIES

4 Long Term Borrowings

Particulars	As at 31st March, 2015 (₹)		As at 31st March, 2014 (₹)	
Secured:				
Term Loan from Banks				
Working Capital Term Loan #		-		159,055,581
Unsecured:				
Deposits (Inter corporate deposit)				
From Related parties		-		21,000,000
		-		**180,055,581**

#The Company during the year has made full pre-payment of outstanding Working Capital Term Loan

Notes accompanying financial statements for the year ended 31st March, 2015

5 Long Term Provisions

Particulars	As at 31st March, 2015 (₹)		As at 31st March, 2014 (₹)	
Provision For Employee Benefits:				
Provision for Gratuity (Refer Note no.34B)	17,379,770		8,011,013	
Provision for Compensated Absences (Refer Note no.34B)	6,519,112	23,898,882	4,470,307	12,481,320
		23,898,882		**12,481,320**

CURRENT LIABILITIES

6 Short Term Borrowings

Particulars	As at 31st March, 2015 (₹)		As at 31st March, 2014 (₹)	
Secured:				
Loan Repayable on demand from Banks				
Pre-shipment Credit	397,986,832		288,286,006	
Post-shipment Credit	196,979,576	594,966,408	257,746,547	546,032,553
		594,966,408		**546,032,553**

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 assets of the company (excluding Land & Building and vehicles)

(iii) Pledge of 254,332 equity shares of ₹10 each of Vaibhav Global Limited by Brett Plastics 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 to Genoa Jewelers Limited, BVI and;

(vii) Personal Guarantee of Mr. Sunil Agrawal, Chairman and Managing Director of the Company & pledge of 28,140 shares in his name.

7 Trade Payables

Particulars	As at 31st March, 2015 (₹)		As at 31st March, 2014 (₹)	
Trade Payables		281,246,367		345,693,509
		281,246,367		**345,693,509**

Trade Payables include overdue amounts (mainly unclaimed) of ₹ Nil (Previous Year ₹ Nil) including interest of ₹ Nil (Previous Year ₹ 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

Particulars	As at 31st March, 2015 (₹)		As at 31st March, 2014 (₹)	
Current Maturity of Long Term Debt:				
-Corporate Loan	-		183,330,000	
-Working Capital Term Loan	-	-	96,000,000	279,330,000
Unclaimed Dividend*		170,448		33,594
Employee benefit payables		19,725,265		17,824,175
Statutory Dues(including PF,TDS etc.)		8,470,774		5,085,375
Advance from customers		-		3,004,990
Forward Contract Payable		-		10,647,000
Other Payables		10,916,315		9,746,074
		39,282,802		**325,671,208**

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

9 Short Term Provisions

Particulars	As at 31st March, 2015 (₹)		As at 31st March, 2014 (₹)	
Provision for employee benefits:				
Provision for Gratuity (Refer Note no. 34B)	9,310,497		7,444,709	-
Provision for Compensated Absences (Refer Note no. 34B)	708,684	10,019,181	387,039	7,831,748
Other Provisions				
Provision for Taxation (Net of Advance Tax/TDS)		75,542,692		-
		85,561,873		**7,831,748**

10 Please refer to page no. 90

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	
	31.03.2015	31.03.2014	31.03.2015	31.03.2014	31.03.2015	31.03.2014
A. **Trade Investment (Unquoted) in Equity Instruments**						
Investment in wholly owned Subsidiaries (Fully Paid up) :						
1 38,876,633 (Previous year - 34,376,633) Ordinary Shares of US $ 1 each Genoa Jewelers Ltd.	1,759,208,832	1,481,150,232	-	-	1,759,208,832	1,481,150,232
2 350,000 (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	-	-
3 200 (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
4 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	-	-
5 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)	**5,044,305,541**	**4,766,246,941**	**2,643,614,717**	**2,643,614,717**	**2,400,690,824**	**2,122,632,224**
B. **Other than Trade Investments**						
(i) Unquoted Investment in Equity Instrument (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 Instrument (Fully Paid up) :						
Nil (Previous year - 368) Equity Shares of ₹10 each of Punjab National Bank	-	143,520	-	-	-	143,520
Total (B)	**5,207,000**	**5,350,520**	**5,207,000**	**5,207,000**	**-**	**143,520**
C. **Total (A+B)**	**5,049,512,541**	**4,771,597,461**	**2,648,821,717**	**2,648,821,717**	**2,400,690,824**	**2,122,775,744**
Notes:-						
1. Aggregate amount of Quoted Investment					-	143,520
2. Market value of Quoted Investment					-	264,040
3. Aggregate amount of Non Quoted Investment					5,049,512,541	4,771,453,941
4. Aggregate amount of provision for diminution in value of Investment					2,648,821,717	2,648,821,717

Notes accompanying financial statements for the year ended 31st March, 2015

NON CURRENT ASSETS

10. Fixed Assets

Amount in ₹

Name of Assets		GROSS BLOCK				ACCUMULATED DEPRECIATION				NET BLOCK	
		As at 01.04.2014	Additions	Deductions	As at 31.03.2015	Up to 31.3.2014	Depreciation for the year	Deductions	Up to 31.03.2015	As at 31.03.2015	As at 31.03.2014
A.	**Tangible Assets**										
	Freehold Land	4,894,908	-		4,894,908	-	290,958		290,958	4,603,950	4,894,908
	Leasehold Land	4,732,968	30,423,375		35,156,343	1,305,619	38,948		1,344,567	33,811,776	3,427,349
	Building	73,951,947	25,218,055		99,170,002	38,199,604	4,785,523		42,985,127	56,184,876	35,752,343
	Plant & Machinery	125,276,149	33,589,386	210,229	158,655,307	39,151,637	19,530,852	17,767	58,664,722	99,990,585	86,124,513
	Electric Installation	22,148,081	797,064		22,945,145	13,613,842	4,050,490	-	17,664,332	5,280,813	8,534,239
	Furniture & Fixtures	14,822,106	2,231,158		17,053,264	6,808,990	3,022,209		9,831,200	7,222,064	8,013,116
	Office Equipment	8,462,158	1,644,469	14,971	10,091,656	3,020,319	3,365,345	1,400	6,384,265	3,707,391	5,441,839
	Computer	38,167,956	6,015,337	86,437	44,096,856	17,922,846	15,280,443	40,609	33,162,680	10,934,176	20,245,110
	Vehicles	8,048,326	1,428,343	929,984	8,546,685	4,627,092	1,046,982	653,736	5,020,338	3,526,347	3,421,234
B.	**Intangible Assets**										
	Computer Softwares	-	14,796,602	-	14,796,602	-	4,421,557	-	4,421,557	10,375,045	-
	Total (A+B)	**300,504,600**	**116,143,788**	**1,241,621**	**415,406,767**	**124,649,949**	**55,833,307**	**713,513**	**179,769,744**	**235,637,023**	**175,854,651**
C.	**Capital Work In Progress**		11,587,721		11,587,721	-	-	-	-	11,587,721	-
	Total	**300,504,600**	**127,731,509**	**1,241,621**	**426,994,488**	**124,649,949**	**55,833,307**	**713,513**	**179,769,744**	**247,224,744**	**175,854,651**
	Previous Year	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

Notes accompanying financial statements for the year ended 31st March, 2015

12 Deferred Tax Assets

Particulars	As at 31st March, 2015 (₹)		As at 31st March, 2014 (₹)	
Add: Deferred Tax Assets				
Provision for Gratuity	9,072,022		5,253,400	
Provision for Compensated Absences	2,456,728	11,528,750	1,651,012	6,904,412
Less: Deferred Tax Liability:				
Depreciation	5,331,145	5,331,145	6,646,062	6,646,062
		6,197,605		**258,350**

Net deferred tax charge/(credit) for the year of ₹(5,939,255) (Previous year debit of ₹1,382,070) has been recognized in the Statement of Profit and Loss for the year.

13 Long Term Loans & Advances

(Unsecured and considered good unless otherwise stated)

Particulars	As at 31st March, 2015 (₹)		As at 31st March, 2014 (₹)	
Capital Advances		7,695,897		6,620,711
Loans & Advances to subsidiaries		654,167,746		1,084,500,891
Security Deposits		26,813,423		54,590,024
		688,677,066		**1,145,711,626**

CURRENT ASSETS

14 Current Investments

(At lower of cost and fair value)

Particulars	As at 31st March, 2015 (₹)		As at 31st March, 2014 (₹)	
Investments in Mutual fund (Unquoted)				
222659.435 units of Principal Cash Management Fund Plan Growth		300,000,000		-
		300,000,000		**-**

Notes:-

1. Aggregate amount of Non Quoted Investment	300,000,000	-
2. Aggregate amount of provision for diminution in value of Investment	-	-

15 Inventories*

(At lower of cost and net realisable value)

Particulars	As at 31st March, 2015 (₹)		As at 31st March, 2014 (₹)	
Materials-in-process		726,815,922		859,829,113
Semi Finished Goods		64,288,774		15,657,833
Finished Goods		38,554,972		40,026,838
Stores and Consumables		18,983,151		5,894,145
		848,642,819		**921,407,929**

*Inventory is taken by management and valued by management which is supported by a certificate from an Independent Approved Valuer.

16 Trade Receivables

(Unsecured and considered good unless otherwise stated)

Particulars	As at 31st March, 2015 (₹)		As at 31st March, 2014 (₹)	
Outstanding for a period exceeding six months from the due date		-		3,293,960
Others		745,917,117		878,486,244
		745,917,117		**881,780,204**

Notes accompanying financial statements for the year ended 31st March, 2015

17 Cash & Bank Balances

Particulars	As at 31st March, 2015 (₹)		As at 31st March, 2014 (₹)	
Balance with Banks		90,018,366		106,425,932
Unpaid Dividend account		170,448		33,594
Bank Deposits- Pledged (maturity within 12 months)		8,195,072		19,231,763
Bank Deposits- Un Pledged (maturity within 12 months)		660,000		185,564,639
Cash on hand		1,054,757		1,349,717
		100,098,643		**312,605,645**
Cash and Cash Equivalents as per AS-3		**91,073,123**		**107,775,649**

18 Short Term Loans and Advances

(Unsecured and considered good unless otherwise stated)

Particulars	As at 31st March, 2015 (₹)		As at 31st March, 2014 (₹)	
Loan/Advance To Staff		3,465,764		1,768,501
Advance To Suppliers		11,614,808		11,949,390
Prepaid Expenses		8,148,949		8,056,815
Balances with Tax Authorities		119,513,775		85,875,745
Premium on forward contracts recoverable		-		6,715,650
		142,743,296		**114,366,101**

19 Other Current Assets

Particulars	As at 31st March, 2015 (₹)		As at 31st March, 2014 (₹)	
Interest Accrued on Bank FDR		717,950		1,530,116
Amount recoverable from Subsidiaries		79,677,486		79,683,252
Assets held for Sale		-		850,000
		80,395,436		**82,063,368**

20 Revenue from Operations

Particulars	Year ended 31st March, 2015 (₹)		Year ended 31st March, 2014 (₹)	
Sale of Products:				
Export Sales	3,520,016,346		2,884,668,008	
Domestic Sales	515,437,304	4,035,453,649	593,513,947	3,478,181,955
Other Operating income		2,385,578		4,550,682
		4,037,839,227		**3,482,732,637**

20.1 Particulars of Sale of Products

Particulars	Year ended 31st March, 2015 (₹)		Year ended 31st March, 2014 (₹)	
Gem Stones		1,274,516,493		758,305,527
Jewellery		2,620,537,185		2,647,520,860
Life Style Products		108,932,414		37,525,084
Diamonds		31,467,557		34,830,483
		4,035,453,649		**3,478,181,955**

21 OTHER INCOME

Particulars	Year ended 31st March, 2015 (₹)		Year ended 31st March, 2014 (₹)	
Interest		9,988,261		3,791,355
Interest/fees from Subsidiaries		22,685,628		59,845,152
Dividend Received		-		13,616
Liability No Longer required		500,502		531,624
Premium On Forward Contract		-		30,553,146
Miscellaneous Income		7,494,315		3,040,628
Exchange Fluctuation (Net)		79,725,573		213,671,497
		120,394,279		**311,447,018**

Notes accompanying financial statements for the year ended 31st March, 2015

22 a Cost of Materials Consumed

Particulars	Year ended 31st March, 2015 (₹)		Year ended 31st March, 2014 (₹)	
Materials Consumed				
Opening Material-in-process	859,829,113		815,763,632	
Add: Purchases	2,565,466,034		2,342,016,420	
	3,425,295,147		3,157,780,052	
Less: Closing Material-in-process	726,815,922	2,698,479,225	859,829,113	2,297,950,939
		2,698,479,225		**2,297,950,939**

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

b Particulars of Material Consumed

Gem Stones		1,893,887,649		1,588,990,749
Alloys		4,624,761		6,282,478
Diamond		157,200,141		146,709,350
Gold		149,770,571		145,719,955
Platinum		10,444,906		22,813,951
Silver		407,545,669		325,267,907
Parts & Findings		43,043,597		55,316,258
Metal (Others)		31,961,931		6,850,291
		2,698,479,225		**2,297,950,939**

23 a Purchases of Stock-in-Trade

Particulars	Year ended 31st March, 2015 (₹)		Year ended 31st March, 2014 (₹)	
Purchases of Finished Goods		89,744,939		63,886,220
		89,744,939		**63,886,220**

b Particulars of purchase of Finished Goods

Jewelry Product		7,587,153		38,163,346
Life Style Product		82,157,786		25,722,874
		89,744,939		**63,886,220**

24 Decrease/(Increase) of Stock-in-Trade

Particulars	Year ended 31st March, 2015 (₹)		Year ended 31st March, 2014 (₹)	
Finished Goods:				
Opening Stocks				
Semi Finished Goods	15,657,833		13,122,335	
Finished Goods	40,026,838		36,947,796	
	55,684,671		50,070,131	
Less: Closing Stocks				
Semi Finished Goods	64,288,774		15,657,833	
Finished Goods	38,554,972		40,026,838	
	102,843,746	(47,159,075)	55,684,671	(5,614,540)
		(47,159,075)		**(5,614,540)**

25 Employees Benefit Expenses

Particulars	Year ended 31st March, 2015 (₹)		Year ended 31st March, 2014 (₹)	
Salaries, Wages, Bonus etc.		276,798,395		247,869,818
Contributions to Provident and Other Funds		21,314,151		17,452,231
Staff Welfare Expenses		17,053,684		18,772,778
Employee Compensation Expenses under ESOS (Refer Note No. 35a)		421,405		(421,405)
Recruitment and Training		1,716,072		6,835,120
		317,303,707		**290,508,541**

26 Finance Cost

Particulars	Year ended 31st March, 2015 (₹)		Year ended 31st March, 2014 (₹)	
Interest				
On Term Loans	15,937,091		72,095,998	
On Working Capital Facilities	24,076,378	40,013,469	35,385,733	107,481,731
Finance Charges		10,608,959		10,030,059
Interest on Income Tax		2,700,000		-
		53,322,428		**117,511,790**

27 Other Expenses

Particulars	Year ended 31st March, 2015 (₹)		Year ended 31st March, 2014 (₹)	
a. MANUFACTURING EXPENSES				
Job Work Charges		293,379,904		246,410,741
Stores and Consumables		64,389,124		59,326,813
Power and Fuel		31,851,363		22,480,399
Repairs and Maintenance		15,435,574		17,209,562
Other Manufacturing Expenses		14,130,466		11,187,056
		419,186,431		**356,614,571**
b. ADMINISTRATIVE & SELLING EXPENSES				
Rent, Rates and Taxes		11,419,433		7,330,167
Insurance		10,085,175		6,890,363
Travelling and Conveyance		39,202,907		28,270,159
Legal and Professional		16,009,407		8,243,825
Postage and Telephone		6,502,052		5,357,969
Printing and Stationery		3,114,758		2,428,933
Advertisement and Business Promotion		567,767		2,626,840
Brokerage and Commission		504,683		-
Packing and Forwarding		42,322,661		43,837,555
Misc. Expenses		23,803,737		27,450,462
Corporate Social Responsibility Expenses		10,648,002		-
Auditors' Remuneration				
Statutory Audit Fees	1,800,000		1,271,460	
Taxation Matters	292,000		365,375	
for Other services	813,000		654,500	
Reimbursment of Expenses	108,138	3,013,138	127,795	2,419,130
Directors' Remuneration		4,200,000		4,200,000
Loss on sale of Fixed Assets		81,214		1,491,913
Fixed Asset written off		-		8,469,400
Directors' Sitting Fees		2,520,000		610,000
		173,994,934		**149,626,716**
Total Other Expenses		**593,181,365**		**506,241,287**

28 Exceptional Items

Particulars	Year ended 31st March, 2015 (₹)		Year ended 31st March, 2014 (₹)	
Reversal of Provision against Loans and Equity to a subsidiary		-		541,192,293
Loss on sale of Investment in Subsidiaries		-		(507,257,000)
		-		**33,935,293**

Notes accompanying financial statements for the year ended 31st March, 2015

29 Contingent Liabilities and Commitments

Particulars	Year ended 31st March, 2015 (₹)		Year ended 31st March, 2014 (₹)	
(a) Capital Commitment:				
Estimated amount of contracts remaining to be executed on capital account and not provided for:		41,952,663		15,100,000
(b) Contingent Liabilities:				
Guarantees given by bank on behalf of the Company		57,100,000		25,000,000
Guarantees given to bank & others by the Company		298,183,500		239,726,400
Disputed Tax Matters:				
Excise Duty		198,326,582		198,326,582
Income tax *		3,880,370		165,415,902

*Income tax demand for assessment year 2010-11 of ₹144,908,800 has been decided in favor of the company vide ITAT, Jaipur Order dated 30th April, 2015

30 Value of Import on CIF basis

Particulars	Year ended 31st March, 2015 (₹)		Year ended 31st March, 2014 (₹)	
Raw Material		1,549,541,220		1,383,848,136
Components & Spare Parts		39,189,015		17,725,732
Capital Goods		29,396,837		6,241,958
		1,618,127,072		**1,407,815,827**

31 Value and % of Material Consumption

Particulars	Year ended 31st March, 2015		Year ended 31st March, 2014	
	%	(₹)	%	(₹)
Raw Materials and Components:				
Imported	38.00	1,025,422,105	38.00	873,221,357
Indigenous	62.00	1,673,057,118	62.00	1,424,729,581
		2,698,479,223		2,297,950,939
Consumables, Stores & Spares:				
Imported	51.00	32,838,453	55.00	31,835,367
Indigenous	49.00	31,550,671	45.00	4,341,186
		64,389,124		**59,326,813**

32

Particulars	Year ended 31st March, 2015 (₹)		Year ended 31st March, 2014 (₹)	
a Expenditure in Foreign Currency				
Travelling Expenses		3,734,577		2,387,867
Legal & Professional fees		791,026		907,625
Others		2,271,834		5,210,282
b Dividend remitted in foreign exchange				
Dividend paid during the year		39,294,842		-
Number of Non resident shareholder		166		-
Number of equity share held by non resident shareholders		16,372,851		-
Year to which dividend relate to		2014-15		-

33 Earnings in Foreign Currency

Particulars	Year ended 31st March, 2015 (₹)		Year ended 31st March, 2014 (₹)	
Export of goods calculated on F.O.B. basis		3,483,164,366		2,848,337,892
Interest		22,685,628		55,045,710
Gurantee fees		1,224,558		4,799,442

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

A. Defined Contribution Plans

a. Provident Fund

b. State Defined Contribution Plan

i. Employers' Contribution to Employees' State Insurance

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

Particulars	Year ended 31st March, 2015 (₹)		Year ended 31st March, 2014 (₹)	
Employer's contribution to Provident Fund		14,968,750		11,282,962
Employer's contribution to Employees State Insurance		6,344,825		6,169,269
		21,313,575		**17,452,231**

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:

Particulars	Year ended 31st March, 2015 (₹)		Year ended 31st March, 2014 (₹)	
	Gratuity	Compensated Absences	Gratuity	Compensated Absences
Discount Rate (per annum)	7.80%	7.80%	9.10%	9.10%
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)	8.88%	0.00%	8.75%	0.00%
Expected Average remaining working lives of the employees (years)	19 Years		19 Years	
Attrition Rate	5%	5%	5%	5%

I. Change in the Present Value of Obligation

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

Particulars	Year ended 31st March, 2015 (₹)		Year ended 31st March, 2014 (₹)	
	Gratuity	Compensated Absences	Gratuity	Compensated Absences
Present value of defined benefit obligation as at beginning of the year	28,010,419	4,857,346	25,598,437	3,589,353
Interest cost	2,548,948	442,018	2,073,473	290,738
Past Service cost	NIL	NIL	NIL	NIL
Current service cost	7,170,358	2,558,799	4,423,756	1,866,357
Benefits paid	(1,912,611)	(886,533)	(1,410,885)	(268,254)
Actuarial (gain) / loss on obligations	4,839,877	256,166	(2,674,362)	(620,848)
Present value of defined benefit obligation as at the end of the year	**40,656,991**	**7,227,796**	**28,010,419**	**4,857,346**

II. Changes in the Fair Value of Plan Assets

Particulars	As at 31st March, 2015 (₹)		As at 31st March, 2014 (₹)	
	Gratuity	Compensated Absences	Gratuity	Compensated Absences
Present value of plan assets as at beginning of the year	12,647,516	NIL	10,562,468	NIL
Expected return on plan assets	1,106,658	NIL	966,466	NIL
Contributions	2,167,107	NIL	2,625,674	NIL
Benefits paid	(1,912,611)	NIL	(1,410,885)	NIL
Actuarial gains / (losses)	(41,946)	NIL	(96,207)	NIL
Fair value of plan assets as at end of the year *	**13,966,724**	**NIL**	**12,647,516**	**NIL**

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

34 The Company has classified various benefits provided to employees as under: *(contd.)*

III. Reconciliation of Present Value of Defined Benefit Obligation and the Fair Value of Assets

Particulars	As at 31st March, 2015 (₹)		As at 31st March, 2014 (₹)	
	Gratuity	Compensated Absences	Gratuity	Compensated Absences
Present value of funded obligation as at end of the year	40,656,991	7,227,796	28,010,419	4,857,346
Fair value of plan assets as at end of the year	13,966,724	-	11,554,697	-
Liability recognised in the Balance Sheet Shown as	26,690,267	7,227,796	16,455,722	4,857,346
Long term provision (refer note no.5)	17,379,770	6,519,112	8,011,013	4,470,307
Short term provision (refer note no.9)	9,310,497	708,684	7,444,709	387,039

IV. Amount recognised in the Balance Sheet

Particulars	As at 31st March, 2015 (₹)		As at 31st March, 2014 (₹)	
	Gratuity	Compensated Absences	Gratuity	Compensated Absences
Present value of defined benefit obligation as at the end of the Year	40,656,991	7,227,796	28,010,419	4,857,346
Fair value of plan assets as at end of the year	13,966,724	-	11,554,697	-
Liability / (Net Asset) recognised in the Balance Sheet	26,690,267	7,227,796	16,455,722	4,857,346

V. Expenses recognised in Profit and Loss Account

Particulars	Year ended 31st March, 2015 (₹)		Year ended 31st March, 2014 (₹)	
	Gratuity	Compensated Absences	Gratuity	Compensated Absences
Current service cost	7,170,358	2,558,799	4,423,756	1,866,357
Past service cost	-	-	-	-
Interest cost	2,548,948	442,018	2,073,473	290,738
Expected Return on Plan Assets	(1,106,658)	-	(966,466)	-
Net Actuarial (gain) / Loss recognised in the period	4,881,823	256,166	(2,578,155)	(620,848)
Total Expenses recognised in the Profit and Loss Account*	**13,494,471**	**3,256,983**	**2,952,608**	**1,536,247**

** included in Salaries, wages, bonus etc in Note No.25*

VI. Actual Return on Plan Assets

Particulars	Year ended 31st March, 2015 (₹)		Year ended 31st March, 2014 (₹)	
Expected Return on Plan Assets	1,106,658	NIL	966,466	NIL
Actuarial gain / (losses) on Plan Assets	NIL	NIL	NIL	NIL
Actual Return on Plan Assets	**1,106,658**	**NIL**	**966,466**	**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.

c. Disclosures pursuant to Accounting Statndard-15 "Employee Benefits"

Amount in ₹

Particulars	31.03.2015	31.03.2014	31.03.2013	31.03.2012	31.03.2011
Gratuity					
Present value of defined benefit obligation as at the end of the Year	40,656,991	28,010,419	25,598,437	19,085,584	18,261,313
Fair value of plan assets as at end of the year	13,966,724	11,554,697	10,562,468	6,497,836	6,129,066
Liability / (Net Asset) recognised in the Balance Sheet	26,690,267	16,455,722	15,035,969	12,587,748	12,132,247
Experience adjustments on plan liabilities - (Loss)/Gain	8,09,695	(8,04,241)	(1,47,087)	5,32,565	(3,94,693)
Experience adjustments on plan assets - (Loss)/Gain	(41,946)	(96,207)	-	-	-
Compensated absences					
Present value of defined benefit obligation as at the end of the Year	7,227,796	4,857,346	3,589,353	2,921,143	3,787,061
Fair value of plan assets as at end of the year	-	-			
Liability / (Net Asset) recognised in the Balance Sheet	7,227,796	4,857,346	3,589,353	2,921,143	3,787,061
Experience adjustments on plan liabilities - (Loss)/Gain	5,34,469	1,63,923	7,64,991	7,34,380	4,99,587

35 Employee Stock Option Scheme:

a. VGL ESOP (As amended)-2006

During the year the company has constituted "Vaibhav Global Employee Stock Option Welfare Trust" to administer & implement various VGL ESOP schemes . Out of stock option granted, 20% stock option will vest at the end of one year from the date of Grant, 30% at the end of the second year and balance 50% at the end of third year. The exercise period for all the options under various tranches has been increased to 7 years from the date of vesting as approved by the shareholders in the AGM held on 25th July,2014.

The details of the Grant under the aforesaid schemes are as under:- **2014-15**

Particulars	Original/ (Revised) Exercise Price (₹)	Date of Grant	Date of Vesting	Options outstanding as on 01.04.14	Options granted/ revived during the year	Options exercised during the year	Options lapsed during the year	Options granted and outstanding as on 31.03.15 *
A	240 (45.30)	06.01.07	06.01.08	-	2,018	-	-	2,018
D	26.75	29.01.10	29.01.11	64,000	5,000	60,000	-	9,000
E	33.75	30.09.10	30.09.11	10,000	-	10,000	-	-
F	45.30	23.07.12	23.07.13	302,728	1,452	117,537	15,083	171,560
G	119.05	09.04.13	09.04.14	65,572	-	8,631	12,780	44,161
H	126.35	25.05.13	25.05.14	43,329	-	2,148	-	41,181
I	418.40	11.12.13	11.12.14	64,029	-	6,272	9,964	47,793
J	743.95	16.04.14	16.04.15	-	25,726	-	-	25,726
K	734.65	14.05.14	14.05.15	-	3,579	-	-	3,579
L	742.50	18.10.14	18.10.15	-	485,560	-	21,430	464,130
M	752.60	22.01.15	22.01.16	-	21,690	-	-	21,690
				549,658	**545,025**	**204,588**	**59,257**	**830,838**

* Includes 22,177 equity shares alloted to Trust not exercised by employees

2013-14

Particulars	Original/ (Revised) Exercise Price (₹)	Date of Grant	Date of Vesting	Options outstanding as on 01.04.13	Options granted/ revived during the year	Options exercised during the year	Options lapsed during the year	Options granted and outstanding as on 31.03.14
A	240 (45.30)	06.01.07	06.01.08	3,796		1,778	2,018	-
D	26.75	29.01.10	29.01.11	136,000		67,000	5,000	64,000
E	33.75	30.09.10	30.09.11	10,000		-	-	10,000
F	45.30	23.07.12	23.07.13	390,125		42,639	44,758	302,728
G	119.05	09.04.13	09.04.14	-	98,537	-	32,965	65,572
H	126.35	25.05.13	25.05.14	-	43,329	-	-	43,329
I	418.40	11.12.13	11.12.14	-	64,029	-	-	64,029
				539,921	**205,895**	**111,417**	**84,741**	**549,658**

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 Credit ₹421,405) has been debited under employee benefit during the year.

b. A Summary of movement in respect of the shares held by ESOP Trust is as follows :

Particulars	31st March,2015
Opening balance of equity shares not excercised by employee and available with the ESOP Trust	-
Add: Shares alloted by Company	190,036
Less : Shares exercised by employee :	167,859
Closing balance of equity shares not excercised by employee and available with the ESOP Trust	22,177

36 Pursuant to the provisions of Schedule II to the Companies Act, 2013 effective from 1st April, 2014, the Company has reassessed the useful lives of its fixed assets. As a result of the change, the charge on account of depreciation for the year ended 31st March, 2015 is higher by ₹200.42 Lacs. In case of assets whose useful lives have ended, the carrying values, net of residual values as at 1st April, 2014 amounting to ₹21.25 Lacs have been charged to profit and loss account for the year.

37 Un-hedged foreign currency exposures as at March 31, 2015 are as under:

Particulars	Euro	USD	Pound	Year ended 31st March, 2015 (₹)	Euro	USD	Pound	Year ended 31st March, 2014 (₹)
Receivables (Net of Hedge)		$17,433,650	£1,455,859	1,224,950,728		$29,351,129		1,768,796,214
Payables	€ 2,148	$11,204,782	£333,105	732,259,890	€ 11,930	$12,437,426		748,472,015
Guarantees given			£3,225,000	298,183,500			£2,400,000	239,726,400

38 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.;(Step down)
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)
9. PT STS Bali (Step down)

Enterprises in which Key Managerial Personnels are interested :

1. VGL Softech Limited
2. Brett Plastics Pvt. Limited
3. Shivram Global Pvt. Ltd.
4. Emerald Creation Inc.
5. Anubhav Gems (P) Ltd.
6. Reengus Exim Private Limited
7. STP Exim Private Limited
8. Surawell Pacific Limited
9. STS Holdings Ltd.
10. Sonymike's Holdings Ltd

Key Managerial Personnel (KMP):

1. Shri Sunil Agrawal –Chairman & Managing Director
2. Shri Rahimullah – Whole Time Director

Relative of Key Managerial Personnel

1. Smt. Deepti Agrawal
2. Shri Ghanshyam Agarwal
3. Smt. Sheela Agarwal
4. Hursh Agrawal
5. Neil Agrawal
6. Smt.Fatima Be
7. Shri Azizullah
8. Smt.Batool Begum
9. Shri Inamullah
10. Shri Imranullah
11. Shri Rizwanullah
12. Shri Arifullah
13. Shri Asifullah
14. Ms.Amrin

38 Related Party Disclosures: *(contd.)*

B. Related Party Transactions

Amount in ₹

Nature of Transcations	Subsidiary		Key Managerial Personnel		Relative of Key Managerial Personnel & Enterprises over which significant influence exercised by Key Managerial Personnel	
	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14
(i) Transactions During the year						
a. Sales of Goods	3,081,045,130	2,505,944,291			-	46,440,553
b. Purchases of Goods	444,423,272	312,896,094			-	-
c. Loan Given/(Repaid)	(126,660,205)	(387,412,491)				
d. Expense	17,611,497	24,635,991			450,787	4,876,069
e. Purchase of fixed assets	16,839,784	799,866				
f. Unsecured Loan taken					-	98,600,000
g. Guarantee	298,183,500	348,486,400				
h. Remuneration			4,200,000	4,200,000		
i. Interest Income	22,685,628	55,301,471			385,200	-
j. Repayment of Unsecured Loan	-				(21,000,000)	(156,600,000)
k. Sale of Investments	-	19,833,018				
l. Issue of shares (by conversion of loan)	278,058,600	-				
(ii) Balances as the end of the year						
a. Amount Receivable	550,480,811	619,365,150				
b. Amount Payable	60,913,047	61,337,994				
c. Unsecured Loans taken					-	21,000,000
d. Loan Receivable	654,167,746	1,084,500,891				
e. Investments	5,044,305,541	5,293,336,941			5,207,000	5,207,000
f. Guarantee	298,183,500	348,486,400				

Notes :

a Loans to subsidiaries are given for general business purpose and have been utilised for the same.

b Guarantee provided to the lenders of subsidiary is for availing term loans and working capital facility from the lender bank.

c Loans to employees are for specific purpose as per Company's policies.

38 Related Party Disclosures: *(contd.)*

C. Details of Material Related Party Transactions

Amount in ₹

Nature of Transcations	Subsidiaries																Total Subsidiaries	
	TJC UK		TJC USA		Genoa Jewelers Limited		Jewel Gem USA Inc.		STS Jewels Inc. USA		STS Gems Japan Limited		STS Gems Limited, Hongkong		STS Gems Thai Limited		Total	
	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14
(i) Transaction during the year																		
a. Sales of Goods	586,407,549	520,972,923	2,091,871,837	1,728,690,691	-	-	-	(116,659,966)	276,411,510	301,106,562	-	-	121,626,052	60,959,479	4,728,182	10,874,602	3,081,045,130	2,505,944,291
b. Purchases of Goods	-	671,756	-	37,386	-	-	-	-	156,307,851	121,484,928	-	-	221,279,256	155,257,067	66,836,165	35,444,957	444,423,272	312,896,094
c. Advance Given	-	-	-	-	(126,209,580)	(387,412,491)	-		-	-	-	-	(23,275,000)		22,824,375	-	(126,660,205)	(387,412,491)
d. Purchase of Fixed Assets	11,355,062	-	-	-	-	-	-	-	-	-	-	-	5,484,722	799,866	-	-	16,839,784	799,866
e. Expenses Reimbursement	6,050,589	1,316,068	11,540,302	1,342,920	-	-	-	4,543,680	453,518	13,162,498	-	-	(432,912)	4,150,092	-	120,732	17,611,497	24,635,991
f. Expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
g. Interest/fees/ Rent Recived	-	4,799,442			18,146,867	42,845,289	-	-	-	-	-	-	677,218	1,093,820	3,861,543	6,562,920	22,685,628	55,301,471
h. Unsecured Loan taken	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
i. Repayment of Unsecured Loan	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
j. Remuneration	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
K. Sale of Investments	-	-	-	-	-	19,833,018	-	-	-	-	-	-	-	-	-	-	-	19,833,018
L. Issue of shares (by Loan conversion)	-	-	-	-	278,058,600	-	-	-	-	-	-	-	-	-	-	-	278,058,600	-
(ii) Balances as at year end																		
a. Amount Receivable	151,028,423	168,840,744	315,906,974	292,122,427	-	-	-	-	41,988,561	124,560,522	-	-	41,703,684	31,951,781	(146,830)	1,889,676	550,480,811	619,365,150
b. Amount Payable	-	-	-	-	-	-	-	-	18,199,469	27,284,742	-	-	41,443,769	33,005,826	1,269,809	1,047,426	60,913,047	61,337,994
c. Loan Receivable	-		-	-	497,283,906	874,151,591	-	-	-	-	-	-	-	30,049,900	156,883,840	180,299,400	654,167,746	1,084,500,891
d. Loan Payable	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
e. Investment	-	-	-	-	1,759,208,832	1,481,150,232	-	527,090,000	1,995,079,632	1,995,079,632	19,918,042	19,918,042	157,499,992	157,499,992	1,112,599,043	1,112,599,043	5,044,305,541	5,293,336,941
f. Guarantee	298,183,500	239,726,400	-	-	-	-	-	-	-	-	-	-		108,760,000	-	-	298,183,500	348,486,400

38 Related Party Disclosures: *(contd.)*

C. Details of Material Related Party Transactions *(contd.)*

Amount in ₹

Nature of Transcations	Key Managarial Personnel						Enterprises over which significant influence exercised by Key Managerial Personnel												Total Enterprises over which significant influence exercised by Key Managerial Personnel	
	Mr Sunil Agrawal		Mr Rahimullah		Total		VGL Softech Limited		Brett Plastics Pvt. Ltd.		Reengus Exim Pvt Ltd.		STP Exim Pvt Ltd.		Shivram Global Private Limited		Aunbhav Gems Pvt. Ltd.		Total	
	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14
(i)Transaction during the year																				
a. Sales of Goods	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	46,440,553	-	46,440,553
b. Purchases of Goods	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
c. Advance Given	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
d. Purchase of Fixed Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
e. Expenses Reimbursement	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
f. Expenses	-	-	-	-	-	-	-	-	207,583	1,156,808	44,482	1,175,456	198,722	1,756,300	-	787,505	-	-	450,787	4,876,069
g. Interest/fees/ Rent Recived	-	-	-	-	-	-	-	-	-	-	61,200	-	-	-	324,000	-	-	-	385,200	-
h. Unsecured Loan taken	-	-	-	-	-	-	-	-	-	46,000,000	-	-	-	-	-	52,600,000	-	-	-	98,600,000
i. Repayment of Unsecured Loan	-	-	-	-	-	-	-	-	(8,200,000)	(46,000,000)	(4,950,000)	-	(7,850,000)	-	-	(110,600,000)	-	-	(21,000,000)	(156,600,000)
j. Remuneration	-	-	4,200,000	4,200,000	4,200,000	4,200,000													-	-
K. Sale of Investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
L. Issue of shares (by Loan conversion)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		-
(ii) Balances as at year end																				
a. Amount Receivable	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
b. Amount Payable	-	-	-	-	-	-		-	-	-		-	-	-	-	-	-	-	-	-
c. Loan Receivable	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
d. Loan Payable	-	-	-	-	-	-			-	8,200,000	-	4,950,000	-	7,850,000	-	-	-	-	-	21,000,000
e. Investment	-	-	-	-	-	-	5,207,000	5,207,000	-	-	-	-	-	-	-	-	-	-	5,207,000	5,207,000
f. Guarantee	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Notes accompanying financial statements for the year ended 31st March, 2015

39 Segment Reporting

The Company, on standalone basis, operates in only one business segment – "Wholesale Business"- as a downstream manufacturing facilities In view of this, no further disclosure is required as per Accounting Standard "AS-17".

40 Lease Commitments

With respect to non cancellable operating leases,the future minimum lease payments as at balance sheet date is as under :

Year	31.03.2015	31.03.2014
Not later than one year	5,790,000	6,345,000
Later than one year & not later than five year	2,700,000	8,490,000
Later than five years	-	-

41 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, 2015	31st Mar, 2014	31st Mar, 2015	31st Mar, 2014
Genoa Jewelers Limited	Loan	497,283,906	874,151,591	874,151,591	1,329,591,000
STS Gems Ltd. HKK	Loan	-	30,049,900	30,049,900	30,049,900
STS Gems Thai Ltd.	Loan	156,883,840	180,299,400	180,299,400	180,299,400

42 Earning Per Share (EPS)

Particulars		Year ended 31st March, 2015 (₹)	Year ended 31st March, 2014 (₹)
a.	Profit after Tax (₹)	299,766,865	531,604,681
b.	Dividend on Preference Shares (₹)		-
c.	Profit attributable to Equity Shareholders for Basic and Diluted EPS (₹) (a-b)	299,766,865	531,604,681
d.	i) Weighted average number of Equity Shares outstanding during the year for Basic EPS	32,231,081	32,026,026
	ii) No of Stock Option Outstanding	861,845	549,658
	iii) No of Dilutive Potential Equity Shares	269,357	414,641
e.	Weighted average number of Equity Shares outstanding during the year for Diluted EPS (d(i)+d(iii))	32,500,438	32,440,667
f.	**Basic Earning Per Share**	9.30	16.60
g.	**Diluted Earning Per Share**	9.22	16.39

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

For and on behalf of the Board

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

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

HEMANT SULTANIA
Group CFO

SUNIL AGRAWAL
Chairman & Managing Director
DIN :00061142

CHETAN DESAI
Partner
M.No.: 17000

SANDEEP MUNDRA
Partner
M.No.: 075482

BRAHM PRAKASH
Company Secretary

RAHIMULLAH
Whole Time Director
DIN :00043791

Jaipur, 21st May 2015

Independent Auditor's Report

To the Members of Vaibhav Global Limited

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Vaibhav Global Limited(hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") comprising of the Consolidated Balance Sheet as at March 31, 2015, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Financial Statements").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its associates and jointly controlled entities in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group and its associates and jointly controlled entities are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

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

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their report referred to in Other Matters below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st March, 2015, their consolidated profit and their consolidated cash flows for the year ended on that date.

Emphasis of Matter

We draw attention to the following matter in the notes to the consolidated financial statements:

Accounting Policy 8b with regard to inventory of holding company. The identification of specific items and determination of net realizable value is based on judgement of the management which is supported by evaluation of an independent expert. This is relied upon by us.

Our opinion is not modified in respect of the above matter.

Other Matter

We did not audit the financial statements of eight subsidiaries, whose financial statements reflects total assets of ₹3,458,618,419 as at March 31, 2015, total revenues of ₹15,594,941,564 and net cash flows amounting to ₹49,064,226 for the year ended on that date, as considered in the consolidated financial statements. Further, financial statements of one of the subsidiaries, whose financial statements reflect total assets of ₹1,752,646,377 as at March 31, 2015, total revenues of ₹36,778,126

and net cash flows amounting to ₹69,136,989 for the year ended on that date have been audited by one of us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements and our report on the Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements.

Report on Other Legal and Regulatory Requirements

(1) As required by the Companies (Auditors' Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable. This statement does not contain matters relating to the subsidiaries since all the subsidiaries are foreign incorporated entities not falling within the definition of "foreign company" as per clause (42) of Section 2 of the Act and to which the Order is not applicable.

(2) As required by Section 143(3) of the Act, we report, to the extent applicable, that:

a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;

b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept by the Company so far as it appears from our examination of those books and the reports of the other auditors;

c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;

d. In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014;

e. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

(i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, Refer Note 28(b) to the consolidated financial statements;

(ii) The Group did not have any long-term contracts including derivative contracts hence, the question of any material foreseeable losses does not arise;

For Haribhakti & Co.LLP
Chartered Accountants
ICAI Firm Reg. No.103523W

Chetan Desai
Partner
Membership No.17000
Jaipur: May 21, 2015

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

Sandeep Mundra
Partner
Membership No.75482
Jaipur: May 21, 2015

Consolidated Balance Sheet as at 31st March, 2015

Particulars	Notes	As at 31st March, 2015 (₹)	As at 31st March, 2014 (₹)
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	2	323,802,060	321,756,180
Reserves and Surplus	3	2,955,526,882	2,007,647,900
		3,279,328,942	**2,329,404,080**
Share application pending allotment		-	424,158
Minority Interest		8,908	-
Non-Current Liabilities			
Long-Term Borrowings	4	-	180,055,581
Long-Term Provisions	5	24,225,507	12,844,570
		24,225,507	**192,900,151**
Current Liabilities			
Short-Term Borrowings	6	761,973,905	783,822,346
Trade Payables	7	743,197,897	693,441,080
Other Current Liabilities	8	311,215,225	719,275,334
Short-Term Provisions	9	181,918,016	65,183,817
		1,998,305,043	**2,261,722,577**
Total		**5,301,868,400**	**4,784,450,966**
ASSETS			
Non-Current Assets			
Fixed Assets			
Tangible Assets	10	461,398,296	374,529,722
Intangible Assets	10	297,206,916	286,831,871
Capital Work-In-Progress	10	11,587,721	-
Non-Current Investments	11	30,756,779	29,540,917
Deferred Tax Assets (Net)	12	6,197,605	258,350
Long-Term Loans and Advances	13	352,973,668	306,529,815
		1,160,120,985	**997,690,675**
Current Assets			
Current Investments	14	300,000,000	-
Inventories	15	2,282,927,518	1,961,518,409
Trade Receivables	16	475,136,299	663,590,412
Cash and Bank Balances	17	662,594,834	720,610,315
Short-Term Loans and Advances	18	420,370,814	438,655,937
Other Current Assets	19	717,950	2,385,218
		4,141,747,415	**3,786,760,291**
Total		**5,301,868,400**	**4,784,450,966**
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. LLP
Chartered Accountants
F.R. No.: 103523W

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

HEMANT SULTANIA
Group CFO

SUNIL AGRAWAL
Chairman & Managing Director
DIN :00061142

CHETAN DESAI
Partner
M.No.: 17000

SANDEEP MUNDRA
Partner
M.No.: 075482

BRAHM PRAKASH
Company Secretary

RAHIMULLAH
Whole Time Director
DIN :00043791

Jaipur, 21st May 2015

Consolidated Statement of Profit & Loss for the year ended 31st March, 2015

Particulars	Notes	Year ended 31st March, 2015 (₹)	Year ended 31st March, 2014 (₹)
REVENUE			
Revenue from Operations	20	13,755,199,792	12,982,671,665
Other Income	21	129,303,049	350,379,079
Total		**13,884,502,841**	**13,333,050,744**
EXPENSES			
Cost of Materials Consumed	22	2,698,479,225	2,294,313,411
Purchases of Stock-In-Trade	23	2,202,614,067	1,840,109,121
Decrease/(Increase) of Stock-In-Trade	24	(441,333,297)	170,920,450
Employees Benefit Expenses	25	2,164,181,278	2,068,997,984
Financial Costs	26	73,333,839	144,965,602
Depreciation and Amortization Expense	10	118,831,050	74,746,336
Other Expenses	27	5,791,697,695	5,186,162,146
Total		**12,607,803,857**	**11,780,215,050**
Profit Before Exceptional Items and Tax		**1,276,698,984**	**1,552,835,694**
Exceptional Items	28	-	-
Profit Before Tax		**1,276,698,984**	**1,552,835,694**
Tax Expense:			
(1) Current Tax		250,983,070	26,140,412
(2) Deferred Tax Charges/(Credits)	12	(5,939,255)	1,382,070
		245,043,815	**27,522,482**
Profit for the Year Before Minority Interest		**1,031,655,169**	**1,525,313,212**
Less : Minority Interests		8,908	-
Profit for the Year		**1,031,646,261**	**1,525,313,212**
Earnings Per equity Share of ₹10 Each (Refer Note No.33)			
Basic (₹)		32.01	47.63
Diluted (₹)		31.74	47.02
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. LLP
Chartered Accountants
F.R. No.: 103523W

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

HEMANT SULTANIA
Group CFO

SUNIL AGRAWAL
Chairman & Managing Director
DIN :00061142

CHETAN DESAI
Partner
M.No.: 17000

SANDEEP MUNDRA
Partner
aM.No.: 075482

BRAHM PRAKASH
Company Secretary

RAHIMULLAH
Whole Time Director
DIN :00043791

Jaipur, 21st May 2015

Consolidated Cash Flow Statement for the year ended 31st March, 2015

Particulars	Year ended 31st March, 2015 (₹)	Year ended 31st March, 2014 (₹)
A. Cash Flow from Operating Activities		
Net Profit / (Loss) before tax	1,276,698,984	1,552,835,694
Adjustment for :		
Depreciation	118,831,050	74,746,336
Unrealised Foreign Exchange Difference	40,334,965	98,925,054
Employee compensation Expenses	421,405	(421,405)
(Profit)/Loss on sales of Investment	(154,106)	4,392,041
Loss/(Profit) on sale of Fixed Assets	81,214	9,961,313
Liability No Longer required	500,503	8,743,211
Leave Encashment & Gratuity Expenses	16,941,388	1,687,746
Interest and Dividend earned	(47,097,240)	(29,183,604)
Interest paid on borrowings	73,333,839	144,965,602
Operating Profit before working Capital Changes	**1,479,892,002**	**1,866,651,988**
Adjustment for :		
Trade and other Receivables	379,311,123	(451,954,837)
Trade payables, Provisions, Other Current Liabilities	(213,773,842)	294,609,203
Stock-in-Trade	(321,409,109)	129,330,259
Cash Generated from Operations	**1,324,020,174**	**1,838,636,613**
Direct Taxes paid	(172,531,259)	(62,380,498)
Net Cash from Operating Activities	**1,151,488,915**	**1,776,256,115**
B. Cash Flow from Investing Activities		
(Purchase)/(Sale of Fixed Assets)	(227,564,581)	(169,288,585)
Sales/(Purchases) of Shares/Mutual Fund	(301,215,862)	(28,767,504)
Profit/(Loss) on sale of investment	154,106	(4,392,041)
Movement in deposit	154,166,744	(185,564,639)
Interest and Dividend received	47,097,240	29,183,604
Net Cash used in Investing Activities	**(327,362,353)**	**(358,829,165)**
C. Cash flow from Financing Activities		
Proceeds from /(Repayment of) Long Term Borrowings	(459,385,581)	(195,110,078)
Proceeds from /(Repayment of) Short Term Borrowings	(21,848,441)	(269,949,112)
Dividend and Tax on Dividend paid	(93,406,912)	(473,889,552)
Proceeds from Issuance of Share Capital	11,185,497	4,228,497
Interest Paid on Borrowings	(73,333,839)	(144,965,602)
Net Cash used in Financing Activities	**(636,789,276)**	**(1,079,685,847)**
D. Impact of movement of exchange rates		
Movement in FCTR	(94,590)	(335,122,591)
Impact on inter-transfer of shares of subsidiary	-	18,318,866
	(94,590)	**(316,803,725)**
Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C+D)	**187,242,696**	**20,937,378**
Opening Balance of Cash and Cash Equivalents	426,282,691	405,345,313
Closing Balance of Cash and Cash Equivalents	**613,525,387**	**426,282,691**
Cash and Cash Equivalents comprises		
Cash, cheques and drafts in hand	6,477,457	16,628,487
Balance with bank in current accounts	607,047,930	409,654,204
	613,525,387	**426,282,691**

Note:

The Cash Flow Statement has been prepared under the "Indirect Method " as set out in 'Accounting Standard-3 Cash Flow Statement '.

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

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

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

HEMANT SULTANIA
Group CFO

SUNIL AGRAWAL
Chairman & Managing Director
DIN :00061142

CHETAN DESAI
Partner
M.No.: 17000

SANDEEP MUNDRA
Partner
M.No.: 075482

BRAHM PRAKASH
Company Secretary

RAHIMULLAH
Whole Time Director
DIN :00043791

Jaipur, 21st May 2015

Notes accompanying Consolidated Financial Statements for the year ended 31st March, 2015

Significant Accounting Policies

1. **Basis for Preparation of Consolidated Financial Statements (CFS)**

The CFS relates to Vaibhav Global Limited ('the holding Company') and it's Subsidiaries (together referred to as 'VGL Group') have been prepared in compliance with the applicable Accounting Standards specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 ('The Act') and other pronouncement of The Institute of Chartered Accountants of India, on relevant provisions of the Act; applicable guidelines issued by the Securities Exchange Board of India (SEBI) and generally accepted accounting principles applicable in India (GAAP). The 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.

The CFS has been prepared under historical cost convention on an accrual basis.

2. **Principles of consolidation**

(a) **The Subsidiaries considered in the CFS 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
PT STS Bali	Indonesia	99%	31st March
Jewel Gems USA, Inc.	USA	100%	31st March

(b) **The CFS has been prepared on the following basis:**

(i) The CFS has been prepared in accordance with the Accounting Standard –21, "Consolidated Financial Statements".

(ii) The CFS 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 exchange differences on elimination of intra group balances & transactions are taken to consolidated statement of profit and loss.

(iv) The CFS have been prepared by using uniform accounting policies for like transactions 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.

(v) 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"

(vi) 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.

(vii) 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

(viii) The goods lying in inventory of any entity may include certain goods which have been processed in and transferred from one or more group entity. For the purpose of consolidation, the amount of unrealized profits included in the value of such goods lying in the 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.

3. Use of Estimates

The preparation of financial statements in conformity with (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.

4. 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.

5. Depreciation and Amortization

For Parent Company

Depreciation on Fixed Assets, other than assets acquired on lease, is being provided over the useful life of an asset on written down value method and in the manner specified in Schedule II of the Act.

For Subsidiaries

Depreciation on Fixed Assets, other than assets acquired on lease, is being provided over the estimated useful life of an asset on Straight Line Method.

Assets acquired on lease are amortized in equal installments over the period of lease or estimated useful life, whichever is lower.

6. 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.

7. 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.

8. Borrowing Cost

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

9. Inventories

a. Inventories are valued at lower of cost and estimated net realizable 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. The Group periodically makes provisions on slow moving inventory, inventory held for melting or repair, and returned items..

b. In case of the Holding Company, Identification of a specific item and determination of estimated net realizable value involve technical judgments of the management The valuation is further supported by a certificate from an independent approved valuer, which has been relied upon by the Auditors.

10. Operating leases

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term.

11. 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 decline is other than temporary in the opinion of the management.

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

12. 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.

Provision is also made for anticipated returns.

Dividend on Investment:

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

Interest Income:

Interest income is recognized on time proportionate basis.

Export Incentives:

Export Incentive including duty drawback is recognized on accrual basis

13. 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.

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.

Exchange difference arising on translation of Loan and Advances to non – integral wholly owned subsidiaries and forming part of net investment in parent company, are recognized in foreign currency translation reserve. Such accumulated exchange differences are taken to statement of profit and loss account on consolidation.

d. Translation

For the purpose of Consolidation, the amount appearing in foreign currencies in the financial statements of the foreign subsidiaries are translated at the following rates of exchange:

- Average rates for income & expenditure
- The yearend rates for assets & liabilities

Resulting difference due to differential rates is accumulated as foreign currency translation reserve.

14. 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 and long term Compensated Absences 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.

d. In respect of foreign subsidiaries, retirement benefits are governed and accrued as per local statutes.

15. Provision for Current and Deferred Taxation

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

b. 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.

c. The carrying amount of deferred tax assets are reviewed at each balance sheet date. The carrying amount of a deferred tax asset is written down 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.

16. Earnings per Share

The basic earnings 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)

17. 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.

18. 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. there is a 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 Consolidated Financial Statements for the year ended 31st March, 2015

NOTE : 1 General Information

1. The Consolidated Financial Statements Present the Consolidated Accounts of Vaibhav Global Limited with its following Subsidiaries, Joint Ventures (and its Subsidiaries and Joint Ventures), Associates (and it's Subsidiaries and Joint Ventures) :

A.

	Country of Incorporation	Subsidiary of	As on 31st March 2015	As on 31st March 2014
Subsidiaries				
Indian Subsidiaries				
The company do not have any Indian Subsidiaries.				
Foreign Subsidiaries				
STS Jewels Inc., USA	USA	Vaibhav Global Limited.	100%	100%
STS Gems Thai Limited, Thailand	Thailand	Vaibhav Global Limited.	100%	100%
STS Gems Limited	HongKong	Vaibhav Global Limited.	100%	100%
STS Gems Japan Limited	Japan	Vaibhav Global Limited.	100%	100%
Genoa Jewelers Limited, BVI	British Virgin Islands	Vaibhav Global Limited.	100%	100%
Step down Subsidiary				
PT STS Bali	Indonasia	STS Gems Limited	99%	0%
Jewel Gem USA Inc.	USA	Genoa Jewelers Limited	100%	100%
The Jewellery Channel limited, UK	United Kingdom	Genoa Jewelers Limited	100%	100%
The Jewelery Channel Inc. USA	USA	Genoa Jewelers Limited	100%	100%

B. **Joint Ventures and Jointly Controlled entities**

The company do not have any Joint Ventures/ Jointly Controlled entitites.

C. **Asssociates and Their Subsidiary and Joint Venture :**

The company do not have any Associates company.

D. **Disclosures mandated by Schedule III of Companies Act 2013, by way of additional information**

Name of Entities	Net Assets i.e. Total Assets net of Total Liabilities		Share in Profit/(loss)	
	As a % of Consolidated Net Assets	Amount	As a % of Consolidated Profit	Amount
Parent				
Vaibhav Global Limited	138.31%	4,535,631,125	29.06%	299,766,770
Subsidiary				
Foreign				
STS Jewels Inc., USA	1.70%	55,629,532	3.30%	34,023,272
STS Gems Thai Limited, Thailand	0.16%	5,247,790	1.26%	13,049,187
STS Gems Limited, Hong Kong	11.21%	367,606,088	6.15%	63,440,018
STS Gems Japan Limited	-0.01%	(315,910)	0.83%	8,578,017
Genoa Jewelers Limited, BVI	-0.52%	(17,111,403)	1.54%	15,922,836
Step down foreign Subsidiary				
PT STS Bali	0.03%	939,139	0.09%	890,752
Jewel Gem USA Inc.	-7.51%	(246,265,810)	3.21%	33,135,554
The Jewellery Channel limited, UK	-3.15%	(103,241,056)	10.36%	106,926,246
The Jewelery Channel Inc. USA	15.30%	501,620,883	43.56%	449,364,071
Sub Total		**5,099,740,377**		**1,025,096,723**
Inter Company Elimination & Consolidation Adjustments	-55.51%	(1,820,402,606)	0.64%	6,558,365
Grand Total		**3,279,337,772**		**1,031,655,088**
Minority Interest in Subsidiaries		(8,908)		(8,908)
Share in Profit of Associates				-

Note No. SHAREHOLDER'S FUND

2 Share Capital

a The details of Authorised, Issued, Subscribed and Paid up Capital are as under :-

Particulars	As at 31st March, 2015 (₹)		As at 31st March, 2014 (₹)	
	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 Paid up				
Equity Shares of ₹10/- each	32,402,383	324,023,830	32,175,618	321,756,180
Less : Loan to VGL ESOP Welfare Trust	22,177	221,770	-	-
		323,802,060		**321,756,180**

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

Particulars	As at 31st March, 2015 (₹)		As at 31st March, 2014 (₹)	
	Equity Shares	Preference shares	Equity Shares	Preference shares
Shares outstanding at the beginning of the year	32,175,618	-	32,064,201	4,400,000
Shares Issued on exercise of ESOP	226,765	-	111,417	-
Shares bought back during the year	-	-	-	4,400,000
Shares outstanding at the end of the year	32,402,383	-	32,175,618	-

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 details of shareholders holding more than 5% equity shares as at reporting date are as under :-

Name	As at 31st March, 2015		As at 31st March, 2014	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Equity Shares				
Sonymike`s Holdings Ltd.#	6,950,000	21.45	-	-
Shivram Global Pvt Ltd.	5,311,865	16.39	5,187,963	16.12
Nalanda India Fund Limited	4,110,600	12.78	4,110,600	12.78
Sonymike`s Holdings Ltd.	2,968,640	9.16	-	-
Brett Plastics Pvt Ltd.	2,854,516	8.81	2,725,012	8.47
Nirmal Kumar Bardiya	1,791,628	5.53	1,669,177	5.19
Surawell Pacific Ltd #	-	-	3,175,000	9.87
Heartiford Ltd #	-	-	2,400,000	7.46
Accelstar Investment Ltd #	-	-	3,175,000	9.87

Held through Global Depositories Receipt (GDR). The benefeciaries details is based on the information available with the management.

e **Employee Stock Option Scheme:**

For details of Employee Stock Options Plan (ESOP) Scheme, refer to note no.29a

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

Notes accompanying Consolidated Financial Statements for the year ended 31st March, 2015

3 Reserves & Surplus

Particulars	As at 31st March, 2015 (₹)		As at 31st March, 2014 (₹)	
A. Capital Reserve				
As per last Balance Sheet		95,474,890		95,474,890
B. Capital Redemption Reserve				
As per last Balance Sheet		440,000,000		440,000,000
C. Securities Premium Account				
Opening Balance	5,887,684,263		5,884,266,016	
Add: Security Premium received on share issue	10,453,613		2,690,170	
Add: Transfer from Employee's stock option outstanding	402,099		728,077	
	5,898,539,975		5,887,684,263	
Less : Loan to VGL ESOP Welfare Trust	1,311,242		-	
		5,897,228,732		5,887,684,263
D. Employee Stock Option Outstanding				
Options granted till date	402,099		1,551,581	
Add : Additonal Compensation on account of repricing	421,405		-	
	823,504		1,551,581	
Less : Transfer to Security premium on allotment	402,099		728,077	
Less : Written off during year	-		421,405	
		421,405		402,099
E. General Reserve				
Opening Balance	79,647,256		79,647,256	
Add: Transferred from Profit and Loss Account	50,000,000		-	
		129,647,256		79,647,256
F. Foreign Currency Translation Reserve				
Opening Balance	(620,616,904)		(285,494,313)	
Add/Less : Movement during the year	(94,590)		(335,122,591)	
		(620,711,494)		(620,616,904)
G. Surplus/ (Deficit)				
Opening balance	(3,874,943,704)		(4,944,686,230)	
Add:				
Net Profit For the current year	1,031,646,261		1,525,313,212	
Interim dividend & tax thereon @ ₹2.89 per equity share (Previous Year on Pref Shares)#	(93,236,464)		(33,889,552)	
Impact on inter-transfer of shares of subsidiary	-		18,318,866	
Transfer to General Reserve	(50,000,000)		-	
Transfer to Capital redemption reserve	-		(440,000,000)	
		(2,986,533,907)		(3,874,943,704)
		2,955,526,882		**2,007,647,900**

#The Companies (Amendment) Bill, 2014 (which is recently passed by both houses of Parliament) puts certain restriction on payment of dividend. In view of this, though the Company intended to propose final dividend out of current year's profit, no final dividend has been proposed.

NON CURRENT LIABILITIES

4 Long Term Borrowings

Particulars	As at 31st March, 2015 (₹)		As at 31st March, 2014 (₹)	
Secured:				
Term Loan from Banks				
Working Capital Term Loan #		-		159,055,581
Unsecured:				
Deposits (Inter corporate deposit)				
From Related parties		-		21,000,000
		-		**180,055,581**

#The Company during the year has made full pre-payment of outstanding Working Capital Term Loan.

5 Long Term Provisions

Particulars	As at 31st March, 2015 (₹)		As at 31st March, 2014 (₹)	
Provision For Employee Benefits:				
Provision for Gratuity	17,379,770		8,011,013	
Provision for Compensated Absences	6,519,112	23,898,882	4,470,307	12,481,320
Other Provisions				
Provision for Income Tax		326,625		363,250
		24,225,507		**12,844,570**

CURRENT LIABILITIES

6 Short Term Borrowings

Particulars	As at 31st March, 2015 (₹)		As at 31st March, 2014 (₹)	
Secured:				
Loan Repayable on demand from Banks				
Pre-shipment Credit *		397,986,832		288,286,006
Post-shipment Credit *		196,979,576		257,746,547
Bank Overdraft #		167,007,497		237,789,793
		761,973,905		**783,822,346**

Nature of Security

Working Capital Facilities :-

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 Global Limited by Brett Plastics 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 28,140 shares in his name.

B. # Short Term Loan & Overdraft facilities in respect of one of the subsidiary for ₹167,007,497 (Previous year ₹237,789,793) :-

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

(iii) Additionally all debts are secured by Corporate Guarantee of the immediate parent company as well as ultimate parent company.

7 Trade Payables

Particulars	As at 31st March, 2015 (₹)		As at 31st March, 2014 (₹)	
Trade Payables		743,197,897		693,441,080
		743,197,897		**693,441,080**

Notes accompanying Consolidated Financial Statements for the year ended 31st March, 2015

8 Other Current Liabilities

Particulars	As at 31st March, 2015 (₹)		As at 31st March, 2014 (₹)	
Current Maturity of Long Term Debt:				
-Corporate Loan	-		183,330,000	
-Working Capital Term Loan	-	-	96,000,000	279,330,000
Unclaimed Dividend*		170,448		33,594
Employee benefit payables		19,725,265		17,824,175
Statutory Dues(including PF,TDS etc.)		65,996,340		35,438,497
Advance from customers		38,232,302		123,990,108
Forward Contract Payable		-		10,647,000
Other Payables		187,090,870		252,011,960
		311,215,225		**719,275,334**

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

9 Short Term Provisions

Particulars	As at 31st March, 2015 (₹)		As at 31st March, 2014 (₹)	
Provision for employee benefits:				
Provision for Gratuity	9,310,497		7,444,709	-
Provision for Compensated Absences	708,684	10,019,181	387,039	7,831,748
Other Provisions				
Provisions for warranties and returns		61,118,497		39,050,823
Provision for Taxation (Net of Advance Tax/TDS)		110,780,338		18,301,246
		181,918,016		**65,183,817**

10 Please refer to page no. 118

NON CURRENT ASSETS

11 Non Current Investments

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

Particulars	Gross Amount		Diminution in Value of Investment		Net Amount	
	31.03.2015	31.03.2014	31.03.2015	31.03.2014	31.03.2015	31.03.2014
A. Trade Investment						
(i) Unquoted Investment in Equity Instrument (Fully Paid up):						
88,23,530 (88,23,530) shares of US $ 0.0003 each fully paid up of Richland Resources Limited	30,730,649	29,368,337	-	-	30,730,649	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 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
1000 (Previous year -1000) Equity Shares of Yen 50 each Asahi Shinkin Bank Stock	26,130	29,060			26,130	29,060
Total (A+B)	**35,963,779**	**34,747,917**	**5,207,000**	**5,207,000**	**30,756,779**	**29,540,917**
Notes:-						
1. Aggregate amount of Quoted Investment					30,756,779	29,540,917
2. Market value of Quoted Investment					24,854,220	24,001,272
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

Notes accompanying Consolidated Financial Statements for the year ended 31st March, 2015

NON CURRENT ASSETS

10.Fixed Assets

Amount in ₹

	Name of Assets	GROSS BLOCK					ACCUMULATED DEPRECIATION					NET BLOCK	
		As at 01.04.2014	Additions	Deductions*	Currency Realinemnet	As at 31.03.2015	Up to 31.3.2014	Depreciation for the year	Deductions *	Currency Realinemnet	Up to 31.03.2015	As at 31.03.2015	As at 31.03.2014
A.	**Tangible Assets**												
	Freehold Land	4,894,908	-	-	-	4,894,908	-	290,958	-	-	290,958	4,603,950	4,894,909
	Leasehold Land	4,732,968	30,423,375	-	-	35,156,343	1,205,261	38,948	-	100,358	1,344,567	33,811,776	3,527,707
	Lease Hold Improvement	125,522,814	4,073,402	-	1,537,635	131,133,852	77,544,072	8,834,363	-	3,382,691	89,761,127	41,372,724	47,978,742
	Building	73,951,947	25,218,055	-		99,170,002	38,199,604	4,785,523	-		42,985,127	56,184,875	35,752,331
	Plant & Machinery	280,133,286	49,596,808	210,229	-2,251,285	327,268,580	133,556,439	33,167,642	168,183	-2,777,343	163,778,555	163,490,025	146,576,846
	Electric Installation	22,148,081	797,064	-	-	22,945,145	13,620,654	4,050,490	-	-6,812	17,664,332	5,280,813	8,527,427
	Furniture & Fixtures	105,478,196	11,158,935	2,744,077	1,754,281	115,647,335	55,670,213	12,510,669	1,920,854	-1,404,327	64,855,701	50,791,634	49,807,995
	Office Equipment	11,960,137	2,728,968	14,971	170,219	14,844,353	4,444,583	4,042,346	1,400	-88,762	8,396,767	6,447,585	7,515,553
	Computer	242,978,240	75,755,308	86,437	4,410,537	323,057,648	182,803,702	45,413,117	40,609	588,430	228,764,640	94,293,008	60,174,537
	Vehicles	10,230,116	1,428,343	929,984	-130,489	10,597,986	9,074,856	1,275,437	653,736	-4,220,477	5,476,080	5,121,906	1,155,259
	Total	**882,030,693**	**201,180,258**	**3,985,698**	**5,490,898**	**1,084,716,150**	**516,119,385**	**114,409,493**	**2,784,783**	**-4,426,242**	**623,317,854**	**461,398,296**	**365,911,307**
B.	**Intangible Assets**												
	Goodwill on Consolidation	286,831,871	-	-	-	286,831,871	-	-	-	-	-	286,831,871	286,831,871
	Broadcast Rights	79,535,508	-	-	-5,329,906	74,205,602	79,535,508	-	-	-5,329,906	74,205,602	-	-
	Software	-	14,796,602	-	-	14,796,602	-	4,421,557	-	-	4,421,557	10,375,045	-
	Total	**366,367,379**	**14,796,602**	**-**	**-5,329,906**	**375,834,075**	**79,535,508**	**4,421,557**	**-**	**-5,329,906**	**78,627,159**	**297,206,916**	**286,831,871**
C.	**Capital Work In Progress**	-	11,587,721	-	-	11,587,721	-	-	-	-	-	11,587,721	-
	Total	**-**	**11,587,721**	**-**	**-**	**11,587,721**	**-**	**-**	**-**	**-**	**-**	**11,587,721**	**-**
	Grand Total (A+B+C)	**1,248,398,071**	**227,564,581**	**3,985,698**	**160,992**	**1,472,137,946**	**595,654,893**	**118,831,050**	**2,784,783**	**-9,756,148**	**701,945,013**	**770,192,933**	**652,743,178**
	Previous Year	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

12 Deferred Tax Assets (Net)

Particulars	As at 31st March, 2015 (₹)		As at 31st March, 2014 (₹)	
Deferred Tax Assets				
Provision for Gratuity	9,072,022		5,253,400	
Provision for Compensated Absences	2,456,728	11,528,750	1,651,012	6,904,412
Less: Deferred Tax Liability:				
Depreciation	5,331,145	5,331,145	6,646,062	6,646,062
		6,197,605		**258,350**

Net deferred tax charge/(credit) for the year of ₹(5,939,255) (Previous year debit of ₹1,382,070) has been recognized in the Statement of Profit and Loss for the year.

13 Long Term Loans & Advances

(Unsecured and considered good unless otherwise stated)

Particulars	As at 31st March, 2015 (₹)		As at 31st March, 2014 (₹)	
Capital Advances		267,711,985		184,729,265
Security Deposits		85,261,683		121,800,550
		352,973,668		**306,529,815**

CURRENT ASSETS

14 Current Investments

(At lower of cost and fair value)

Particulars	As at 31st March, 2015 (₹)		As at 31st March, 2014 (₹)	
Investments in Mutual fund (Unquoted)				
222659.435 units of Principal Cash Management Fund Plan Growth		300,000,000		-
		300,000,000		**-**

Notes:-

1. Aggregate amount of Non Quoted Investment	300,000,000	-
2. Aggregate amount of provision for diminution in value of Investment	-	-

15 Inventories

(Cost & Net realizable value whichever is lower)

Particulars	As at 31st March, 2015 (₹)		As at 31st March, 2014 (₹)	
Materials-in-process		726,815,922		859,829,113
Semi Finished Goods		64,288,774		15,657,833
Finished Goods		1,472,839,671		1,080,137,318
Stores and Consumables		18,983,151		5,894,145
		2,282,927,518		**1,961,518,409**

Inventory is taken by management and valued by management which is supported by a certificate from an Independent Approved Valuer.

16 Trade Receivables

(Unsecured and considered good unless otherwise stated)

Particulars	As at 31st March, 2015 (₹)		As at 31st March, 2014 (₹)	
Outstanding for a period exceeding six months from the due date		-		3,293,960
Others		475,136,299		660,296,452
		475,136,299		**663,590,412**

17 Cash & Bank Balances

Particulars	As at 31st March, 2015 (₹)		As at 31st March, 2014 (₹)	
Cash & Cash Equivalents				
Balance with Banks		607,047,930		409,654,204
Cash on hand		6,477,457		16,628,487
		613,525,387		**426,282,691**
Other Bank Balances				
Unpaid Dividend account		170,448		33,594
Bank Deposits- Pledged (maturity within 12 months)		17,501,104		108,729,391
Bank Deposits- Un Pledged (maturity within 12 months)		31,397,895		185,564,639
		49,069,447		**294,327,624**
		662,594,834		**720,610,315**

18 Short Term Loans and Advances

(Unsecured and considered good unless otherwise stated)

Particulars	As at 31st March, 2015 (₹)		As at 31st March, 2014 (₹)	
Advance To Staff		5,120,503		5,059,959
Advance To Suppliers		56,249,836		49,354,814
Loans & Advances		-		63,131,015
Prepaid Expenses		216,723,920		217,694,072
Balances with Tax Authorities		127,582,734		90,782,299
Premium on forward contracts recoverable		-		6,715,650
Others (includes Short Term Security Deposits)		14,693,821		5,918,128
		420,370,814		**438,655,937**

19 Other Current Assets

Particulars	As at 31st March, 2015 (₹)		As at 31st March, 2014 (₹)	
Interest Accrued on Bank FDR		717,950		1,530,118
Amount recoverable from Related parties		-		5,100
Asset under sale		-		850,000
		717,950		**2,385,218**

20 Revenue from Operations

Particulars	Year ended 31st March, 2015 (₹)		Year ended 31st March, 2014 (₹)	
Sale of Products:				
Sales		13,752,814,214		12,978,120,983
Other Operating revenue		2,385,578		4,550,682
		13,755,199,792		**12,982,671,665**

21 OTHER INCOME

Particulars	Year ended 31st March, 2015 (₹)		Year ended 31st March, 2014 (₹)	
Interest		47,096,125		29,168,484
Dividend Received		1,115		15,120
Liability No Longer required		500,503		8,743,211
Premium On Forward Contract		-		30,553,146
Miscellaneous Income		55,881,445		84,230,433
Exchange Fluctuation (Net)		25,823,861		197,668,685
		129,303,049		**350,379,079**

22 Cost of Material Consumed

Particulars	Year ended 31st March, 2015 (₹)		Year ended 31st March, 2014 (₹)	
Materials Consumed				
Opening Material-in-process	859,829,113		815,763,632	
Add: Purchases	2,565,466,034		2,338,378,892	
	3,425,295,147		3,154,142,524	
Less: Closing Material-in-process	726,815,922	2,698,479,225	859,829,113	2,294,313,411
		2,698,479,225		**2,294,313,411**

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

23 Purchases of Stock-in-Trade

Particulars	Year ended 31st March, 2015 (₹)		Year ended 31st March, 2014 (₹)	
Purchases of Finished Goods		2,202,614,067		1,840,109,121
		2,202,614,067		**1,840,109,121**

24 Decrease/(Increase) of Stock-in-Trade

Particulars	Year ended 31st March, 2015 (₹)		Year ended 31st March, 2014 (₹)	
Finished Goods:				
Opening Stocks				
Semi Finished Goods	15,657,833		13,122,335	
Finished Goods	1,080,137,318		1,253,593,266	
	1,095,795,151		1,266,715,601	
Less: Closing Stocks				
Semi Finished Goods	64,288,774		15,657,833	
Finished Goods	1,472,839,674		1,080,137,318	
	1,537,128,448	(441,333,297)	1,095,795,151	170,920,450
		(441,333,297)		**170,920,450**

25 Employees Benefit Expenses

Particulars	Year ended 31st March, 2015 (₹)		Year ended 31st March, 2014 (₹)	
Salaries, Wages, Bonus etc.		1,862,615,009		1,754,010,294
Contributions to Employees Funds		239,665,721		236,291,590
Staff Welfare Expenses		39,950,931		34,330,070
Employee Compensation Expenses under ESOS (Refer Note No.29a)		421,405		(421,405)
Recruitment and Training		21,528,212		44,787,435
		2,164,181,278		**2,068,997,984**

26 Finance Cost

Particulars	Year ended 31st March, 2015 (₹)		Year ended 31st March, 2014 (₹)	
Interest		49,963,051		121,589,743
Finance Charges		20,670,788		23,375,859
Interest on Income Tax		2,700,000		-
		73,333,839		**144,965,602**

27 Other Expenses

Particulars	Year ended 31st March, 2015 (₹)		Year ended 31st March, 2014 (₹)	
a. MANUFACTURING EXPENSES				
Job Work Charges		293,379,904		246,410,741
Stores and Consumables		64,389,124		59,326,813
Power and Fuel		31,851,363		22,480,399
Freight, taxes and duties		311,381,532		259,986,151
Repairs and Maintenance		15,435,574		17,209,562
Other Manufacturing Expenses		203,775,695		186,789,596
		920,213,192		**792,203,262**
b. ADMINISTRATIVE & SELLING EXPENSES				
Rent, Rates and Taxes		123,175,818		118,690,751
Insurance		40,718,671		36,486,612
Travelling and Conveyance		82,050,336		75,823,667
Legal and Professional		104,811,948		90,432,800
Postage and Telephone		115,649,969		89,150,583
Printing and Stationery		13,781,610		27,036,970
Repair Expenses		13,621,436		14,925,490
Advertisement and Business Promotion		253,722,608		244,782,451
Discounts,Brokerage and Commission		1,826,246		5,614,801
Packing and Forwarding		154,620,788		138,131,751
Misc. Expenses		204,955,269		164,873,890
Corporate Social Responsibility Expenses		10,648,002		2,664,561
Auditors' Remuneration		11,267,792		10,485,699
Directors' Remuneration		5,195,083		5,215,186
Directors' Sitting Fees		2,520,000		610,000
Loss On Sale of Investments		-		4,392,041
Fixed assets written off		-		8,469,400
Loss on Sale of Assets		81,214		1,491,913
Bad Debts		2,319,462		-
TV Channel Expenses				
Content & Broadcasting		2,413,180,541		2,150,974,810
Call handling & Collection Charges		482,023,317		352,738,481
Packing & Distribution Charges		759,098,491		779,753,028
Information Technology Expenses		76,215,901		71,213,999
		4,871,484,503		**4,393,958,884**
Total Other Expenses		**5,791,697,695**		**5,186,162,146**

28 Contingent Liabilities and Commitments

Particulars	Year ended 31st March, 2015 (₹)		Year ended 31st March, 2014 (₹)	
(a) Capital Commitment:				
Estimated amount of contracts remaining to be executed on capital account and not provided for:		132,853,837		15,100,000
(b) Contingent Liabilities:				
Guarantees given by bank on behalf of the Company		57,100,000		25,000,000
Guarantees given to bank & others by the Company		298,183,500		239,726,400
Disputed Tax Matters:				
Excise Duty		198,326,582		198,326,582
Income tax *		3,880,370		165,415,902

*Income tax demand for Assessment year 2010-11 of ₹144,908,800 has been decided in favor of the company vide ITAT, Jaipur Order dated 30th April, 2015

29 Employee Stock Option Scheme:

a. VGL ESOP (As amended)-2006

During the year the company has constituted "Vaibhav Global Employee Stock Option Welfare Trust" to administer & implement various VGL ESOP schemes . Out of stock option granted, 20% stock option will vest at the end of one year from the date of Grant, 30% at the end of the second year and balance 50% at the end of third year. The exercise period for all the options under various tranches has been increased to 7 years from the date of vesting as approved by the shareholders in the AGM held on 25th July,2014.

The details of the Grant under the aforesaid schemes are as under:- **2014-15**

Particulars	Original/ (Revised) Exercise Price (₹)	Date of Grant	Date of Vesting	Options outstanding as on 01.04.14	Options granted/ revived during the year	Options exercised during the year	Options lapsed during the year	Options granted and outstanding as on 31.03.15 *
A	240 (45.30)	06.01.07	06.01.08	-	2,018	-	-	2,018
D	26.75	29.01.10	29.01.11	64,000	5,000	60,000	-	9,000
E	33.75	30.09.10	30.09.11	10,000	-	10,000	-	-
F	45.30	23.07.12	23.07.13	302,728	1,452	117,537	15,083	171,560
G	119.05	09.04.13	09.04.14	65,572	-	8,631	12,780	44,161
H	126.35	25.05.13	25.05.14	43,329	-	2,148	-	41,181
I	418.40	11.12.13	11.12.14	64,029	-	6,272	9,964	47,793
J	743.95	16.04.14	16.04.15	-	25,726	-	-	25,726
K	734.65	14.05.14	14.05.15	-	3,579	-	-	3,579
L	742.50	18.10.14	18.10.15	-	485,560	-	21,430	464,130
M	752.60	22.01.15	22.01.16	-	21,690	-	-	21,690
				549,658	**545,025**	**204,588**	**59,257**	**830,838**

* includes 22,177 equity shares alloted to Trust not exercised by employees

2013-14

Particulars	Original/ (Revised) Exercise Price (₹)	Date of Grant	Date of Vesting	Options outstanding as on 01.04.13	Options granted/ revived during the year	Options exercised during the year	Options lapsed during the year	Options granted and outstanding as on 31.03.14
A	240 (45.30)	06.01.07	06.01.08	3,796		1,778	2,018	-
D	26.75	29.01.10	29.01.11	136,000		67,000	5,000	64,000
E	33.75	30.09.10	30.09.11	10,000		-	-	10,000
F	45.30	23.07.12	23.07.13	390,125		42,639	44,758	302,728
G	119.05	09.04.13	09.04.14	-	98,537	-	32,965	65,572
H	126.35	25.05.13	25.05.14	-	43,329	-	-	43,329
I	418.40	11.12.13	11.12.14	-	64,029	-	-	64,029
				539,921	**205,895**	**111,417**	**84,741**	**549,658**

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 amounting to ₹421,405 (Previous year credited ₹421,405) has been debited under employee benefit during the year.

b. A Summary of movement in respect of the shares held by ESOP Trust is as follows :

Particulars	31st March,2015
Opening balance of equity shares not excercised by employee and available with the ESOP Trust	-
Add: Shares alloted by Company	190,036
Less : Shares exercised by employee :	167,859
Closing balance of equity shares not excercised by employee and available with the ESOP Trust	22,177

30 Lease Commitments

Some of the subsidiaries have lease agreements towards 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:

Amount in ₹

Year	2014-15	2013-14
Not later than one year	196,624,707	36,454,352
Later than one year & not later than five year	654,496,706	248,354,403
Later than five years	13,756,527	691,195,889

31 Related Party Disclosures:

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

Enterprises in which Key Managerial Personnel are interested :

1. VGL Softech Limited
2. Brett Plastics Pvt. Limited
3. Shivram Global Pvt. Ltd.
4. Emerald Creation Inc.
5. Anubhav Gems (P) Ltd.
6. Reengus Exim Private Limited
7. STP Exim Private Limited
8. Surawell Pacific Limited
9. Sonymike's Holdings Ltd

Key Managerial Personnel (KMP):

1. Shri Sunil Agrawal –Chairman & Managing Director
2. Shri Rahimullah – Whole Time Director

Relative of Key Managerial Personnel

1. Smt. Deepti Agrawal
2. Shri Ghanshyam Agarwal
3. Smt. Sheela Agarwal
4. Hursh Agrawal
5. Neil Agrawal
6. Smt.Fatima Be
7. Shri Azizullah
8. Smt.Batool Begum
9. Shri Inamullah
10. Shri Imranullah
11. Shri Rizwanullah
12. Shri Arifullah
13. Shri Asifullah
14. Ms.Amrin

B. Related Party Transactions

Amount in ₹

Nature of Transcations	Key Managerial Personnel		Relative of Key Managerial Personnel		Enterprises over which significant influence exercised by Key Managerial Personnel	
	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14
(i) Transactions During the year						
a. Sales of Goods			-		-	46,440,553
b. Purchases of Goods					-	-
c. Advance Given	-	597,580				
d. Interest/fees/Rent Recived					385,200	
e. Expenses			-		450,787	4,876,069
f. Unsecured Loan taken					-	98,600,000
g. Guarantee						
h. Repayment of Unsecured Loan					(21,000,000)	(156,600,000)
i. Remuneration	24,118,785	21,832,942				
(ii) Balances as the end of the year						
a. Amount Receivable					671,511	641,439
b. Unsecured Loans					-	21,000,000
c. Investment					5,207,000	5,207,000
d. Guarantee						

31 Related Party Disclosures: *(contd.)*

C. Details of Material Related Party Transactions

Amount in ₹

Nature of Transcations	Enterprises over which significant influence exercised by Key Managerial Personnel															
	Anubhav Gems Pvt. Ltd.		Emerald Creation Inc.		Shivram Global Pvt. Ltd.		VGL Softech Ltd.		Brett Plastics Pvt. Ltd.		Reengus Exim Pvt. Ltd.		STP Exim Pvt Ltd.		Total	
	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14
(i) Transaction during the year																
a. Sales of Goods	-	46,440,553	-	-	-	-	-	-	-	-	-	-	-	-	-	46,440,553
b. Purchases of Goods	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
c. Advance Given	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
d. Loan taken	-	-	-	-	-	52,600,000.00	-	-	-	46,000,000	-	-	-	-	-	98,600,000
e. Repayment of loan	-	-	-	-	-	-110,600,000.00	-	-	-8,200,000	-46,000,000.00	-4,950,000.00		-7,850,000.00		(21,000,000)	(156,600,000)
f. Expense	-	-	-	-	-	787,505.00	-	-	207,583	1,156,808.00	44,482.00	1,175,456.00	198,722.00	1,756,300.00	450,787	4,876,069
g. Investment/Interest/fees/ Rent Recived	-	-	-	-	324,000	-	-	-	-	-	61,200.00	-	-	-	385,200	-
h. Guarantee	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
i. Remuneration	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(ii) Balances as at year end																
a. Amount Receivable	-	-	671,511	641,439	-	-	-	-	-	-	-	-	-	-	671,511	641,439
b. Amount Payable	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
c. Loan Receivable	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
d. Loan Payable	-	-	-	-	-	-	-	-	-	8,200,000.00	-	4,950,000.00	-	7,850,000.00	-	21,000,000
e. Investment	-	-	-	-	-	-	5,207,000	5,207,000	-	-	-	-	-	-	5,207,000	5,207,000
f. Guarantee	-	-	-	-	-	-			-	-	-	-	-	-	-	-

Amount in ₹

Nature of Transcations	Enterprises over which significant influence exercised by Key Managerial Personnel											
	Mr. Sunil Agrawal		Mr. Rahimullah		Key Managerial Person		Mr. Hursh Agrawal		Mr. Rizwanullah		Relative of Key Managerial Personnel	
	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14
(i) Transaction during the year												
a. Sales of Goods	-	-	-	-	-	-	-	-	-	-	-	-
b. Purchases of Goods	-	-	-	-	-	-	-	-	-	-	-	-
c. Advance Given	-	597,580.00	-	-	-	597,580	-	-	-	-	-	-
d. Loan taken	-	-	-	-	-	-	-	-	-	-	-	-
e. Repayment of loan	-	-	-	-	-	-	-	-	-	-	-	-
f. Expense	-	-	-	-	-	-	-	-	-	-	-	-
g. Investment/ Interest/fees/ Rent Recived	-	-	-	-	-	-	-	-	-	-	-	-
h. Guarantee	-	-	-	-	-	-	-	-	-	-	-	-
i. Remuneration	19,918,785	17,632,941.93	4,200,000.00	4,200,000.00	24,118,785	21,832,942	732,530	358,548	-	-	-	-
(ii) Balances as at year end												
a. Amount Receivable	-	-	-	-	-	-	-	-	-	-	-	
b. Amount Payable	-	-	-	-	-	-	-	-	-	-	-	-
c. Loan Receivable	-	-	-	-	-	-	-	-	-	-	-	-
d. Loan Payable	-	-	-	-	-	-	-	-	-	-	-	-
e. Investment	-	-	-	-	-	-	-	-	-	-	-	-
f. Guarantee	-	-	-	-	-	-	-	-	-	-	-	-

32 Two of the subsidiaries in USA have recognised net aggregate Deferred Tax Assets of ₹646.67 lacs as at 31st March, 2015 . 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.

33 Earning Per Share (EPS)

Particulars		Year ended 31st March, 2015 (₹)	Year ended 31st March, 2014 (₹)
a	Profit after Tax (₹)	1,031,646,261	1,525,313,212
b.	Dividend on Preference Shares (₹)	-	-
c.	Profit attributable to Equity Shareholders for Basic and Diluted EPS (₹) (a-b)	1,031,646,261	1,525,313,212
d.	i) Weighted average number of Equity Shares outstanding during the year for Basic EPS	32,231,081	32,026,026
	ii) No of Stock Option Outstanding	861,845	549,658
	iii) No of Dilutive Potential Equity Shares	269,357	414,641
e.	Weighted average number of Equity Shares outstanding during the year for Diluted EPS (d(i)+d(iii))	32,500,438	32,440,667
f.	**Basic Earning Per Share**	32.01	47.63
g.	**Diluted Earning Per Share**	31.74	47.02

34 The Group in earlier period had identified wholesale and retail as a reportable business segments. Over the recent past, the wholesale segment has started predominantly catering to the Groups retail segment as downstream manufacturing facility. In view of this, now the Group has only one reportable segment viz. 'retail of fashionable & life style products'. Consequently, no segment results are being published from this year.

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

For and on behalf of the Board

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

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

HEMANT SULTANIA
Group CFO

SUNIL AGRAWAL
Chairman & Managing Director
DIN :00061142

CHETAN DESAI
Partner
M.No.: 17000

SANDEEP MUNDRA
Partner
M.No.: 075482

BRAHM PRAKASH
Company Secretary

RAHIMULLAH
Whole Time Director
DIN :00043791

Jaipur, 21st May 2015

VAIBHAV GLOBAL LIMITED
CIN : L36911RJ1989PLC004945
Registered Office : K-6B, Fateh Tiba, Adarsh Nagar, Jaipur – 302004
Tele No.: 91-141-2601020 • Fax No : 91-141-2605077
Email: investor_relations@vaibhavglobal.com • Website : www.vaibhavglobal.com

PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

26th Annual General Meeting – 28th July, 2015

Name of the Member (s) : .....

Registered address : .....

Email ID : .....

Folio No./Client ID : .....

DP ID : .....

I/We, being the member(s) of .....shares of Vaibhav Global Limited, hereby appoint:

Name :.....Email Id:-.....

Address: .....

Signature: ..... or failing him / her;

Name :.....Email Id:-.....

Address: .....

Signature: ..... or failing him / her;

Name :.....Email Id:-.....

Address: .....

Signature: .....

as my / our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the 26th Annual General Meeting of the Company, to be held on Tuesday, the 28th July, 2015 at 10:00 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 along with Consolidated Financial Statements for the financial year ended 31st March, 2015 together with the Reports of the Board of Directors and Auditors thereon.		
2.	To confirm the payment of Interim Dividend paid @ ₹ 2.40 per equity share.		
3.	To appoint a Director in place of Mr. Nirmal Kumar Bardiya (holding DIN : 00044624) who retires by rotation at this Annual General Meeting and being eligible, offers himself for re-appointment.		
4.	To re-appoint 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) and to fix their remuneration.		
	Special Business :		
5.	Appointment of Mr. Pashupati Nath Bhandari as an Independent Director.		
6.	Appointment of Mr. Hemant Sultania as Director.		

Signed this……day of……2015.

Signature of Shareholder

Affix Revenue Stamp

Signature of first proxy holder

Signature of second proxy holder

Signature of third Proxy holder

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
CIN : L36911RJ1989PLC004945
Registered Office : K-6B, Fateh Tiba, Adarsh Nagar, Jaipur – 302004
Tele No.: 91-141-2601020 • Fax No : 91-141-2605077
Email: investor_relations@vaibhavglobal.com • Website : www.vaibhavglobal.com

ATTENDANCE SLIP

DP ID		Regd. Folio No.	
Client ID		No. of Shares Held	

I / we hereby record my / our presence at the 26th Annual General Meeting of the Company on Tuesday, the 28th July, 2015 at 10.00 A.M at E-69, EPIP, Sitapura, Jaipur - 302022

Name of the Shareholder (in block letters) Signature

Name of the proxy (in block letters) Signature

NOTE: PLEASE COMPLETE THIS ATTANDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL.

Notes

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 from 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.

Vaibhav Global Limited
CIN : L36911RJ1989PLC004945

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