



24th Annual Report

2012-2013

Vaibhav Global Limited

(Formerly Vaibhav Gems Limited)



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.

PRECIOUS SKINS





Board of Directors

Sunil Agrawal
Chairman

Rahimullah
Managing Director

Mitha Lal Mehta
Director

Surendra Singh Bhandari
Director

Nirmal Kumar Bardiya
Director

Santosh Madan
Nominee Director

Sheela Agrawal
Director

Company Secretary

Brahm Prakash

Key Management Team

Gerald Tempton
President - Liquidation Channel, USA

Colin Wagstaffe
Managing Director - The Jewellery Channel, UK

Sri Burugapalli
Senior Vice President - Group Strategy

Michael Raisbeck
Senior Vice President - Group Human Resources

Nitin Dugar
Vice President Strategy - Liquidation Channel, USA

Pushpendra Singh
Vice President - Human Resources Asia

Gaurav Vishal Soni
Chief Operating Officer - VGL

Praveen Tiwary
Vice President - STS Gems Ltd., Hongkong

Statutory Auditors

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

Bankers

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

Registrar & Share Transfer Agent

Karvy Computershare Pvt. Limited
Plot No. 17-24, Vittal Rao Nagar, Madhapur
Hyderabad- 500 081

Registered Office

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

Corporate Office

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



Our Vision

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

Our Mission

WE WILL

Build a Learning Organisation with High Performing People

Offer Low priced High Quality Products

Delight Our Customers Every Day

Our Core Values

Team work

Honesty

Commitment

Passion

Positive Attitude

CONTENTS

Page No.

3	Chairman's Message
4	Boards' Profile
7	Notice
9	Directors' Report
14	Management Discussion and Analysis
16	Corporate Governance Report & Other Declarations
28	Financial Statements - Standalone
60	Financial Statements - Consolidated



Chairman's Message

Dear Shareholders,

I am delighted to share that with the ongoing support and confidence reposed by all of you, Vaibhav Global has rapidly evolved into a vertically integrated electronic retailer of fashion jewelry and lifestyle accessories in the US, UK and Canada. Today, we directly access well over 100 million households in these countries on our own home TV shopping and e-commerce platforms, which is leading to significant long-term growth opportunities.

During the year 2012-13, the company's consolidated total income grew 38% to ₹ 931 crore. Profit after tax (before exceptional items) remained stable at ₹ 78 crore as we invested significantly in creating organizational competencies which, we believe, will deliver sustainable value over the coming years. The year was the third consecutive one of substantial cash flows that we have used to rationalize debt and strengthen our balance sheet.

Our transformational achievements have come in the backdrop of a global economy that continues to grow moderately, with much of the developed world still recovering from the economic collapse of five years ago. The Company's business model is now designed around creating value perception through lowest price guarantee, which essentially means delivering a high quality, deep value proposition to the discount seeking buyer. This has led to market share expansion on the back of rising value consciousness across customer categories in the prevailing economic scenario.

Behind our strong customer proposition is a robust supply chain infrastructure that marries manufacturing operations in Jaipur with outsourcing operations in Asia. We source a wide range of fashion jewelry and other lifestyle fashion products from micro-markets in China, Indonesia and Thailand by closely monitoring the latest fashion trends to deliver directly to the homes of our Home TV and Web customers.

Last year, we shipped close to seven million products to our customers or 19,000 on an average every single day of the year. Volumes increased 72% in 2012-13 and have increased by nine times over the last three years, a measure of our success in transitioning the business model to fashion jewelry and lifestyle products.

TV constituted 75% of the retail volumes, the rest coming from web. Three years ago, over 90% volumes were from our TV platforms, so the mix is getting more balanced which we see as another positive. In addition, over the years, the company has transformed from a completely B2B sales outfit to one with 87% retail contribution in 2012-13.

Last year, we have hired several senior and middle level managers. We now have Colin Wagstaffe to head the UK business, Michael Raisbeck to head global HR and Gaurav Vishal Soni as Chief Operating Officer here in Jaipur. We have invested in strong management resources both at operational and strategic levels, backed by a robust middle management layer and a customer relationship mechanism, to enable our expansion into a more significant player in all our key markets.

Going forward, we will leverage our organizational strengths to deliver capital efficiency across every facet of our organization. We believe that last year's return on net worth of 49% and return on capital employed of 34% can be significantly improved upon in the coming years by remaining focused on our core proposition.

Looking ahead, we will continue to invest in expanding marketing, operations, facilities, people development, and hardware/software technologies, to build the critical infrastructure needed that refines our execution capabilities and our customer experience. We see these initiatives enabling us drive further shareholder value.

We will also continue to follow the highest standards of corporate governance as an ethical requisite, and remain uncompromising on organization integrity, social obligations and regulatory compliance.

On behalf of the Company, I take this opportunity to thank all our key stakeholders shareholders, government agencies, employees, bankers, partners and vendors for their continued support. In the years ahead, we see exciting opportunities for your Company, as we work towards realizing our vision.

Thank you,

Sunil Agrawal
Chairman



Boards' Profile

Annual Report 2012-2013



Mr. Sunil Agrawal, Chairman

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



Mr. Rahimullah, Managing 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 39 years of industry experience. His dedication, vision and acumen have been responsible for the Company's impressive growth.



Mr. Mitha Lal Mehta, Director

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



Boards' Profile

Annual Report 2012-2013



Mr. Surendra Singh Bhandari, Director

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

Mr. Nirmal Kumar Bardiya, Director

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



Mr. Santosh Madan, Nominee Director

Mr. Santosh Madan is presently working as a General Manager in Punjab National Bank with headquarter at Jaipur. He looks after the working of the Bank in the states of Rajasthan & Madhya Pradesh, which comprises of 8 Circles and 624 Branches. He possesses a degree in M.Sc. (Physics), CAIIB Part I & Diploma in Industrial Relations Personal Management. He has a rich experience of 35 years in Bank and has seen almost all the facets of the Banking. Mr. Madan is presently a Nominee Director in some of the Companies, which are associated to Punjab National Bank.

Mrs. Sheela Agrawal, Director

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



ILIANA

Canon

DIGI SUPER 25XS





NOTICE

Notice is hereby given that the 24th Annual General Meeting of VAIBHAV GLOBAL LIMITED will be held on Wednesday, 14th August, 2013 at 11:00 am at E-69, EPIP, Sitapura, Jaipur - 302 022 (Rajasthan), to transact the following business :

Ordinary Business:

1. To consider and adopt the Balance Sheet of the Company as at 31st March 2013, the Statement of Profit & Loss Account for the year ended on that date together with the Reports of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Surendra Singh Bhandari who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Nirmal Kumar Bardiya who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint M/s Haribhakti & Co. and M/s B. Khosla & Co., Chartered Accountants as Joint Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting and to fix their remuneration.
3. Members / Proxies / Representatives should bring the enclosed attendance slip duly filed in and signed for attending the meeting.
4. 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.
5. The Register of Members and Share Transfer Books of Company will remain closed from 8th August, 2013 to 14th August, 2013 (both days inclusive).
6. Members are requested to send their demat/remat applications, request for share transfers, intimation of change of address and other correspondence to the Company's Registrar and Transfer Agent, M/s Karvy Computershare Pvt. Ltd., Plot no.17 to 24, Vittal Rao Nagar, Madhapur, Hyderabad - 500 081

Notes :

1. **A member entitled to attend and vote at the meeting, is entitled to appoint a proxy to attend and vote on poll, instead of himself / herself and proxy need not be a member of Company. Proxies in order to be effective must be received by the Company at its Registered Office not later than forty-eight hours before the commencement of the meeting.**
2. Corporate Members are requested to send a duly certified copy of the Board Resolution authorizing their representative to attend and vote at the ensuing Annual General Meeting.
7. Members who hold shares in physical form are requested to notify immediately, any change in their addresses to the Registrar and Transfer Agent of the Company at the above address and to their respective depository participants, in case shares are held in electronic form.
8. In terms of Section 205C of the Companies Act, 1956, the Central Government has established "Investor Education and Protection Fund"(IEPF) and any amount of dividend remaining unclaimed / unpaid for a period of seven years from the date it becomes due for payment should be transferred to this fund. Once unclaimed is transferred to IEPF, no claim shall lie in respect thereof. Members wishing to claim dividend, which remain unclaimed, are requested to correspond with the Company at its Registered Office.
9. The relevant details, as required under clause 49 of the Listing Agreement, of Directors seeking re-appointment are annexed to this notice.

Place: Jaipur
Date : 10th July, 2013

Regd. Office :
K-6B, Fateh Tiba, Adarsh Nagar,
Jaipur - 302004

By order of the Board of Directors

Brahm Prakash
Company Secretary



Details of Directors seeking reappointment at 24th Annual General Meeting

Name of Director	Date of Birth	Date of Appointment	Expertise in specific functional areas	Qualifications	Directorship held in other Public Companies as on 31.3.2013 (excluding foreign Companies and Private Companies)	Membership / Chairmanship of committees of other public Companies as on 31.3.2013	Number of shares held in the Company
Mr. Surendra Singh Bhandari	19-01-1948	25-01-2004	Banking, audit, assurance, tax assignments, corporate restructuring and other advisory services.	Commerce Graduate and Fellow Chartered Accountant.	1. Asian Hotels (East) Ltd.* 2. Asian Hotels (West) Ltd. 3. Bank of Baroda	Audit Committee 1. Asian Hotels (East) Ltd.* - Member 2. Asian Hotels (West) Ltd. - Member Shareholder's / Investors' Grievance Committee 1. Bank of Baroda - Chairman	Nil
Mr. Nirmal Kumar Bardiya	22-01-1960	10-07-2001	Having vast experience in the manufacture of coloured gemstones and highly specialized in high volume gemstones and beads.	Commerce Graduate.	1) RMC Gems India Ltd. 2) VGL Softech Limited	Nil	14,26,500

* Resigned w.e.f. 11th April, 2013.

**DIRECTORS' REPORT****Dear Shareholders,**

We are delighted to present 24th Annual Report and Audited Financial Statements for the year ended March 31, 2013.

Financial Highlights

The Standalone and Consolidated financial results of the Company for year ended March 31, 2013 are as follows:

the provision of ₹ 119.80 crore made on equity investment and ₹ 63.55 crore made on loan given to Genoa Jewelers Limited, a wholly owned subsidiary of the Company. The Company also made a provision of ₹ 151.10 crore and ₹ 12.10 crore as diminution in value of equity investment in STS Jewels INC and Jewel Gems USA respectively, wholly owned subsidiaries of the Company.

(₹ in Lacs)

Particulars	Standalone (F.Y)		Consolidated (F.Y)	
	2012-13	2011-12	2012-13	2011-12
Revenue from Operations and Other Income	25,749.88	18,892.82	93,055.79	67,481.60
Less: Operating Cost	22,725.76	16,177.14	83,103.62	57,418.10
Operating Profit / PBDIT	3,024.12	2,715.68	9,952.17	10,063.50
Less: Interest	1,063.19	1,103.41	1,241.95	1,276.05
Less: Depreciation & Amortization Expenses	219.40	152.69	732.03	908.30
Profit Before Tax and Exceptional Items	1,741.53	1,459.57	7,978.19	7,879.15
Add : Exceptional Items	898.10	(27.30)	(16,372.74)	(1,005.39)
Profit Before Tax	2,639.63	1,432.27	(8,394.55)	6,873.76
Less: Tax Expenses	1.46	22.93	166.46	22.93
Profit After Tax and Exceptional Item	2,638.17	1,409.34	(8,561.01)	6,850.83
Appropriations	-	-	-	-
Dividend on Preference Share Capital	-	-	-	-
Proposed Dividend on Equity Shares	-	-	-	-
Tax on Dividend	-	-	-	-
General Reserve	-	-	-	-
Profit for the year	2,638.17	1,409.34	(8,561.01)	6,850.83

During the year, on a standalone basis, total income increased to ₹ 25,749.88 lac from ₹ 18,892.82, registering a growth of 36.29 %. Profit after tax and exceptional items were ₹ 2,638.17, an increase of 87.19 % over the previous year.

The consolidated total income increased to ₹ 93,055.79 lac from ₹ 67,481.60 lac, an increase of 37.89 % over the previous year.

During the year, the Company has written off the investment amounting to ₹ 6.20 crore made in STS Creation Thai Limited, a wholly owned subsidiary of the Company. The Company has also written back

Dividend

In view of the accumulated losses brought forward, your Directors do not recommend any dividend for the financial year 2012-13.

Corporate Debt Restructuring Mechanism (CDR)

During the year, the Company made a proposal to CDR Cell for exit from CDR mechanism. The said proposal was approved by the CDR Empowered Group in their meeting held on March 25, 2013 subject to the payment of recompense amount.



Consolidated Financial Statements

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

Statutory Disclosures

The Ministry of Corporate Affairs (MCA) vide general circular no. 2/2011 dated February 8, 2011 has granted general exemption to all companies under section 212(8) of the Companies Act, 1956 with respect to non attachment of the documents required under section 212(1) of the said act, subject to compliance of certain conditions. Hence, balance sheet, statement of profit & loss account and other documents of the subsidiary companies are not being attached with balance sheet of the Company. The statement pursuant to Section 212 of the Companies Act, 1956 containing key financials of the Company's subsidiaries is included in this Annual Report.

The Company will make available the annual accounts of the subsidiaries to any member of the company who may be interested in obtaining the same. The annual accounts of the subsidiary Companies are also available for inspection by any member. The same shall also be kept for inspection by any shareholder at the head office of the holding company and concerned subsidiary Companies.

Subsidiaries

The Company has the following operating subsidiaries and step down subsidiaries. :

- a) **STS Jewels Inc., USA, a 100 per cent subsidiary** is engaged in the wholesale segment and selling jewellery to the departmental stores, TV channels and others in USA.
- b) **STS Gems Limited, Hong Kong, a 100 per cent subsidiary** is engaged in outsourcing, manufacturing for the group and marketing of jewellery across the globe.
- c) **The Jewellery Channel Ltd. UK (TJC UK)**, a wholly owned step down subsidiary of Vaibhav Global Limited, is engaged in marketing of fashion jewellery and life style products through electronic media and operates a dedicated 20 hours TV shopping channel and Internet shopping website (www.tjc.co.uk) in the UK.

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

Change in Capital Structure

During the year, the Company allotted 3,65,728 Equity Shares of ₹ 10 each to the employees of the Company and its Subsidiaries, pursuant to exercise of Stock Options which resulted in increase of paid up equity share capital of the Company from ₹31,69,84,730 to ₹32,06,42,010.

Change in name of the Company

Pursuant to the approval of shareholders obtained by way of postal ballot, result of which was declared on November 26, 2012 and consequent upon receipt of fresh certificate of Incorporation issued by Registrar of Companies, Rajasthan, dated November 29, 2012, the name of the Company was changed from "Vaibhav Gems Limited" to "Vaibhav Global Limited".

Alteration in Object Clause of Memorandum of Association of the Company and Commencement of new business

During the year under review, the Company had obtained the approval of shareholders by way of postal ballot, result of which was declared on November 26, 2012, for commencement of new business and alteration in the main Object Clause of Memorandum of Association of the Company.

By altering the Main Object Clause of MOA, the Company has expanded fashion jewelry portfolio to include lifestyle accessories and fine jewelry.

Completion of Open Offer

Pursuant to the Open Offer made under Securities Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations 2011, Mrs. Deepti Agarwal, Mr. Rahimullah, Mr. Nirmal Kumar Bardiya and M/s Shivram Properties Pvt. Ltd. had acquired 87,28,563 Equity Shares of ₹ 10 each, representing 27.53 % of the paid up capital of the Company.

Employee Stock Option Plan

During the year, the Compensation Committee of the Board of Directors of the Company granted 4,77,000 Stock Options convertible into 4,77,000 Equity



Shares of ₹ 10 each to the eligible employees of the Company and its subsidiaries at an exercise price of ₹ 45.30 per stock option. The Committee also reprised 41,324 Stock Options at an exercise price of ₹ 45.30 per stock option.

Details are set out in Annexure I to this Report.

Corporate Social Responsibility (CSR)

Your Company is sensitive to the needs of the local community and the impact of its operations on them. We honor our responsibility to give back to the society by focusing primarily on education, mid-day meals and healthcare services which are essential in promoting sustainable human development and economic growth. The Company believes that Corporate Social Responsibility delivered in the context of its business makes it more effective, impactful and sustainable. During the year, the Company has donated a sum of ₹ 17.94 lac to various social institutions.

Directors

During the period, Mr. Santosh Madan, Field General Manager, Punjab National Bank was appointed as a Nominee Director on the board of the Company w.e.f. September 21, 2012.

Further, Mr. Anandi Lal Roongta has resigned from the directorship of the Company w.e.f. January 23, 2013. The Board places its deep appreciation for the contribution made by Mr. Roongta during his tenure. Further, Shri S. S Bhandari and Shri N.K. Baridya retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

As required by Clause 49 of Listing Agreement, a brief resume and other particulars of Directors retiring by rotation is provided in Annual Report.

Auditors and Auditors' Report

M/s Haribhakti & Company, Chartered Accountants, Mumbai and M/s B. Khosla & Co., Chartered Accountants, Jaipur, Joint Statutory Auditors of the Company hold office until the conclusion of ensuing Annual General Meeting and being eligible, have offered themselves for re-appointment and they have confirmed that their re-appointment, if made, shall be in conformity with the limit prescribed under section 224(1B) of the Companies Act, 1956.

There are no reservations, qualifications or adverse remarks contained in the Auditors' Report attached to Balance Sheet as at March 31, 2013. Information referred in Auditor's Report are self-explanatory and

don't call for any further comments.

Fixed Deposits

During the year under review, the Company has not accepted any public deposits under Section 58A of the Companies Act, 1956 read with Companies (Acceptance of Deposit) Rules, 1975.

Directors' Responsibility Statement

Pursuant to the provisions of Section 217 (2AA) of the Companies Act, 1956 with respect to the Directors' responsibility statement, it is hereby confirmed that:

- I. In the preparation of the annual accounts for the financial year ended 31st March 2013, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- II. The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and profit and loss account of the company for that period.
- III. The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
- IV. The Directors have prepared the annual accounts on a going concern basis.

Transfer of unclaimed dividend to Investor Education and Protection Fund (IEPF)

The Company has transferred a sum of ₹ 1,21,410 during the year to the Investor Education and Protection Fund (IEPF) established by the Central Government under Section 205(C) of the Companies Act, 1956. The said amount represents unclaimed dividend pertaining to financial year 2004-05 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

Management Discussion and Analysis Report for the year under review, as required under clause 49 of the Listing Agreement, forms part of the Annual Report.

Corporate Governance

A separate section on Corporate Governance together with a certificate from the Statutory Auditors' of the Company regarding compliance of conditions of Corporate Governance as stipulated under clause 49 of the Listing Agreement forms part of the Annual Report.

Personnel

Particulars of Employees required under Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 as amended, form part of this report. However, in terms of Section 219(1)(b)(iv) of the Companies Act, 1956, the Annual Report is being sent to the Shareholders excluding the statement of particulars under section 217(2A). The said statement is available for inspection at the registered office of the Company during working hours and a copy of the same may be obtained by writing to the Company at its registered office.

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and outgo

Information in accordance with the provisions of Section 217(1) (e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988.

A. Conservation of Energy

The operations of your Company are not energy-intensive. However, significant measures are taken to reduce energy consumption by using energy efficient

equipment. We regularly evaluate and use new energy efficient technologies and make necessary investment in these equipment to make our infrastructure more energy-efficient.

B. Technology Absorption

Your Company possesses an in-house research and development wing, which is continuously working towards more efficient jewellery production, improved processes and better designs. Your Company has not imported any technology for its manufacturing process and therefore, the question of adaptation/absorption does not arise.

C. Foreign Exchange Earnings and Outgo

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

Appreciation

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.

The Board wishes to express appreciation and place on record its gratitude for the faith reposed in and cooperation extended to the Company by the Government, various government departments / agencies, financial institutions, banks, customers, suppliers and investors of the Company. Your Directors also place on record their appreciation for the dedicated and sincere services rendered by the employees at all levels towards the continued growth and prosperity of the Company

Place: Jaipur
Date : 10th July, 2013

For and on behalf of the Board of Directors

Sunil Agrawal
Chairman



Annexure I : VGL ESOP (AS AMENDED) 2006

No.	Item of Disclosure	Remarks														
(a)	Options Granted	During the year, 4,77,000 Stock Options granted at an exercise price of ₹ 45.30 per stock option.														
(b)	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.														
(c)	Options Vested	5,10,524														
(d)	Options exercised	3,65,728														
(e)	The total number of shares arising as a result of exercise of option	3,65,728														
(f)	Options lapsed (reissuable)	1,17,675														
(g)	Variation of terms of options	Repricing of 41,324 stock options granted on 6 th January, 2007 and 27 th July, 2007 respectively to ₹ 45.30 from original exercise price of ₹ 240 and ₹ 202 respectively.														
(h)	Money realized by exercise of options	₹ 84,95,403.40														
(i)	Total number of options in force	5,39,921														
(j)	Employee wise details of options granted :															
	(i) Senior Managerial Personnel;	<table border="1"> <thead> <tr> <th>Name of the Employee</th> <th>No. of Stock Options</th> </tr> </thead> <tbody> <tr> <td>Sri Burugapalli</td> <td>19,358</td> </tr> <tr> <td>Gerald Tempton</td> <td>19,104</td> </tr> <tr> <td>Atul Agarwal</td> <td>14,010</td> </tr> <tr> <td>Nitin Dugar</td> <td>9,679</td> </tr> <tr> <td>Praveen Tiwary</td> <td>7,898</td> </tr> <tr> <td>Shanon Bacton</td> <td>7,164</td> </tr> </tbody> </table>	Name of the Employee	No. of Stock Options	Sri Burugapalli	19,358	Gerald Tempton	19,104	Atul Agarwal	14,010	Nitin Dugar	9,679	Praveen Tiwary	7,898	Shanon Bacton	7,164
Name of the Employee	No. of Stock Options															
Sri Burugapalli	19,358															
Gerald Tempton	19,104															
Atul Agarwal	14,010															
Nitin Dugar	9,679															
Praveen Tiwary	7,898															
Shanon Bacton	7,164															
	(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														
(k)	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.	As disclosed in the Financial Statements of the Company														



MANAGEMENT DISCUSSION AND ANALYSIS

Industry Structure and Developments

Vaibhav Global Limited (VGL) is a global retailer of fashion jewelry and lifestyle accessories on its Home TV and e-commerce platforms. It operates live electronic retail channels in the US and UK from Austin, Texas and London respectively. The market for fine and fashion jewelry and lifestyle accessories in these markets is estimated to be almost \$ 100 billion, with 10% of this value delivered from TV/electronic commerce platforms.

While economic growth in these developed economies has remained subdued following the global financial crisis, prospects are now expected to remain relatively more stable than previous forecasts. Within the retail sales framework in both the US and UK, electronic commerce has gained prominence and captured increasingly higher marketshare, a trend that is expected to continue in the future as well. The US electronic commerce market is expected to grow at double digits over the next few years. The largest player in the US and UK is QVC (a subsidiary of Liberty Media), whose turnover in these two markets is \$ 6.5 billion. 17% of this revenue is contributed by the jewelry segment and another 25% from lifestyle products, highlighting the scale up potential in the segment. HSN, another significant player in this market, has revenues of \$ 2 billion of which 18% is from the jewelry segment and 25% from lifestyle products.

Business Overview

VGL, a professionally managed end-to-end vertically integrated electronic retailer, operates dedicated live shopping television channels in the US and UK from Austin, Texas and London respectively. The Company has extended its fashion jewelry portfolio to include lifestyle accessories. In addition, the direct customer access on the Home TV platform has been expanded to reach over 100 million homes in the US, UK and Canada. The Company has outsourcing operations across China, Thailand and Indonesia and manufacturing operations in Jaipur, India. The Company is now focused on growing market share and will continue to re-invest in various initiatives that drive shareholder value over the long term. Continuous innovation across all aspects of its operations has supported its sustained business performance and VGL is steadily progressing to meet its objective of becoming a significant player in e-commerce.

The Company is fully committed to its mission, vision and core values and building a knowledge reservoir

for future sustainability.

Industry SWOT Analysis

Strengths

- Only vertical end-to-end business model in the entire Electronic Retail industry across the US and UK, allowing strong growth momentum, expanding marketshare, stable margins and robust cash flows that are supported by the fastest time-to-market for any new product introduction.
- Success in building own brands, such as ILIANA, Rhapsody, J Francis, FH, Karis and Elanza, which have gained recognition within our registered customer base of over one million in the US and UK.
- Low cost operation at both retail as well as manufacturing levels.
- Highly scalable business model with limited capex requirement.
- Strong managerial and talent pool across operations, technical and strategy functions.
- Promoters have vast industry experience and in-depth knowledge.
- Independent and experienced Board of Directors.
- ISO 9001-2008 certified world-class gems and jewelry manufacturing facility.
- Efficient sourcing units that allow expansion in other product categories.

Weaknesses

- Exposure to foreign exchange and raw material price fluctuations.
- Organizational development processes at relatively early phase.

Opportunities

- Large potential of expanding revenue per household on the existing 100 million households already accessed in the US and UK.
- Potential to acquire another 40 million households.
- Electronic retail segment is growing faster than overall retail segment and GDP in target markets.
- Further strengthening manufacturing base with latest manufacturing and product development technologies.



- Further strengthening the low price point 'discount' model in both the US and UK markets, which may receive stronger traction in prevailing weak economic conditions in addition to growth prospects as the cycle recovers.
- Potential to replicate end-to-end discount electronic retail business model in other countries.

Threats

- Increasing prices of rough gemstones.
- Volatility in silver and brass prices.
- New competitors coming up or existing competitors adopting our low cost end-to-end business model.

Outlook

The Company is optimistic on its growth through continued same household sales as well as network expansion across the US and UK by strengthening its market positioning, sustained investment in brands and introduction of new products. Once we have achieved reasonable market share in current markets, we will explore expansion into other developed and developing markets.

Risk and Concerns

Risks and challenges are inherent in any type of industry and need to be mitigated through well planned strategies. As a responsible company, VGL endeavors to minimize risks and maximize returns. The slowing global economy, increasing costs of borrowing, sharp currency fluctuations etc. and their resultant impact on consumer sentiment are the key risks impacting future consumer demand for the products across all categories.

The Company is constantly working on taking appropriate measures to de-risk itself from foreign exchange and various other risks. Early risk identification along with appropriate measures has enabled VGL to reconcile creativity with industry. The Company aims to address the opportunities offered and threats posed by its business environment strategically by creating a sustainable business model capable of delivering growth across stages of the economic cycle.

Internal Control System and their Adequacy

VGL remains committed to formulate effective and comprehensive internal control systems that provide reasonable assurance on authorizing, recording and reporting transactions of its operations in all material respects. The focus is on safeguarding against

misuse or loss of the assets of the Company. Internal Control facilitates accurate and timely compilation of financial statements and management reports to ensure the regularity of statutory compliances by ensuring high standards of governance.

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

Material Developments in Human Resource/ Industrial Relations front including number of people employed

Development is a core aspect of the Company's approach to human capital. During the financial year 2012-13, the Company primarily focused on retaining its employees and further improving their competencies. The core of achieving business excellence lies in a dedicated and talented employee base. The first step towards this is attracting the right talent through our streamlined and structured recruitment process. We have structured systems for performance management and for planning individual Human Resources development with a vision of creating a wealth of high performance employees.

The Company has introduced a suggestion scheme reward program for rewarding the employees. The Company has been providing ongoing training to its employees at different levels using both in-house and external faculty and resources.

The success and milestones achieved during this year have been made possible due to the committed efforts of our employees and robust systems and processes across the organization.

The Company's employee base as on 31st March 2013 was 1376.

Disclaimer Clause

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

**CORPORATE GOVERNANCE REPORT****1. Philosophy on Code of Corporate Governance**

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

Corporate Governance is an integral part of the philosophy of the Company in its pursuit of excellence, growth and value creation. The Company recognises that good governance is a continuing exercise and reiterates its commitment to pursue highest standards of Corporate Governance in the overall interest of its stakeholders.

2. Board of Directors**Composition**

The Board of the Company has an optimum combination of Executive and Independent Non Executive Directors. Currently, there are seven Directors on the board of the Company. All Independent Directors are persons of eminence and bring a wide range of expertise and experience to the

Board thereby ensuring the best interest of stakeholders and the Company.

The Board meets once in every quarter to review the quarterly results and other items of the agenda and if necessary, additional meetings are held as and when required. The gap between two meetings did not exceed four months. The Board is apprised and informed of all important information relating to the business of the company and the agenda together with all papers are sent in advance to all Directors to enable the Board to discharge and take informed decisions. During the Financial Year ended 31st March 2013, the Board met ten times on 2nd April 2012, 17th May 2012, 29th May 2012, 31st July 2012, 13th August 2012, 12th October 2012, 12th November 2012, 2nd January 2013, 14th February 2013 and 28th March 2013.

The table below sets out details of name, categories of Directors, their attendance at each Board Meeting held during the year last AGM and the number of other Board or Committees in which the Directors are members or Chairperson:

Name of the Director	Category	Attendance		No. of Directorship and Committees Membership / Chairmanship		
		Board Meeting	Last AGM	Other Directorship***	Committees Membership including Vaibhav Global Limited****	Committees Chairmanship including Vaibhav Global Limited
Mr. Sunil Agrawal	Chairman and Non-Executive Director	7	Yes	1	Nil	Nil
Mr. Rahimullah	Managing Director	10	Yes	1	1	Nil
Mr. Anandi Lal Roongta *	Independent Non-Executive Director	6	Yes	NA	NA	NA
Mr. Mitha Lal Mehta	Independent Non-Executive Director	9	No	Nil	Nil	Nil
Mr. Surendra Singh Bhandari	Independent Non-Executive Director	10	No	3	2	1
Mr. Nirmal Kumar Bardiya	Non-Independent Non-Executive Director	7	No	9	Nil	Nil
Mrs. Sheela Agrawal	Non Independent Non-Executive Director	8	Yes	2	Nil	Nil
Mr. Santosh Madan **	Nominee Director	2	NA	Nil	Nil	Nil



- * Resigned w.e.f 23rd January, 2013
- ** Appointed as a Nominee Director w.e.f 21st September, 2012.
- *** The Directorship held by Directors as mentioned above, do not include Directorship in Foreign and Private Companies.
- **** Chairmanships / Memberships of Audit Committee, Shareholders' / Investors' Grievance Committee of all Public Limited Companies have been considered.

3. Committees of the Board

Audit Committee

The composition, powers, role and terms of reference of the Audit Committee covers the areas as contemplated under Clause 49 of the Listing Agreement and Section 292A of the Companies Act, 1956. The purpose of the audit committee is to ensure the objectivity, credibility and correctness of the Company's financial reporting and disclosure processes, internal controls, risk management policies and processes, tax policies, compliance and legal requirements and associated matters. In particular, these include :

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditors and the fixation of audit fees.
3. Approval of payment to statutory auditor for any other services rendered by the statutory auditors.
4. Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:
 - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (2AA) of Section 217 of the Companies Act, 1956
 - b. Changes, if any, in accounting policies and practices and reasons for the same.
 - c. Major accounting entries involving estimates based on the exercise of judgment by management
 - d. Significant adjustments made in the

financial statements arising out of audit findings

- e. Compliance with listing and other legal requirements relating to financial statements
 - f. Disclosure of any related party transactions
 - g. Qualifications in the draft audit report.
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval
 - 5A. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
 6. Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems.
 7. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
 8. Discussion with internal auditors of any significant findings and follow up there on.
 9. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
 10. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
 11. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.
 12. To review the functioning of the Whistle Blower mechanism.
 - 12A. Approval of appointment of CFO (i.e., the



whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.

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

Composition, name of Chairperson and Members

The Audit Committee of the Company consists of three Non Executive Directors out of which two are Independent Directors . The Committee is headed by Mr. S.S. Bhandari. During the year, six meetings of Audit Committee held on 29th May 2012, 13th August 2012, 12th November 2012, 2nd January 2013, 14th February 2013 and 28th March 2013. The table below sets out the composition and attendance at Audit Committee meetings as on 31st March 2012 :

Name of the Director	Position Held in the Committee	No of Meetings Attended
Mr. Surendra Singh Bhandari	Chairman	6
Mr. Anandi Lal Roongta *	Member	2
Mr. Mitha Lal Mehta	Member	5
Mr. Nirmal Kumar Bardiya	Member	3

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

* Resigned w.e.f 23rd January, 2013.

Remuneration Committee

a. Terms of reference , Composition, name of members and Chairperson

The Remuneration Committee of the Board of Directors has been constituted to recommend/ review the remuneration package of the whole time Directors. The Committee consists of three Non-Executive Directors out of which two are Independent Directors. The Committee is headed by Mr. Mitha Lal Mehta.

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

- i) Recommend to the Board, the remuneration including salary, perquisites and commission to be paid to the company's Managing Director and Whole-time Directors.
- ii) Finalize the perquisites package of the Managing Director and Whole-time Directors within the overall ceiling fixed by the Board.
- iii) Recommend to the Board, retirement benefits to be paid to the Managing Director and Whole-time Directors under the retirement benefit guidelines adopted by the Board.

b. Remuneration Policy

(A) Whole time Directors

The Whole Time Director is paid remuneration within the range approved by the Board of Directors / Remuneration Committee which is further approved by the Company in General Meeting. The remuneration is decided considering various factors such as qualification, experience, expertise and capability of the appointee, his contribution to the Company's growth, remuneration prevailing in the industry, financial position of the Company, etc.

(B) Non-Executive Directors

The Non-Executive Directors are paid remuneration by way of sitting fees for attending each meeting of Board of Directors and Committee thereof.

During the year under review, the Committee meeting held on 31st July, 2012.

The table below sets out the composition and attendance at Remuneration Committee meeting as on 31st March 2013 :

Name of the Director	Position Held in the Committee	No of Meetings Attended
Mr. Mitha Lal Mehta	Chairman	1
Mr. Anandi Lal Roongta *	Member	1
Mr. Surendra Singh Bhandari	Member	1
Mr. Nirmal Kumar Bardiya	Member	1



* Resigned w.e.f 23rd January, 2013.

Details of Remuneration, Sitting fees, etc. paid to all the Directors for the year ended 31st March, 2013 are given hereunder :

Remuneration of Directors during 2012-2013

Name of the Director	Sitting Fees	Remuneration	Shares held as on 31.03.13
Mr. Sunil Agrawal	Nil	NA	28,140
Mr. Anandi Lal Roongta*	1,30,000	NA	1,787
Mr. Mitha Lal Mehta	1,60,000	NA	Nil
Mr. Nirmal Kumar Bardiya	1,20,000	NA	14,26,500
Mr. Surendra Singh Bhandari	1,90,000	NA	Nil
Mr. Rahimullah	NA	42,00,000	14,26,500
Mrs. Sheela Agrawal	70,000	NA	21,501
Mr. Santosh Madan	20,000	NA	NIL

* Resigned w.e.f 23rd January, 2013.

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

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 and to administer the stock option scheme of the Company. The Committee comprises of two Non-Executive Independent Directors namely Mr. Mitha Lal Mehta, Mr. Surendra Singh Bhandari & one Non-Executive Non-Independent Director, Mr. Nirmal Kumar Bardiya. The Committee is headed by Mr. Mitha Lal Mehta.

The Committee's meeting held on 2nd April, 2012 and 23rd July 2012.

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

Shareholders' / Investors' Grievance Committee

An Investors' Grievance Committee was set up specifically to look into the expeditious redressal of Investors' complaints. The Committee consists of one Non Executive Independent Directors namely Mr. Surendra Singh Bhandari and the Managing Director of the Company, Mr. Rahimullah as member. The terms of reference of the Committee include redressal of shareholders' and investors' complaints like issue of duplicate share certificates, non-receipt of balance sheet, non-receipt of declared dividends etc.

During the year under review, the Committee met on 28th March, 2013.

Attendance of members at Shareholders' / Investors' Grievance Committee meeting held during the year 2012-13 :



Name of the Director	Position Held in the Committee	No of Meetings Attended
Mr. Anandi Lal Roongta*	Chairman	NA
Mr. Surendra Singh Bhandari	Member	1
Mr. Rahimullah	Member	1

* Resigned w.e.f 23rd January, 2013.

Name and Designation of the Compliance Officer

Mr. Brahm Prakash Company Secretary and Manager Legal

Details of Shareholders' / Investors' Complaints Received

The company received 5 complaints during year 2012-13, which was resolved immediately and there is no pending complaint at the end of the Year.

4. General Body Meetings

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

Year	Date	Time	Venue	No. of Special Resolution (s) Passed
2009-10	30 th September 2010	11:00 A.M.	E-69, EPIP, Sitapura, Jaipur - 302 022	Nil
2010-11	30 th September 2011	11:00 A.M.	E-69, EPIP, Sitapura, Jaipur - 302 022	4
2011-12	29 th September 2012	11:00 A.M.	E-69, EPIP, Sitapura, Jaipur - 302 022	1

Special Resolution through Postal ballot

During the period under review, the following resolutions were passed through postal ballot :

- a) Name Change of the Company
- b) Commencement of new business of the Company
- c) Alteration in the main object clause of Memorandum of Association of the Company

Further, no special resolution is proposed to be passed through postal ballot.

5. Disclosures

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

conflict with the interest of the company.

- (ii) There were no non-compliance / strictures, penalty imposed on the Company by Stock Exchange (s) or SEBI or any statutory authority on any matters related to capital market during the last three years.
- (iii) As on date of reporting, the company has not adopted any Whistle Blower Policy. However, 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 with Bombay Stock Exchange (BSE) and National Stock Exchange (NSE) relating to Corporate Governance and included all suggested item in the Report on Corporate Governance.



- (v) Further, the Company has adopted following non-mandatory requirements :

Remuneration Committee of the Board of Directors of the Company has been set up and the particulars of the Committee are given in the Report itself.

6. Means of Communication

- (i) Financial Results of the Company are immediately provided to Stock Exchanges for dissemination to the shareholders by way of displaying on their official websites i.e www.bseindia.com and www.nseindia.co.in.
- (ii) Financial Results are published in leading Local & National newspapers such as Jansatta (New Delhi) and Financial Express (All Editions).
- (iii) Financial Results are also displayed on the website of the Company i.e www.vaibhavglobal.com
- (iv) Official news releases, if any, are published in leading newspapers and displayed at www.vaibhavglobal.com
- (v) Presentation was made to Analysts during the year under review.

7. General Shareholder Information

- (i) **Annual General Meeting :**
Date and time- 14th August, 2013; Time : 11.00 am
Venue- E-69, EPIP, Sitapura, Jaipur - 302022
- (ii) **Financial Year-** 1st April, 2012 to 31st March, 2013
- (iii) **Date of Book Closure-**
8th Aug., 2013 to 14th Aug., 2013
- (iv) **Dividend Payment Date : NA**
- (v) **Stock Exchanges where Equity Shares are listed and Stock code:**
BSE Limited,
Phiroze Jeejeebhoy Towers, Dalal Street,
Mumbai-400001
Stock 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

Stock Code: VAIBHAVGBL

ISIN Code no.: INE884A01019

Listing of Global Depository Receipts at Luxembourg Stock Exchange

11, Av de la Porte-Neuve, L-2227
Luxembourg

ISIN Code: US9187661064

(vi) Listing Fees to Stock Exchanges

The Company has paid listing fees in respect of financial year 2013-2014 to BSE Ltd. and National Stock Exchange of India Limited.

(vii) Custodial Fees to Depository

The Company has paid custodial fees for the Financial year 2013-2014 to National Securities Depository Limited and Central Depository Services (India) Limited.

(viii) Registrar & Share Transfer Agent:

Karvy Computershare (P) Limited, Plot No.17-24 Vittal Rao Nagar, Madhapur, Hyderabad - 500 081. Andhra Pradesh, India Tel: 040-23420815 / 23420828

(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 Share Transfer Committee meeting 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, 2013 is as under :

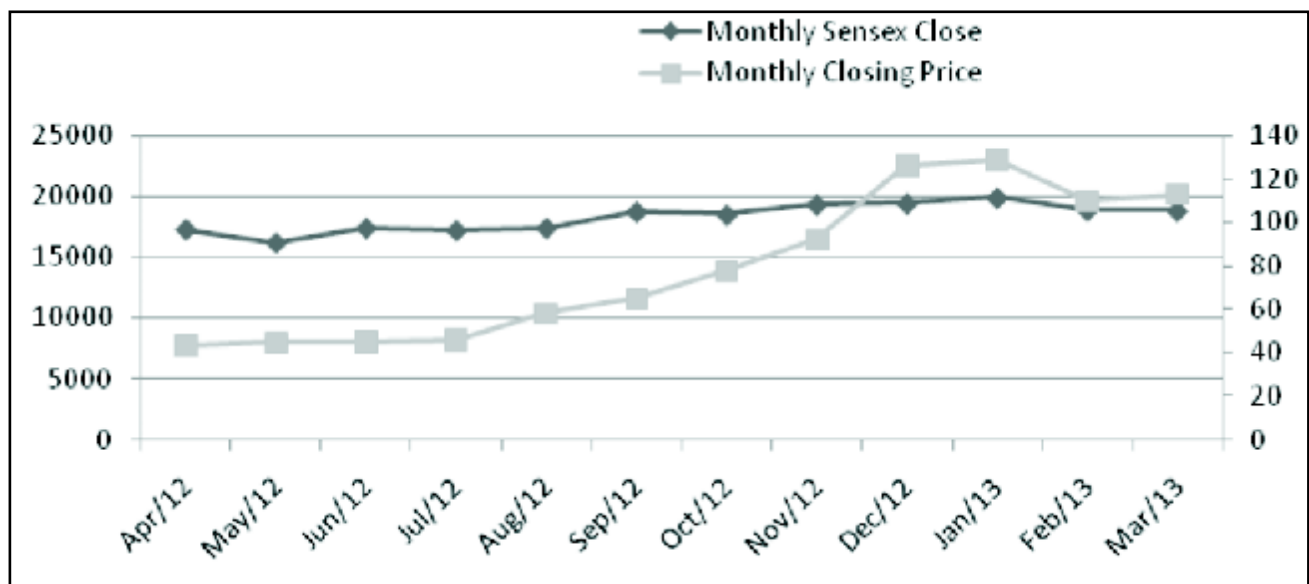


Mode	No. of Shares	% age
Physical Form	91,438	0.29%
NSDL	3,02,79,843	94.44%
CDSL	1,69,2,920	5.28%
Total	3,20,64,201	100.00%

(xi) Market Price Data

Month	VGL Price at BSE (In ₹)		VGL Price at NSE (In ₹)	
	High Price	Low Price	High Price	Low Price
April 2012	46.50	41.00	48.70	39.15
May 2012	46.75	37.00	46.80	40.25
June 2012	53.50	41.50	51.80	42.10
July 2012	49.00	40.00	48.80	43.05
August 2012	69.50	45.00	69.70	45.10
September 2012	66.80	47.80	67.00	47.05
October 2012	82.50	62.00	82.15	61.95
November 2012	124.90	75.45	125.00	75.00
December 2012	126.50	77.10	127.05	77.20
January 2013	151.20	116.15	151.40	114.10
February 2013	135.35	108.80	132.00	107.00
March 2013	124.90	84.95	124.05	83.95

Performance of the Company's Shares in comparison to BSE Sensex :



**(xii) Distribution of Shareholding****a. Distribution of Shareholding as on 31st March, 2013**

Sr. no	No. of Equity Shares	Number of Shares	% of Share holding	Number of Shareholders
1	1 - 5000	4,05,770	1.27	3457
2	5001 - 10000	2,31,021	0.72	292
3	10001 - 20000	2,35,439	0.73	154
4	20001 - 30000	1,54,614	0.48	60
5	30001 - 40000	1,28,694	0.40	36
6	40001 - 50000	1,73,540	0.54	37
7	50001 - 100000	4,68,489	1.46	65
8	100001 and Above	3,02,66,634	94.40	82
	Total	3,20,64,201	100.00	4183

b. Categories of Shareholders as on 31st March, 2013

Category	No. of Shares	% Holding
Indian Promoters	1,14,09,396	35.58%
Foreign Promoters	15,63,040	4.87%
FII's	41,11,100	12.82%
Corporate Bodies	19,29,367	6.02%
Individuals	30,49,112	9.51%
NRIs	12,37,785	3.86%
Others		
(i) Clearing Members	14,401	0.04%
(iii) Shares underlying GDR	87,50,000	27.29%
Total	3,20,64,201	100.00%

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

CITI Bank N.A.(MUMBAI) Trent House, 3rd Floor, G Block, Plot No. 60, Bandra Kurla Complex, Bandra (East) Mumbai – 400051

(xiv) Plant Locations

The Company 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
- Unit No. 186-A, SDF- VI, SEEPZ (SEZ), Andheri (East), Mumbai-400096

(xv) Branch Office

- 905 / 304, Panchratna, Opera House,

Mumbai – 400004

(xvi) Address for Correspondence

In case of any problem / query, Shareholders may write to the following :

Mr. Brahm Prakash : Company Secretary
Registered Office Address: K-6 B, Fateh Tiba, Adarsh Nagar, Jaipur - 302004
Phone: 91-141-2770648
Fax : 91-141-2770510

Email : brahm.prakash@vaibhavglobal.com

(xvii) Other useful information to 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 109A of the Companies Act, 1956 extends nomination facility to individuals holding shares in physical form in companies. Shareholders, in particular those holding shares in single name, may avail of the above facility by furnishing the particulars of their nominations in the prescribed Nomination Form.

- Shareholders are requested to give us their valuable suggestions for improvement of our investor services.
- Shareholders are requested to quote their e-mail Ids, telephone / fax numbers for prompt reply to their communication.

8. Risk Management

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

9. Management Discussion and Analysis

The Management Discussion and Analysis Report is provided elsewhere in the Annual Report.

10. CEO / CFO Certification

The CEO and CFO certification on the financial statements for the financial year ended 31st March 2013 is enclosed at the end of this report.

11. Auditors' Report on Corporate Governance

As required by Clause 49 of the Listing Agreement, the Auditors' certificate is provided elsewhere in the Annual Report

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

The Company has laid down a code of conduct for the members of the board and senior management personnel of the Company. The code of conduct has been posted on the Company's website i.e www.vaibhavglobal.com. The code of conduct has been circulated to all the members of the board and senior management personnel and they have affirmed their compliance with the said code of conduct for the financial year ended 31st March, 2013. A declaration to this effect signed by Mr. Rahimullah, Managing Director of the Company is appended at the end of this report.

13. Code for prevention of Insider Trading Practices

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



CEO and CFO Certification

**The Board of Directors,
Vaibhav Global Limited,
Jaipur.**

1. We have reviewed the financial statements and the cash flow statement for the year ended 31st March, 2013 and that to the best of our knowledge and belief :
 - (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
 - (ii) These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
2. There are, to the best of our knowledge and belief, no transactions entered into by the company during the year 2012-2013 which are fraudulent, illegal or violative of the company's code of conduct.
3. We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and have disclosed to the auditors and the Audit Committee, deficiencies of which we are aware, in the design or operation of the internal controls, and that we have taken the required steps to rectify these deficiencies.
4. We have indicated to the auditors and the Audit committee that:
 - (i) There are no significant changes in internal control over financial reporting during the year;
 - (ii) There are no significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - (iii) There are no instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

**Rahimullah
Managing Director**

**Anshuman Khandelwal
Sr. Manager Finance & Accounts**

Place : Jaipur
Date : 18th May, 2013



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 2012-13.

Place : Jaipur
Date : 10th July, 2013

Rahimullah
Managing Director



Auditors' Certificate on Corporate Governance

The Members

Vaibhav Global Limited
Jaipur

We have examined the compliance of conditions of Corporate Governance by "Vaibhav Global Limited" for the year ended 31st March 2013, as stipulated in clause 49 of the Listing Agreement of the said Company with stock exchanges.

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

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement.

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

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

Chetan Desai
Partner
Membership No. 17000

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

Sandeep Mundra
Partner
Membership No. 75482

Place: Jaipur
Date : 10th July, 2013



INDEPENDENT AUDITORS' REPORT

To the Members of Vaibhav Global Limited

(formerly known as Vaibhav Gems Limited)

Report on the Financial Statements

We have audited the accompanying financial statements of Vaibhav Global Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2013, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

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

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- (b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Emphasis of Matter

We draw attention to

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



- b) Note No. 34 on the accounts. As explained therein, exposure of the Company to three foreign subsidiaries whose net worth is negative aggregating Rs. 548.10 crores against which no provision in excess of Rs. 165.38 crores is considered necessary by the management.
- c) Note No. 27 a & 27 b on the accounts. As explained therein, based on valuation report of by an independent valuer, the management has written off an amount of Rs. 163.21 crores / written back provision amounting to Rs. 183.36 crores against investments by way of equity and loans in certain subsidiaries.

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

Report on Other Legal and Regulatory Requirements

- 1. As required by the Companies (Auditors' Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the Order.
- 2. As required by section 227(3) of the Act, we report that:
 - a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c. the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d. in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
 - e. on the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

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

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

Chetan Desai
Partner
Membership No. 17000

Sandeep Mundra
Partner
Membership No. 75482

Jaipur 18th May, 2013

Jaipur 18th May, 2013



ANNEXURE TO AUDITORS' REPORT

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report of even date to the members of Vaibhav Global Limited on the financial statements for the year ended March 31, 2013]

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets upto March 31, 2012. We are informed that entries for subsequent additions/deletions are under compilation.
- (b) The fixed assets of the company have been physically verified by the management during the year. In absence of complete fixed assets register we are unable to comment on discrepancies between the book records and the physical inventory. In our opinion, the frequency of verification is reasonable.
- (c) In our opinion and according to the information and explanations given to us, a substantial part of fixed assets has not been disposed of by the company during the year.
- (ii) (a) The inventory has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable.
- (b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) On the basis of examination of inventory records, we are of the opinion that the Company is maintaining proper records of inventories. As informed no material discrepancies were noticed on physical verification carried out at the end of the year as compared to book records.
- (iii) (a) The Company has granted unsecured interest free loans to four companies covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs. 16,293 lacs and the year-end balance was Rs. 16,293 lacs.
- (b) In our opinion and according to the information and explanations given to us, the rate of interest and other terms and conditions for such loans are not, prima facie, prejudicial to the interest of the Company.
- (c) The terms of recovery of the loan made have not been stipulated and so we are not in a position to make specific comment as regard to the repayment of the principal amount to the Company.
- (d) As informed to us, there is no overdue amount of loans granted to companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956.
- (e) The Company had taken loan from four companies covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs. 960 lacs and the year-end balance of loans taken from such parties was Rs. 960 lacs.
- (f) As informed to us and in our opinion other terms and conditions for such loans are prima facie not prejudicial to the interest of the Company.
- (g) As informed to us there were no principal amounts due during the year for these loans.
- (iv) In our opinion and according to the information and explanations given to us, there exists an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of inventory, fixed assets and with regard to the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct weakness in internal control system of the company.
- (v) (a) According to the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the Companies Act, 1956 that need to be entered into the register maintained under section 301 have been so entered.
- (b) As informed to us, due to the peculiar nature of goods sold/purchased, no comparables for prevailing market prices are available and the ascertainment of the same involves technical judgment. In absence of information relating to the prevailing market prices we are unable to comment whether the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Act and exceeding the value of rupees five lacs in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.



- (vi) In our opinion and according to the information and explanations given to us, the company has not accepted any deposits from the public within the meaning of Sections 58A and 58AA of the Act and the rules framed there under.
- (vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (viii) We have broadly reviewed the books of account maintained by the company in respect of products where, pursuant to the Rules made by the Central Government of India, the maintenance of cost records has been prescribed under clause (d) of sub-section (1) of Section 209 of the Act and we are of the opinion that prima facie, the prescribed accounts and records have been made and maintained.
- (ix) (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, cess and other material statutory dues applicable to it.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, investor education and protection fund, employees' state insurance, income-tax, wealth-tax, service tax, sales-tax, customs duty, excise duty, cess and other undisputed statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (c) According to the records of the Company, the dues outstanding of income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty and cess on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount Rs.	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	3,880,370	Asst. Yr. 2007-2008	CIT (Appeals)
Central Excise Act	Excise Duty	64,226,582	2001-02 to 2009-10	Commissioner Central Excise

- (x) The company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the current and immediately preceding financial year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
- (xii) According to the information and explanations given to us and based on the documents and records produced to us, the company has not granted loans & advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause (xiii) of paragraph 4 of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- (xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause (xiv) of paragraph 4 of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, the terms and conditions of the guarantees given by the company, for loans taken by others from banks or financial institutions during the year, are not prejudicial to the interest of the company.
- (xvi) The Company has not obtained any term loans during the year.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment.



- (xviii) According to the information and explanation given to us, the Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956.
- (xix) The Company did not have any outstanding debentures during the year.
- (xx) The Company has not raised money by way of public issue during the year.
- (xxi) During the course of our examination of the books and records of the company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the company, noticed or reported during the year, nor have we been informed of such case by the management.

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

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

Chetan Desai
Partner
Membership No. 17000

Sandeep Mundra
Partner
Membership No. 75482

Jaipur 18th May, 2013

Jaipur 18th May, 2013



Balance Sheet as at 31st March, 2013

Particulars	Note No.	As at 31st March, 2013 (₹)	As at 31st March, 2012 (₹)
<u>EQUITY AND LIABILITIES</u>			
Shareholders' Funds			
Share Capital	2	760,642,010	756,984,730
Reserves And Surplus	3	3,572,626,028	3,044,922,101
		4,333,268,038	3,801,906,831
Non-Current Liabilities			
Long-Term Borrowings	4	477,015,659	655,193,591
Long-Term Provisions	5	12,691,507	14,505,691
		489,707,166	669,699,282
Current Liabilities			
Short-Term Borrowings	6	654,938,077	618,628,717
Trade Payables	7	186,264,336	195,443,049
Other Current Liabilities	8	338,654,724	220,514,969
Short-Term Provisions	9	5,987,168	2,017,340
		1,185,844,305	1,036,604,075
Total		6,008,819,509	5,508,210,188
<u>ASSETS</u>			
Non-Current Assets			
Fixed Assets			
Tangible Assets	10	161,122,182	129,944,398
Capital Work-In-Progress	10	276,245	409,008
Non-Current Investments	11	2,149,421,944	2,583,488,760
Deferred Tax Assets (Net)	12	1,640,420	2,609,260
Long-Term Loans and Advances	13	1,620,780,855	713,630,093
		3,933,241,646	3,430,081,519
Current Assets			
Inventories	14	874,203,198	742,652,925
Trade Receivables	15	970,409,973	1,216,285,589
Cash and Bank Balances	16	183,061,460	90,592,911
Short-Term Loans and Advances	17	47,412,181	28,249,124
Other Current Assets	18	491,051	348,120
		2,075,577,863	2,078,128,669
Total		6,008,819,509	5,508,210,188
Significant Accounting Policies	1		

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

As per our attached report of even date

For and on behalf of the Board

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

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

RAHIMULLAH
Managing Director

CHETAN DESAI
Partner
M.No.: 17000

SANDEEP MUNDRA
Partner
M.No.: 075482

SHEELA AGRAWAL
Director

Jaipur, 18th May, 2013

BRAHM PRAKASH
Company Secretary



Statement of Profit & Loss for the year ended 31st March, 2013

Particulars	Note	Year ended 31st March, 2013 (₹)	Year ended 31st March, 2012 (₹)
REVENUE			
Revenue From Operations	19	2,491,282,835	1,766,854,872
Other Income	20	83,705,813	122,427,123
Total		2,574,988,648	1,889,281,995
EXPENSES			
Cost of Materials Consumed	21	1,730,219,548	1,260,202,664
Purchases of Stock-In-Trade	22	16,981,276	33,803,302
Changes in Stock-In-Trade	23	(17,773,548)	(19,572,043)
Employee Benefits Expense	24	224,414,693	162,544,507
Finance Costs	25	116,563,254	119,370,041
Depreciation and Amortization Expense	10	21,940,060	15,269,373
Other Expenses	26	308,490,413	171,706,994
Total		2,400,835,696	1,743,324,838
Profit Before Exceptional Items and Tax		174,152,952	145,957,157
Exceptional Items	27	89,810,265	(2,730,000)
Profit Before Tax		263,963,217	143,227,157
Tax Expense:			
(1) Current Tax		53,353	1,014,140
(2) Earlier Years Tax		(876,284)	21,526
(3) Deferred Tax Charges/(Credits)	12	968,840	1,257,307
		145,909	2,292,973
Profit for the Period		263,817,308	140,934,184
Earnings Per Equity Share of Rs.10 Each (Refer Note No.39)			
Basic (Rs.)		8.16	4.31
Diluted (Rs.)		8.08	4.29
Significant Accounting Policies	1		

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

As per our attached report of even date

For and on behalf of the Board

For HARIBHAKTI & CO.

Chartered Accountants

F.R. No.: 103523W

For B. KHOSLA & CO.

Chartered Accountants

F.R. No.: 000205C

RAHIMULLAH
Managing Director

CHETAN DESAI

Partner

M.No.: 17000

SANDEEP MUNDRA

Partner

M.No.: 075482

SHEELA AGRAWAL

Director

Jaipur, 18th May, 2013

BRAHM PRAKASH
Company Secretary



Cash Flow Statement for the Year ended 31st March, 2013

Particulars	Year ended 31st March, 2013 (₹)	Year ended 31st March, 2012 (₹)
A. Cash Flow from Operating Activities		
Net Profit before Tax and Exceptional Items	174,152,952	143,227,157
Adjustment for :		
Depreciation	21,940,060	15,269,373
Unrealised Foreign Exchange Difference	108,584,595	2,660,922
Employee Compensation Expenses	4,773,619	3,145
Loss/(Profit) on sale of Fixed Assets	1,031,546	(39,851)
Leave Encashment & Gratuity Expenses	3,116,431	2,544,626
Liability No Longer required	(756,546)	(2,143,357)
Interest and Dividend Earned	(2,423,391)	(3,536,637)
Interest paid on borrowings	106,319,513	110,340,969
Operating Profit before working Capital Changes	416,738,779	268,326,347
Adjustment for :		
Trade and other Receivables	197,848,838	123,432,210
Trade payables, Provisions, Other Current Liabilities	(1,376,500)	191,137,988
Stock-in-Trade	(131,550,273)	(86,511,250)
Cash Generated from Operations	481,660,845	496,385,295
Direct Taxes paid - Current Year	53,353	1,014,140
- Earlier Year	(876,284)	21,526
Net Cash from Operating Activities	482,483,776	495,349,628
B. Cash Flow from Investing Activities		
Purchase of Fixed Assets	(55,650,642)	(32,963,330)
Sale of Fixed Assets	1,634,016	211,000
Interest and Dividend received	2,423,391	3,536,637
Net Cash used in Investing Activities	(51,593,235)	(29,215,693)
C. Cash flow from Financing Activities		
Proceeds from / (Repayment of) Long Term Borrowings	(178,177,932)	(436,733,106)
Proceeds from / (Repayment of) Short term borrowings	(63,608,290)	33,541,418
Proceeds from Issuance of Share Capital/ Premium	8,495,403	-
Interest Paid on Borrowings	(106,319,513)	(110,340,969)
Net Cash used in Financing Activities	(339,610,332)	(513,532,657)
Net Increase in Cash and Cash Equivalents	91,280,209	(47,398,721)
Opening Balance of Cash and Cash Equivalents	75,427,086	122,825,807
Closing Balance of Cash and Cash Equivalents	166,707,295	75,427,086
Cash and Cash Equivalents Comprises		
Cash, cheques and drafts in hand	1,567,939	1,762,378
Balance with scheduled bank in current accounts	165,139,356	73,664,708
	166,707,295	75,427,086

Notes:

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

As per our attached report of even date

For and on behalf of the Board

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

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

RAHIMULLAH
Managing Director

CHETAN DESAI
Partner
M.No.: 17000

SANDEEP MUNDRA
Partner
M.No.: 075482

SHEELA AGRAWAL
Director

BRAHM PRAKASH
Company Secretary

Jaipur, 18th May, 2013



Note No.1 SIGNIFICANT ACCOUNTING POLICIES

1. Basis of Preparation of Financial Statements

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

2. Use of Estimates

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

3. Fixed Assets

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

4. Depreciation and Amortization

- a. Depreciation on Fixed Assets, other than assets acquired on lease, is being provided on written down value method at the rate and in the manner specified in Schedule XIV of the Companies Act, 1956.
- b. Assets acquired on lease is amortized over the period of lease in equal installments.
- c. Assets individually costing up to ₹ 5,000 are fully depreciated in the year of purchase.

5. Intangible Assets

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

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

6. Impairment of Assets

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

- a. the provision for impairment loss, if any, required or
- b. the reversal, if any, required for impairment loss recognized in previous periods.

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

Recoverable amount is determined

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



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

7. Borrowing Cost

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

8. Inventories

- a. Inventories are valued at lower of cost and estimated net realisable value. Cost is determined on 'First-in First-out', 'Specific Identification', or "Weighted Averages' basis as applicable. Cost of Inventories Comprises of all cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost of semi finished and finished goods are determined on absorption costing method.
- b. All raw materials purchased are simultaneously issued for production. Accordingly material-in-process includes such raw materials as well. Semi Finished Goods are goods manufactured and pending for pre-shipment inspection. Materials consumed are materials used in production of semi finished and finished goods only.
- c. Identification of a specific item and determination of estimated net realizable value involve technical judgments of the management, which has been relied upon by the Auditors.

9. Investments

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

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

10. Revenue Recognition

Sale of Goods

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

Dividend on Investment:

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

Interest Income:

Interest Income is recognized on time proportionate basis.

Commission Income:

Revenue is recognized on the accrual basis.

11. Foreign Currency Transactions

a. Initial Recognition:

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

b. Conversion:

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



companies are recorded at the exchange rates prevailing on the date of making the investments. Contingent Liabilities are translated at closing rate.

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

c. Exchange Differences:

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

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

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

12. Employee Benefits

- a. Short term and other long term employee benefits are recognized as an expense at the undiscounted amount in the statement of profit and loss of the year in which the related service is rendered.
- b. Employee's Retirement benefits are recognized as an expense in the statement of profit and loss for the year in which the employee has rendered services. The expense is recognized at the present value of the amounts payable, determined using actuarial valuation by an independent actuary using the projected unit credit method. Actuarial gains and losses in respect of post employment and other long term benefits are charged to the statement of profit and loss.
- c. In respect of Employee Stock Options, the excess of market price of shares as at the date of grant of option granted to employee (including certain employees' of subsidiaries) over the exercise price is treated as Employee Compensation Cost and amortized on a straight – line basis over the vesting period.

13. Provision for Current and Deferred Taxation

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

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

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



14. Earning Per Share

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

15. Cash and Cash Equivalents

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

16. Provision, Contingent Liabilities and Contingent Assets

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

- a. the Company has a present obligation as a result of past event,
- b. a probable outflow of resources is expected to settle the obligation and
- c. the amount of the obligation can be reliably estimated

Contingent Liability is disclosed in case of

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

Contingent Assets are neither recognized, nor disclosed.

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



Notes Accompanying to the financial statement for the year ended March 31,2013

Note No.	Particulars	As at 31st March, 2013 (₹)	As at 31st March, 2012 (₹)
----------	-------------	-------------------------------	-------------------------------

SHAREHOLDERS FUND2 **Share Capital**

a The details of Authorised, Issued, Subscribed and paid up capital are as under :-

Share Capital**Authorised**

Equity Shares of Rs. 10/- each

Unclassified Shares of Rs 100/- each

Number	Amount
41,000,000	410,000,000
4,500,000	450,000,000

Number	Amount
41,000,000	410,000,000
4,500,000	450,000,000

Issued, Subscribed and fully Paid up

Equity Shares of Rs. 10/- each

1% Redeemable Preference Shares of

Rs 100/- each

32,064,201	320,642,010
4,400,000	440,000,000
	760,642,010

31,698,473	316,984,730
4,400,000	440,000,000
	756,984,730

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

	Equity Shares	Preference shares	Equity Shares	Preference shares
Shares outstanding at the beginning of the year	31,698,473	4,400,000	31,698,473	4,400,000
Shares Issued during the year	365,728	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	32,064,201	4,400,000	31,698,473	4,400,000

c The company has one class of equity shares having a par value of Rs.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 Company has been issued 44,00,000 non Convertible 1% Redeemable Preference share in the year of 2006-07. These Preference Share are redeemable at the end of seven years from the date of allotment i.e. 31st Oct' 2006 or before at the discretion of the Board.

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

Name	No. Of Shares held	% of Holding	No. Of Shares held	% of Holding
Equity Shares				
Brett Plastics Pvt Ltd.	2554332	7.97	2554332	8.06
Shivram Properties Pvt Ltd.	5187963	16.18	-	-
Nalanda India Fund Limited	4110600	12.82	4110600	12.97
FID Funds (Mauritius) Limited	-	-	2324324	7.33
Surawell Pacific Ltd #	3175000	9.90	3175000	10.02
Heartiford Ltd #	2400000	7.48	2400000	7.57
Accelstar Investment Ltd #	3175000	9.90	3175000	10.02
Preference Shares				
Reengus Exim Pvt Ltd	1086000	24.68	1086000	24.68
Brett Plastics Pvt Ltd	2879000	65.43	2879000	65.43
STP Exim Pvt Ltd	225000	5.11	225000	5.11

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



Note No.	Particulars	As at 31st March, 2013 (₹)	As at 31st March, 2012 (₹)
----------	-------------	-------------------------------	-------------------------------

f Employee Stock Option Scheme:

During the year the Board in their meeting held on 23 July, 2012 has approved certain amendments in Employees' Stock Option Scheme (VGL ESOP – 2006) whereby issue and allotment of 750,000 new stock option was approved pursuant to approval from BSE and NSE. The company during the year granted 477,000 stock options out of 750,000 stock options as approved by Board at price of Rs. 45.30 to the eligible employees of the company and its subsidiaries. Further, the Board also approved re-pricing of 41324 stock options (under tranche A & B) to Rs. 45.30 from original exercise price of Rs. 240. and Rs. 202 respectively.

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

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

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

Particulars	VGL ESOP – 2006					Total
	A	B	C	D	E	
Exercise (Grant) Price	240	202	20.65	26.75	33.57	-
Date of Grant of Option	06.01.2007	27.07.2007	28.01.2009	29.01.2010	30.09.10	-
Vesting commences on	06.01.2008	27.07.2008	28.01.2010	29.01.2011	30.09.11	-
Options granted and outstanding as at the beginning of the year on 01.04.11	36,655	12,000	300,000	195,000	20,000	563,655
Options granted during the year*	-	-	-	-	-	-
Options lapsed during the year	7331	-	-	10,000	-	17,331
Options granted and outstanding as at the end of the year on 31.03.12	29,324	12,000	300,000	185,000	20,000	546,324

The excess of market price per share as on the date of grant of option, over the exercise price for the Stock Option granted to employees (including certain employees of the Subsidiaries), is amortized by the Company over the vesting period. The amortized value for the year and effect of re-pricing of stock options to its employees (including certain employees of the Subsidiaries) amounting to Rs. 47,73,619 (Previous year 3,145) has been charged under employee benefit during the year.



Note No.	Particulars	As at 31st March, 2013 (₹)	As at 31st March, 2012 (₹)
3	Reserves & Surplus		
A.	Capital Reserve:		
	Opening Balance	81,263,600	81,263,600
	Add: Transfer During The Year	-	-
		81,263,600	81,263,600
	Less : Written back during year	-	-
		81,263,600	81,263,600
B.	Securities Premium Account :		
	Opening Balance	5,874,020,191	5,874,020,191
	Add: Security premium received on share issue	4,838,123	-
	Add: Transfer from Employee stock option outstanding	5,407,702	-
		5,884,266,016	5,874,020,191
	Less: Premium utilised	-	-
		5,884,266,016	5,874,020,191
C.	Employee Stock Option Outstanding		
	Options granted till date	2,328,452	2,685,290
	Add : Additional Compensation on account of repricing	5,381,112	-
		7,709,564	2,685,290
	Less :Transfer to Security premium on allotment	5,407,702	-
	Less : Written off during year	750,281	356,838
	Closing Balance	1,551,581	2,328,452
	Less : Deferred Employees Compensation expenses outstanding	-	142,788
		1,551,581	2,185,664
D.	General Reserve:		
	Opening Balance	79,647,256	79,647,256
	Add: Transferred from Profit and Loss A/c	-	-
		79,647,256	79,647,256
	Less: Withdrawn during the year	-	-
		79,647,256	79,647,256
E.	Foreign Currency Translation Reserve		
	Opening Balance	128,586,739	39,328,557
	Add : Current year transfer	254,274,876	89,258,182
		382,861,615	128,586,739
	Less : Written back during year	-	-
		382,861,615	128,586,739
F.	Surplus/ (Deficit)		
	Opening balance	(3,120,781,349)	(3,261,715,533)
	Add:		
	Net Profit for the current year	263,817,309	140,934,184
	Surplus/ (Deficit)	(2,856,964,040)	(3,120,781,349)
		3,572,626,028	3,044,922,101



Note No.	Particulars	As at 31st March, 2013 (₹)		As at 31st March, 2012 (₹)	
	NON CURRENT LIABILITIES				
4	Long Term Borrowings				
a	The details of Secured or Unsecured Long Term Borrowings outstanding as at March 31,2013 are as under :-				
	Secured:				
	Term Loan from Banks				
	Corporate Loan #	176,540,000		258,020,000	
	Working Capital Term Loan #	262,475,659	439,015,659	359,173,591	617,193,591
	Unsecured:				
	Deposits (Inter corporate deposit)				
	From Related parties		38,000,000		38,000,000
			477,015,659		655,193,591

Current maturities are disclosed under other current liabilities

b Nature of Security

A. Corporate Loan :-

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

B. Working Capital Term Loan

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

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

- (i) Pledge of 254,332 equity shares of Rs. 10 each of Vaibhav Global Limited by Brett Plastic Private Limited.
- (ii) Pledge of 200 common shares with no par value of STS Jewels Inc.
- (iii) Pledge of 87,500 Ordinary Shares of HK \$100 each & assignment of loan worth USD 0.5 million to STS Gems Limited, HKK.
- (iv) Pledge of 12,576,633 equity shares of US \$ 1 each and assignment of loan worth USD 24.45 million to Genoa Jewelers Limited, BVI and;
- (v) Personal Guarantee of Mr. Sunil Agarwal, Chairman of the Company & pledge of 28140 shares in his name.

c Terms of Repayment of Term Loans

A. Corporate Loan

IDBI: Term Loan of Rs.40.74 Crore with a moratorium period of 30 months and repayable in equal monthly for installment over a period of 60 months commencing July 2011 carrying interest @ 8% p.a. upto June 2011 and @ 10 % p.a. thereafter

B. Working Capital Term Loan

Punjab National Bank : WCTL of Rs.36 Crore with a moratorium period of 30 months and repayable in equal monthly 60 instalments commencing July 2011 carrying interest @ 8% p.a. upto June 2011 and @ 10 % p.a. thereafter

State Bank of Bikaner & Jaipur: WCTL of Rs.18 Crore with a moratorium period of 30 months and repayable in equal monthly 60 instalments commencing July 2011 carrying interest @ 8% p.a. upto June 2011 and @ 10 % p.a. thereafter

Union Bank of India: WCTL of Rs.18 Crore with a moratorium period of 30 months and repayable in equal monthly 60 instalments commencing July 2011 carrying interest @ 8% p.a. upto June 2011 and @ 10 % p.a. thereafter

C. Deposits (Inter corporate deposit)

These deposits are received as a part of Promoter's contribution in terms of CDR package and not repayable before the repayment of term loan and working capital term loan repayable.



Note No.	Particulars	As at 31st March, 2013 (₹)		As at 31st March, 2012 (₹)	
5	Long Term Provisions				
	Provision For Employee Benefits:				
	Provision for Gratuity (Refer Note no. 32b)	9,322,731		11,772,339	
	Provision for Compensated Absences (Refer Note no. 32b)	3,368,776	12,691,507	2,733,352	14,505,691
			<u>12,691,507</u>		<u>14,505,691</u>
	CURRENT LIABILITIES				
6	Short Term Borrowings				
a	The details of Short- Term Borrowings as at March 31,2013 are as under :-				
	Secured:				
	Loan Repayable on demand from Banks				
	Pre-shipment Credit	383,489,120		401,498,074	
	Post-shipment Credit	213,448,957	596,938,077	217,130,643	618,628,717
	Unsecured				
	Deposit from related party		58,000,000		
			<u>654,938,077</u>		<u>618,628,717</u>
b	Nature of Security				
	Working Capital Facilities :-				
	(i) Above Loans are secured by hypothecation of Stock-in-trade and Book Debts on pari-passu basis.				
	(ii) Further Secured, on parri-passu basis, by :-				
	a. Equitable Mortgage of Land and Buildings situated at K-6A & K-6B, Adarsh Nagar and E-68 & E-69 EPIP, Sitapura, Jaipur				
	b. First charge on block of asset of the company (excluding Land & Building and vehicles)				
	(iii) Pledge of 254,332 equity shares of Rs. 10 each of Vaibhav Global Limited by Brett Plastic Private Limited.				
	(iv) Pledge of 200 common shares with no par value of STS Jewels Inc.				
	(v) Pledge of 87,500 Ordinary Shares of HK \$100 each & assignment of loan worth USD 0.5 million to STS Gems Limited, HKK.				
	(vi) Pledge of 12,576,633 equity shares of US \$ 1 each and assignment of loan worth USD 24.45 million to Genoa Jewelers Limited, BVI and;				
	(vii) Personal Guarantee of Mr. Sunil Agarwal, Chairman of the Company & pledge of 28140 shares in his name.				
7	Trade Payables				
	Trade Payables		186,264,336		195,443,048
			<u>186,264,336</u>		<u>195,443,048</u>

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



NON CURRENT ASSETS
Note 10 Fixed Assets

NAME OF ASSETS	GROSS BLOCK			ACCUMULATED DEPRECIATION			NET BLOCK			
	As at 01.04.2012	Addition	(Disposals)	As at 31.03.2013	Up to 31.3.2012	For the Year	Adjustments Due to sale of asset	Up to 31.03.2013	As at 31.03.2013	As at 31.3.2012
A. Tangible Assets										
Freehold Land	4,894,908	-	-	4,894,908	-	-	-	-	4,894,908	4,894,908
Leasehold Land	15,477,028	-	-	15,477,028	1,014,741	152,767	-	1,167,508	14,309,520	14,462,287
Building	66,572,727	1,576,271	-	68,148,998	30,889,213	3,649,693	-	34,538,906	33,610,092	35,683,514
Plant & Machinery	108,712,203	33,902,542	8,361,960	134,252,786	60,261,213	9,460,588	5,696,397	64,025,403	70,227,382	48,450,990
Electric Installation	19,796,482	882,342	-	20,678,824	11,106,153	1,281,167	-	12,387,320	8,291,504	8,690,329
Furniture & Fixtures	25,065,290	3,547,083	-	28,612,373	18,297,939	1,563,418	-	19,861,357	8,751,016	6,767,351
Office Equipment	13,717,539	2,061,396	-	15,778,935	9,204,983	897,842	-	10,102,825	5,676,110	4,512,556
Computer	25,755,726	12,019,048	-	37,774,774	21,745,057	4,084,273	-	25,829,330	11,945,444	4,010,668
Vehicles	5,200,808	1,794,723	-	6,995,532	2,729,013	850,312	-	3,579,325	3,416,206	2,471,795
Total	285,192,711	55,783,406	8,361,960	332,614,157	155,248,312	21,940,060	5,696,397	171,491,974	161,122,182	129,944,398
B. Capital Work in Progress										
									276,245	409,008
Total	285,192,711	55,783,406	8,361,960	332,614,157	155,248,312	21,940,060	5,696,397	171,491,974	161,398,427	130,353,406
Previous Year	238,333,732	47,429,454	570,475	285,192,711	140,378,265	15,269,373	399,326	155,248,312	130,353,407	112,830,599



Note No.	Particulars	As at 31st March, 2013 (₹)		As at 31st March, 2012 (₹)	
----------	-------------	-------------------------------	--	-------------------------------	--

11 **NON CURRENT ASSETS**
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	
	31.03.2013	31.03.2012	31.03.2013	31.03.2012	31.03.2013	31.03.2012
A. Trade Investment (Unquoted) in Equity Instruments Investment in wholly owned Subsidiaries (Fully Paid up) :						
1 1,000 (Previous year -1,000) with no par value of Jewel Gem USA Inc. (Refer Note No. 27 (b))	527,090,000	527,090,000	500,443,800	379,422,525	26,646,200	147,667,475
2 34,376,633 (Previous year - 34,376,633) Ordinary Shares of US \$ 1 each Genoa Jewellers Limited (Refer Note No. 27(a))	1,481,150,232	1,481,150,232	-	1,198,052,091	1,481,150,232	283,098,141
3 350,000 (Previous year - 350,000) Ordinary Shares of Baht 100 each STS Gems Thai Limited	1,112,599,043	1,112,599,043	1,112,599,043	1,112,599,043	-	-
4 100,000 (Previous year - 100,000) Ordinary Shares of Baht 100 each STS Creations Thai Limited (Refer Note No. 35)	-	62,031,574	-	62,031,574	-	-
5 200 (Previous year 200) Common Shares with No par value of STS Jewels Inc. (Refer Note No. 27(b))	1,995,079,632	1,995,079,632	1,511,097,632	-	483,982,000	1,995,079,632
6 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	-	-
7 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)	5,293,336,941	5,355,368,515	3,144,058,517	2,772,023,275	2,149,278,424	2,583,345,240

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 Rs.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 Rs.10 each of Punjab National Bank	143,520	143,520	-	-	143,520	143,520
---	---------	---------	---	---	---------	---------

Total (B)	5,350,520	5,350,520	5,207,000	5,207,000	143,520	143,520
------------------	------------------	------------------	------------------	------------------	----------------	----------------

C. Total (A+B)	5,298,687,461	5,360,719,035	3,149,265,517	2,777,230,275	2,149,421,944	2,583,488,760
-----------------------	----------------------	----------------------	----------------------	----------------------	----------------------	----------------------

Notes:-

1. Aggregate amount of Quoted Investment	143,520	143,520
2. Market value of Quoted Investment	264,040	372,692
3. Aggregate amount of Non Quoted Investment	5,298,543,941	5,360,575,515
4. Aggregate amount of provision for diminution in value of Investment	3,149,265,517	2,777,230,275



Note No.	Particulars	As at 31st March, 2013 (₹)		As at 31st March, 2012 (₹)	
12	Deferred Tax Assets				
	Add : Deferred Tax Assets				
	Provision for Gratuity	5,110,726		3,889,614	
	Provision for Compensated Absences	1,220,021	6,330,747	902,633	4,792,247
	Less: Deferred Tax Liability:				
	Depreciation	4,690,327	4,690,327	2,182,987	2,182,987
			1,640,420		2,609,260
	Net deferred tax charge/(credit) for the year of Rs. 9,68,840 (Previous year Rs. (12,57,307)) 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)				
	Capital Advances		-		7,857,725
	Loans & Advances to subsidiaries				
	Considered good	1,588,573,351		698,721,395	
	Considered doubtful	40,748,494		676,325,574	
		1,629,321,845		1,375,046,969	
	Less: Provision for Doubtful Debts	40,748,493	1,588,573,352	676,325,574	698,721,395
	Security Deposits		32,207,503		7,050,973
			1,620,780,855		713,630,093
14	CURRENT ASSETS				
	Inventories				
	<i>(Cost & Net realizable value whichever is lower)</i>				
	<i>(As taken, valued and certified by the Management)</i>				
	Materials-in-process		815,763,632		705,989,037
	Semi Finished Goods		13,122,335		28,958,991
	Finished Goods		36,947,796		3,337,592
	Stores and Consumables		8,369,435		4,367,305
			874,203,198		742,652,925
14.1	Particulars of Material-in-process				
	Gem Stones		725,060,754		591,806,566
	Alloys		5,780,403		7,781,538
	Diamond		43,988,410		38,882,305
	Gold		16,403,917		31,463,108
	Platinum		3,678,456		2,047,623
	Silver		17,188,712		33,352,617
	Parts & Findings		1,856,608		178,277
	Metal (Others)		1,806,372		477,003
			815,763,632		705,989,037



Note No.	Particulars	As at 31st March, 2013 (₹)	As at 31st March, 2012 (₹)
15	Trade Receivables <i>(Unsecured and considered good unless otherwise stated)</i> Outstanding for a period exceeding Six Months from the date they are due for payments Others	35,782,381 934,627,592	98,456,151 1,117,829,438
		970,409,973	1,216,285,589
16	Cash & Cash Balances Balance with Banks Unpaid Dividend account Bank Deposits- Pledged (maturity within 12 months) Cash on hand	165,139,357 92,145 16,262,019 1,567,939	73,664,707 211,312 14,954,514 1,762,378
	Cash and Cash Equivalents as per AS-3	183,061,460 166,707,296	90,592,911 75,427,085
17	Short Term Loans and Advances <i>(Unsecured and considered good unless otherwise stated)</i> Advance To Staff Advance To Suppliers Prepaid Expenses Balances with Tax Authorities Forward Contract Receivables	1,046,206 7,418,557 4,431,811 22,020,599 12,495,008	884,288 11,844,693 3,405,542 10,895,633 1,218,968
		47,412,181	28,249,124
18	Other Current Assets Interest Accrued on Bank FDR	491,051 491,051	348,120 348,120

Note No.	Particulars	Year ended 31st March, 2013 (₹)	Year ended 31st March, 2012 (₹)
19	REVENUE FROM OPERATIONS Sale of Products: Export Sales Domestic Sales Other Operating income	2,320,435,396 166,802,787 2,487,238,183 4,044,652	1,639,869,450 122,271,559 1,762,141,009 4,713,863
		2,491,282,835	1,766,854,872
19.1	PARTICULARS OF SALE OF PRODUCTS Gem Stones Jewellery & Others Diamond	320,850,863 2,154,673,603 11,713,717	247,188,074 1,495,333,786 19,619,149
		2,487,238,183	1,762,141,009



Note No.	Particulars	Year ended 31st March, 2013 (₹)		Year ended 31st March, 2012 (₹)	
24	EMPLOYEES BENEFIT EXPENSE				
	Salaries, Wages, Bonus etc.		188,065,723		142,349,166
	Contributions to Provident and Other Funds		14,480,489		12,075,515
	Staff Welfare Expenses		9,474,142		7,099,473
	Employee Compensation Expenses under ESOS (Refer Note No.2f)		4,773,619		3,145
	Recruitment and Training		7,620,720		1,017,208
			224,414,693		162,544,507
25	FINANCE COST				
	Interest				
	- On Term Loans	72,109,837		87,085,430	
	- On Working Capital Facilities	34,209,676	106,319,513	23,255,538	110,340,968
	Finance Charges		10,243,741		9,029,073
			116,563,254		119,370,041
26	OTHER EXPENSES				
a.	MANUFACTURING EXPENSES				
	Job Work Charges		152,899,513		57,895,009
	Stores and Consumables		36,176,553		33,068,158
	Power and Fuel		17,011,957		12,623,184
	Repairs and Maintenance		9,218,976		5,886,776
	Other Manufacturing Expenses		6,667,968		4,662,683
			221,974,967		114,135,810
b.	ADMINISTRATIVE & SELLING EXPENSES				
	Rent, Rates and Taxes		3,535,720		1,599,259
	Insurance		5,531,685		4,420,537
	Travelling and Conveyance		15,223,539		10,097,776
	Legal and Professional		4,196,755		2,963,993
	Postage and Telephone		2,872,285		2,284,195
	Printing and Stationery		1,205,402		1,091,850
	Advertisement and Business Promotion		511,528		578,716
	Brokerage and Commission		13,277		302,266
	Packing and Forwarding		27,654,262		19,566,101
	Misc. Expenses		13,383,913		6,904,932
	Donation		1,794,000		1,221,000
	Auditors' Remuneration				
	- Statutory Audit Fees	1,365,000		939,622	
	- Taxation Matters	932,500		165,450	
	- for Other services	670,352		227,800	
	- Reimbursement Of Expenses	501,231	3,469,083	191,957	1,524,829
	Directors' Remuneration		4,200,000		4,200,000
	Loss on sale of Assets		1,031,546		-
	Investment in Subsidiary Written off (refer note no. 35)	62,031,574		410,227,250	
	Less : Provision there against Written back	62,031,574	-	410,227,250	-



Note No.	Particulars	Year ended 31st March, 2013 (₹)		Year ended 31st March, 2012 (₹)	
	Directors' Sitting Fees		690,000		500,000
	Information Technology Expenses		1,202,450		315,730
			<u>86,515,446</u>		<u>57,571,184</u>
	Total Other Expenses		<u>308,490,413</u>		<u>171,706,994</u>
27	EXCEPTIONAL ITEMS				
	Reversal of Provision against Loans and Equity to a subsidiary (Refer Note (a) below)		1,833,629,172		22,270,000
	Provision for diminution in value of Loan/ Equity investment in subsidiaries (Refer Note (b) below)		(1,632,118,907)		(25,000,000)
	CDR re-compense interest provided (refer Note (c) below)		(111,700,000)		-
			<u>89,810,265</u>		<u>(2,730,000)</u>
a.	The Company during the year has carried out valuation of one of its wholly owned step-down subsidiary namely The Jewelry Channel Inc, USA by an Independent Valuer. Based on the valuation report, the management is of the view that there is also sufficient rise in the value of investment in its subsidiary namely Genoa Jewelers Limited and the reasons for provisions made against loan and Investment to the subsidiary in earlier years, no longer exists. Consequently, the provision made against Investment in equity amounting to Rs. 1,198,052,091 and against loan amounting to Rs. 635,577,081 is reversed and credited to "Exceptional Items".				
b.	The Company during the year has also carried out valuation of its wholly owned subsidiaries namely STS Jewels Inc, USA and Jewels Gems USA Inc. by an Independent Valuer. Based on the valuation report, the decline in the value of Investment amounting to Rs. 1,511,097,632 in STS Jewels Inc, USA and Rs.121,021,275 in Jewel Gems USA Inc. has been charged to statement of profit and loss under "Exceptional Items".				
c.	The company during the year made proposal to CDR Cell for exit from CDR mechanism. The proposal envisaged exit of company from the CDR by payment of interest under re-compense clause and continuing with the existing limits from banks. The said proposal was approved by the CDR Empowered Group in their meeting held on March 25, 2013 wherein the company is required to pay Rs. 1,117,00,000 being interest upto March 31, 2013 under re-compense clause. The re-compense interest amounting to Rs. 1,117,00,000 has been charged to statement of profit and loss as "Exceptional Item".				
28	Value of Import on CIF basis				
	Raw Material		889,290,823		716,812,743
	Components & spare parts		12,318,300		5,266,097
	Capital goods		22,868,503		14,659,510
			<u>924,477,626</u>		<u>736,738,350</u>
29	Value and % of Material Consumption				
	Raw Materials and Components:				
	Imported	%	813,203,188	%	701,474,912
	Indigenous	47.00	917,016,360	56.00	558,727,752
		53.00	<u>1,730,219,548</u>	44.00	<u>1,260,202,664</u>
	Consumables, Stores & Spares:				
	Imported	%	31,835,367	%	20,062,913
	Indigenous	88.00	4,341,186	61.00	13,005,245
		12.00	<u>36,176,553</u>	39.00	<u>33,068,158</u>



Note No.	Particulars	Year ended 31st March, 2013 (₹)	Year ended 31st March, 2012 (₹)
30	Expenditure in Foreign Currency Travelling Expenses	967,144	1,120,796
31	Earnings in Foreign Currency Export of goods calculated on F.O.B. basis Commission	2,297,776,115 210,601	1,627,457,256 -

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

A. Defined Contribution Plans

- a. Provident Fund
- b. State Defined Contribution Plan
- c. Employers' Contribution to Employees' State Insurance

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

Employer's contribution to Provident Fund	9,205,769	7,820,049
Employer's contribution to Employees State Insurance	5,274,720	4,255,466
	14,480,489	12,075,515

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

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

	Gratuity	Compensated Absences	Gratuity	Compensated Absences
Discount Rate (per annum)	8.10%	8.10%	8.60%	8.60%
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)	9.15%	0.00%	9.15%	0.00%
Expected Average remaining working lives of the employees (years)	19 Years		23 Years	

I. Change in the Present Value of Obligation

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

	Gratuity	Compensated Absences	Gratuity	Compensated Absences
Present value of defined benefit obligation as at beginning of the year	19,085,584	2,921,143	18,261,313	3,787,061
Interest cost	1,641,360	251,218	1,497,428	310,539
Past Service cost	NIL	NIL	NIL	NIL
Current service cost	4,141,500	1,087,522	2,924,357	657,590
Benefits paid	(859,112)	(83,060)	(2,124,581)	(978,129)
Actuarial (gain) / loss on obligations	1,589,105	(587,470)	(1,472,933)	(855,918)
Present value of defined benefit obligation as at the end of the year	25,598,437	3,589,353	19,085,584	2,921,143



Note No.	Particulars	Year ended 31st March, 2013 (₹)		Year ended 31st March, 2012 (₹)	
		Gratuity	Compensated Absences	Gratuity	Compensated Absences
II. Changes in the Fair Value of Plan Assets					
	Present value of plan assets as at beginning of the year	6,497,836	NIL	6,129,066	NIL
	Expected return on plan assets	604,654	NIL	502,658	NIL
	Contributions	4,319,090	NIL	1,888,181	NIL
	Benefits paid	(859,112)	NIL	(2,022,069)	NIL
	Actuarial gains / (losses)	NIL	NIL	NIL	NIL
	Fair value of plan assets as at end of the year *	10,562,468	NIL	6,497,836	NIL
* All the funds under the Plan Assets are managed by insurer.					
III. Reconciliation of Present Value of Defined Benefit Obligation and the Fair Value of Assets					
	Present value of funded obligation as at end of the year	25,598,437	3,589,353	19,085,584	2,921,143
	Fair value of plan assets as at end of the year	10,562,468	-	6,497,836	-
	Liability recognised in the Balance Sheet Shown as	15,035,969	3,589,353	12,587,748	2,921,143
	Long term provision (refer note no.5)	9,322,731	3,368,776	11,772,339	2,733,352
	Short term provision (refer note no.9)	5,713,238	220,577	815,409	187,791
IV. Amount recognised in the Balance Sheet					
	Present value of defined benefit obligation as at the end of the Year	25,598,437	3,589,353	19,085,584	2,921,143
	Fair value of plan assets as at end of the year	10,562,468	-	6,497,836	-
	Liability / (Net Asset) recognised in the Balance Sheet	15,035,969	3,589,353	12,587,748	2,921,143
V. Expenses recognised in Profit and Loss Account					
	Current service cost	4,141,500	1,087,522	2,924,357	657,590
	Past service cost	0	0	-	-
	Interest cost	1,641,360	251,218	1,497,428	310,539
	Expected Return on Plan Assets	(604,654)	-	(502,658)	-
	Net Actuarial (gain) / Loss recognised in the period	1,589,105	(587,470)	(1,472,933)	(855,918)
	Total Expenses recognised in the Profit and Loss Account*	6,767,311	751,270	2,446,194	112,211
* included in Salaries, wages, bonus etc in Note No.24					
VI. Actual Return on Plan Assets					
	Expected Return on Plan Assets	604,654	NIL	502,658	NIL
	Actuarial gain / (losses) on Plan Assets	NIL	NIL	NIL	NIL
	Actual Return on Plan Assets	604,654	NIL	502,658	NIL



Note No.	Particulars	Year ended 31st March, 2013 (₹)		Year ended 31st March, 2012 (₹)	
----------	-------------	------------------------------------	--	------------------------------------	--

B. Related Party Transactions

Amount in ₹

Nature of Transactions	Subsidiary		Key Managerial Person		Relative of Key Managerial Person & Enterprises over which significant influence exercised by Key Managerial Person	
	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12
(i) Transactions During the year						
a. Sales of Goods	2,173,724,180	1,521,048,207	-	-	62,634,250	39,646,459
b. Purchases of Goods	290,397,911	278,256,708	-	-	692,250	94,402
c. Loan Given	-	-	-	-	-	-
d. Expense	7,130,081	2,399,939	-	-	3,259,134	-
e. Loan taken	-	-	-	-	58,000,000	-
f. Remuneration	-	-	4,200,000	4,200,000	-	-
(ii) Balances as the end of the year						
a. Amount Receivable	901,234,868	1,156,468,448	-	-	-	-
b. Amount Payable	97,961,056	92,460,004	-	-	-	-
c. Unsecured Loans					96,000,000	38,000,000
d. Loan Receivable	1,629,321,845	1,375,046,969	-	-	-	-
e. Investment	5,293,336,941	5,360,575,515	-	-	5,207,000	5,207,000
f. Guarantee	1,613,410,386	1,542,337,492	-	-	-	-

Note No. 36 C is given at page no. 58

37 Segment Reporting

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

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

Name of Company	Type	Balance as at		Maximum amount outstanding during the year	
		31st March, 2013	31st March, 2012	31st March, 2013	31st March, 2012
Jewel Gems Usa Inc.	Loan	109,400,845	105,335,736	109,400,845	105,335,737
Genoa Jewellers Limited	Loan	1,329,591,000	1,096,335,757	1,329,591,000	1,096,335,757
Sts Gems Ltd. HK	Loan	27,190,000	25,580,000	27,190,000	25,580,000
Sts Gems Thai Ltd.	Loan	163,140,000	147,795,476	163,140,000	147,795,476



Note No.	Particulars	Year ended 31st March, 2013 (₹)	Year ended 31st March, 2012 (₹)
39	Earning Per Share (EPS)		
a.	Profit after Tax (Rs.)	263,817,308	140,934,184
b.	Dividend on Preference Shares (Rs.)	4,400,000	4,400,000
c.	Profit attributable to Equity Shareholders for Basic and Diluted EPS (Rs.) (a-b)	259,417,308	136,534,184
d.	i) Weighted average number of Equity Shares outstanding during the year for Basic EPS	3,178,576.5	31,698,473
	ii) No of Stock Option Outstanding	539,921	546,324
	iii) No of Dilutive Potential Equity Shares	327,665	145,000
e.	Weighted average number of Equity Shares outstanding during the year for Diluted EPS (d(i)+d(iii))	32,113,430	31,843,473
f.	Basic Earning Per Share	8.16	4.31
g.	Diluted Earning Per Share	8.08	4.29
40	Contingent Liabilities and Commitments		
	1 (a). Capital Commitment:		
	Commitments	Nil	Nil
	1 (b). Contingent Liabilities:		
	Guarantees given by bank on behalf of the Company	91,560,000	90,799,200
	Guarantees given to bank & others by the Company	1,530,850,386	1,511,298,658
	Disputed Tax Matters:		
	Excise Duty	64,226,582	Nil
	Income tax	3,880,370	

*In respect of income tax liability for Assessment Year 2009-2010, for which reference has been made by the Company to Dispute Resolution Panel (DRP) against Draft Assessment Order. Pending final outcome of the DRP order amount is not ascertainable.

Dividend on Cumulative Preference Share*	24,566,667	20,166,667
---	------------	------------

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

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

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

Jaipur, 18th May, 2013

For and on behalf of the Board

RAHIMULLAH
Managing Director

SHEELA AGRAWAL
Director

BRAHM PRAKASH
Company Secretary



36 C. Details of Material Related Party Transactions

₹ in Lacs

Nature of Transactions	Subsidiaries																
	TJC UK		TJC USA		Genoa Jewellers Ltd.		Jewel Gem USA Inc.		STS Jewels Inc. USA		STS Gems Japan Ltd.		STS Gems Limited/HKK		STS Gems Thai Ltd.		
	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12	
(i) Transaction during the year																	
a. Sales of Goods	4,630.60	3,228.50	13,441.82	8,061.17					2,684.28	3,072.07			956.53	848.57	24.02	0.17	
b. Purchases of Goods	-	-	35.97						1,177.30	1,023.89			1,129.46	1,394.64	597.22	328.06	
c. Advance Given	-	-	-	-					-	-			-	-	-	-	
d. Purchase of Fixed Assets	-	-	-	-					-	-			-	-	-	-	
e. Expenses borne on behalf of Subsidiaries	30.54	21.67	18.32	1.18					17.55	0.19			3.13	0.82	1.77	0.14	
f. Expenses																	
g. Loan taken																	
(ii) Balances as at year end																	
a. Amount Receivable	2,595.60	3,466.14	4,964.86	5,159.47					1,225.35	2,136.87			207.02	802.21	19.92	-	
b. Amount Payable	0.92		49.34	44.19					181.59	335.79			687.83	317.85	59.92	226.77	
c. Loan Receivable													271.90	255.80	1,631.40	1,477.95	
d. Advance Receivable																	
e. Loan Payable																	
f. Investment									19,950.80	19,950.80		199.18	1,575.00	1,575.00	11,125.99	11,746.31	
g. Guarantee	15,046.50	14,400.24			14,811.50	14,811.50		5,270.90			5,270.90	199.18	1,087.60	1,023.13			

Nature of Transactions	Enterprises over which significant influence exercised by Key Managerial Persons											
	VGL Softech Limited		Brett Plastics Pvt.		Reengus Exim Pvt Ltd.		Stp Exim Pvt. Ltd.		Shivram Properties Pvt. Ltd.		Aumbhav Gems Ltd.	
	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12
(i) Transaction during the year												
a. Sales of Goods	-	-									626.34	396.46
b. Purchases of Goods	-	-									6.92	0.94
c. Advance Given												
d. Purchase of Fixed Assets												
e. Expenses borne on behalf of Subsidiaries									32.59			
f. Expenses									580.00			
g. Loan taken												
(ii) Balances as at year end												
a. Amount Receivable											178.50	
b. Amount Payable												
c. Loan Receivable												
d. Advance Receivable			82.00	82.00	119.50	119.50						
e. Loan Payable												
f. Investment	52.07	52.07									580.00	
g. Guarantee												



Statement under Section 212(8) of the Companies Act, 1956 relating to Subsidiary Companies

₹ in Lacs

Name of the Company	Issued & Subscribed Share capital	Reserves	Total Liabilities	Total Assets	Investment other than Investment in Subsidiary	Turnover	Profit/(Loss) before Taxation	Provision for Taxation	Profit & (Loss) after Taxation	Proposed Dividend
STS Jewels Inc., USA	271.78	(244.37)	3125.73	3,153.14	-	7,109.81	305.38	-	305.38	NIL
STS Gems Thai Limited, Thailand	644.56	(773.24)	1662.39	1,533.71	-	1,774.51	7.57	-	7.57	NIL
STS Gems Limited, Hong Kong	612.57	1,680.81	4704.63	6,998.01	-	15,145.45	333.14	(22.12)	311.02	NIL
STS Gems Japan Limited	432.53	(516.65)	84.66	0.54	-	-	(12.24)	-	(12.24)	NIL
Jewel Gem USA Inc.	6,413.89	(8,847.46)	2938.19	504.63	-	45.54	(26.01)	-	(26.01)	NIL
Genco Jewellers Limited, BVI	18,685.42	(11,759.54)	13442.90	20,368.78	-	-	259.32	-	259.32	NIL
The Jewellery Channel Ltd., UK	20.64	(8,705.31)	13975.83	5,291.17	-	24,307.92	126.80	-	126.80	NIL
The Jewellery Channel Inc., USA	1,630.65	(8,055.92)	16398.33	9,973.06	-	56,256.74	3,520.52	(142.88)	3,377.64	NIL

NOTES :

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



**INDEPENDENT AUDITORS' REPORT
ON THE CONSOLIDATED FINANCIAL STATEMENTS OF VAIBHAV GLOBAL LIMITED**

To,

The Board of Directors of Vaibhav Global Limited

We have audited the accompanying consolidated financial statements of Vaibhav Global Limited ("the Company") and its subsidiaries (the Company and its subsidiaries constitute "the Group") which comprise the consolidated balance sheet as at March 31, 2013, and the consolidated Statement of Profit and Loss and consolidated Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation of these consolidated financial statements on the basis of separate financial statements and other financial information regarding components that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with accounting principles generally accepted in India; this includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

Opinion

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

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on the financial statements of the subsidiaries and certain other information compiled by the management as mentioned in the 'Other Matter' paragraph below, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the consolidated Balance Sheet, of the state of affairs of the Group as at March 31, 2013;
- (b) in the case of the consolidated Statement of Profit and Loss, of the loss for the year ended on that date; and
- (c) in the case of the consolidated Cash Flow Statement, of the cash flows for the year ended on that date.



Emphasis of Matter

We draw attention to:

- a) Accounting Policy on Inventories wherein the determination of estimated net realizable value and specific identification involves technical judgments of the management which has been relied upon by us. Our opinion is not qualified in respect of this matter.
- b) Note 28 a of the Consolidated Financial Statements. As explained therein the management has written off goodwill on consolidation amounting to Rs. 151.11 crores.

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

Other Matter

The financial statements of six subsidiaries, whose financial statements reflect total assets (net) of Rs. 324.62 crores as at March 31, 2013, total revenues of Rs. 1,060.61 crores and net cash inflows amounting to Rs. 17.98 crores for the year then ended have been audited either by other auditors or by one of us and whose reports have been furnished to us by the Management. Our opinion is based solely on the reports of such auditors. Our opinion is not qualified in respect of this matter.

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

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

Chetan Desai
Partner
Membership No. 17000

Sandeep Mundra
Partner
Membership No. 75482

Jaipur 18th May, 2013

Jaipur 18th May, 2013



Consolidated Balance Sheet as at 31st March, 2013

Particulars	Note	As at 31st March, 2013 (₹)	As at 31st March, 2012 (₹)
<u>EQUITY AND LIABILITIES</u>			
Shareholders' Funds			
Share Capital	2	760,642,010	756,984,730
Reserves and Surplus	3	830,759,199	1,896,459,317
		1,591,401,209	2,653,444,047
Non Current Liabilities			
Long-Term Borrowings	4	477,015,659	655,193,591
Long-Term Provisions	5	13,051,945	14,505,691
		490,067,604	669,699,282
Current Liabilities			
Short-Term Borrowings	6	954,846,404	943,418,369
Trade Payables	7	447,702,473	460,917,371
Other Current Liabilities	8	514,903,011	414,644,773
Short-Term Provisions	9	11,038,088	2,411,215
		1,928,489,976	1,821,391,728
Total		4,009,958,789	5,144,535,057
<u>ASSETS</u>			
Non-Current Assets			
Fixed Assets			
Tangible Assets	10	289,672,531	208,196,653
Intangible Assets	10	286,831,871	1,818,192,921
Capital Work-In-Progress	10	276,245	409,008
Non-Current Investments	11	172,355	175,030
Deferred Tax Assets (Net)	12	1,640,420	2,609,260
Long-Term Loans and Advances	13	116,045,030	15,067,305
		694,638,452	2,044,650,177
Current Assets			
Current Investments	14	601,058	130,742,892
Inventories	15	2,090,848,668	1,717,890,086
Trade Receivables	16	355,788,149	374,600,880
Cash and Bank Balances	17	459,032,040	186,791,593
Short-Term Loans and Advances	18	408,282,813	689,030,714
Other Current Assets	19	767,609	828,715
		3,315,320,337	3,099,884,880
Total		4,009,958,789	5,144,535,057
Significant Accounting Policies	1		

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

As per our attached report of even date

For and on behalf of the Board

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

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

CHETAN DESAI
Partner
M.No.: 17000
Jaipur, 18th May, 2013

SANDEEP MUNDRA
Partner
M.No.: 075482

SHEELA AGRAWAL
Director

RAHIMULLAH
Managing Director

BRAHM PRAKASH
Company Secretary

**Consolidated Statement of Profit and Loss account for Year Ended 31st March, 2013**

Particulars	Note	Year ended 31st March, 2013 (₹)	Year ended 31st March, 2012 (₹)
REVENUE			
Revenue From Operations	20	8,928,941,090	6,464,960,477
Other Income	21	376,638,382	283,199,529
Total		9,305,579,472	6,748,160,006
EXPENSES			
Cost of Materials Consumed	22	1,703,283,593	1,252,688,297
Purchases of Stock-In-Trade	23	1,578,398,888	1,199,405,745
Decrease/(Increase) of Stock-In-Trade	24	(259,181,851)	(172,125,388)
Employees Benefit Expenses	25	1,419,338,089	904,621,264
Financial Costs	26	144,583,784	144,358,931
Depreciation and Amortization Expense	10	73,203,622	90,830,072
Other Expenses	27	3,848,134,162	2,540,466,773
Total		8,507,760,287	5,960,245,694
Profit Before Exceptional Items and Tax		797,819,185	787,914,312
Exceptional Items	28	(1,637,274,304)	(100,539,144)
Profit Before Tax		(839,455,119)	687,375,168
Tax Expense:			
(1) Current Tax		16,553,551	1,014,140
(2) Earlier Years Tax		(876,284)	21,526
(3) Deferred Tax Charges/(Credits)		968,840	1,257,307
		16,646,107	2,292,973
Profit for the Year		(856,101,226)	685,082,195
Earnings Per equity Share of Rs.10 Each (Refer Note No.34)			
Basic (Rs.)		(27.07)	21.47
Diluted (Rs.)		(26.80)	21.38
Significant Accounting Policies	1		

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

As per our attached report of even date

For and on behalf of the Board

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

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

CHETAN DESAI
Partner
M.No.: 17000
Jaipur, 18th May, 2013

SANDEEP MUNDRA
Partner
M.No.: 075482

SHEELA AGRAWAL
Director

RAHIMULLAH
Managing Director

BRAHM PRAKASH
Company Secretary



Consolidated Cash Flow Statement for the Year ended 31st March, 2013

Particulars	Year ended 31st March, 2013 (₹)	Year ended 31st March, 2012 (₹)
A. Cash Flow from Operating Activities		
Net Profit / (Loss) before tax	(839,455,119)	687,375,168
Adjustment for :		
Depreciation	73,203,622	90,830,072
Employee compensation Expenses	4,773,619	3,145
Exceptional Item	1,637,274,304	-
Profit/Loss on sales of Investment	-	14,251,892
Loss/(Profit) on sale of Fixed Assets	1,031,546	2,837,006
Liability No Longer required	(756,546)	(2,143,357)
Gratuity Expenses	3,116,431	2,544,626
Interest and Dividend earned	(22,285,237)	(21,360,217)
Interest paid on borrowings	124,194,878	127,605,262
Operating Profit before working Capital Changes	981,097,498	901,943,597
Adjustment for		
Trade and other Receivables	194,871,339	(548,669,118)
Trade payables, Provisions, Other Current Liabilities	(19,990,919)	352,211,148
Stock- in - Trade	(372,958,582)	(239,064,610)
Cash generated from Operations	783,019,336	466,421,017
Direct Taxes paid	(16,553,551)	(1,014,140)
Earlier Year Tax	876,284	(21,526)
Net Cash from operating activities	767,342,069	465,385,351
B. Cash Flow from Investing Activities		
Purchase of Fixed Assets	(135,314,865)	(75,311,753)
Sales/(Purchases) of Shares/Mutual Fund	130,144,509	40,928,462
Profit/(Loss) on sale of investment	(14,476,672)	(14,251,892)
Interest and Dividend received	22,285,237	21,360,217
Net Cash used in Investing Activities	2,638,209	(27,274,966)
C. Cash Flow from Financing Activities		
Proceeds from /(Repayment of) Long Term Borrowings	(178,177,932)	(371,949,398)
Proceeds from /(Repayment of) Short Term Borrowings	11,428,035	78,763,556
Deposits	-	23,429,406
Proceeds from Issuance of Share Capital	9,611,742	-
Foreign Currency Translation Reserve - Unrealised	(219,210,634)	(82,480,980)
Interest Paid on Borrowings	(124,194,878)	(127,605,262)
Net Cash used in Financing Activities	(500,543,667)	(479,842,678)
Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)	269,436,611	(41,732,293)
Opening Balance of Cash and Cash Equivalents	135,908,702	177,640,995
Closing Balance of Cash and Cash Equivalents	405,345,313	135,908,702
Cash and Cash Equivalents comprises		
Cash, cheques and drafts in hand	2,615,682	2,690,680
Balance with bank in current accounts	402,729,631	133,218,022
	405,345,313	135,908,702

Notes :

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

As per our attached report of even date

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

CHETAN DESAI
Partner
M.No.: 17000

Jaipur, 18th May, 2013

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

SANDEEP MUNDRA
Partner
M.No.: 075482

SHEELA AGRAWAL
Director

For and on behalf of the Board

RAHIMULLAH
Managing Director

BRAHM PRAKASH
Company Secretary



Note No.1 Significant Accounting Policies for Consolidated Accounts

1) Basis for Preparation of Consolidated Financial accounts

- (a) The consolidated financial statement relates to Vaibhav Global Limited ('the holding Company') and its Subsidiaries (together referred to as 'VGL Group') and has been prepared in compliance with the applicable Accounting Standards prescribed in the Companies (Accounting Standards) Rule, 2006 (as amended), other pronouncements issued by the Institute of Chartered Accountants of India and relevant provision of the Companies Act, 1956.
- (b) The consolidated financial statement has been prepared under historical cost convention on an accrual basis.

2) Principles of consolidation

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

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

* Subsidiary under Liquidation, therefore not considered for consolidation during the year.

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

- (i) The consolidated financial statement has been prepared in accordance with the Accounting Standard –21, “Consolidated Financial Statement”.
- (ii) The financial statement of VGL Group have been consolidated on a line-by-line basis by adding together the book values of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions resulting in un-realized profits or losses.
- (iii) The consolidated financial statements have been prepared by using uniform accounting policies for like transaction and other events in similar circumstances and are presented to the extent possible, in the same manner as those of the parent company's independent financial statements unless stated otherwise.
- (iv) The operations of foreign subsidiaries have been considered by the management, as non integral operations as described in Accounting Standard –AS 11 (revised) “Accounting for the effects of changes in foreign exchange rates”
- (v) The difference between the cost to the company of its investments in the subsidiaries and its portion of equity of subsidiaries at the dates they became subsidiaries, is recognized in the financial statements as Goodwill or Capital Reserve, as the case may be. This is based upon determination of pre-acquisition profits/losses and of net worth on the date of the acquisition determined by the management on the basis of certain estimates which have been relied upon by the auditors.



- (vi) Minority Interest in the consolidated financial statements is identified and recognized after taking into consideration;
- The minorities' share of movement in equity since the date parent-subsidary relationship came into existence.
 - The profits/losses attributable to the minorities are adjusted against the income of the group in order to arrive at the net income attributable to the company
- (vii) The goods lying in inventory of any entity may include certain goods which have been processed in and transferred from one or more entity. For the purpose of consolidation, the amount of unrealized profits included in the value of such goods lying in inventory of any entity as at the end of the financial period, have been eliminated to the extent of % of net profit of the same financial period of the entity from whom these goods have been procured.
- (viii) Depreciation and amortization has been provided on the estimated useful life of an asset.
- (ix) As per requirement of AS-28 "Impairment of Assets", the management is of the opinion that there is no impairment of goodwill (on consolidation) except as provided in the financial statement.
- (x) All employees' related benefits including social security have been provided in accordance with the laws of the country in which the individual entity is operating.
- (xi) The financial statement of the subsidiaries for the period ended March 31, 2013 have been prepared & audited as per the generally accepted accounting principles (GAAP) of the countries in which they are operating. These financial statements have been converted by the management as per requirement of Indian GAAP.
- (xii) Other significant accounting policies are as set out in standalone financial statement of Vaibhav Global Limited, to the extent applicable.



Notes Accompanying to the financial statement for the Year ended 31st March,2013

Note No.	Particulars	As at 31st March, 2013 (₹)		As at 31st March, 2012 (₹)	
----------	-------------	-------------------------------	--	-------------------------------	--

SHAREHOLDERS FUND**2 Share Capital**

a The details of Authorised, Issued, Subscribed and paid up, capital are as under :-

Share Capital**Authorised**

Equity Shares of Rs. 10/- each

Unclassified Shares of Rs 100/- each

	Number	Amount
Equity Shares of Rs. 10/- each	41,000,000	410,000,000
Unclassified Shares of Rs 100/- each	4,500,000	450,000,000

	Number	Amount
Equity Shares of Rs. 10/- each	41,000,000	410,000,000
Unclassified Shares of Rs 100/- each	4,500,000	450,000,000

Issued, Subscribed and Paid up

Equity Shares of Rs. 10/- each

1% Redeemable Preference

Shares of Rs 100/- each

Equity Shares of Rs. 10/- each	32,064,201	320,642,010
1% Redeemable Preference Shares of Rs 100/- each	4,400,000	440,000,000
		760,642,010

Equity Shares of Rs. 10/- each	31,698,473	316,984,730
1% Redeemable Preference Shares of Rs 100/- each	4,400,000	440,000,000
		756,984,730

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

	Equity Shares	Preference shares	Equity Shares	Preference Shares
Shares outstanding at the beginning of the year	31,698,473	4,400,000	31,698,473	4,400,000
Shares Issued during the year	365,728	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	32,064,201	4,400,000	31,698,473	4,400,000

c The company has one class of equity shares having a par value of Rs.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 Company has issued 44,00,000 non Convertible 1% Redeemable Preference share in the year of 2006-07. These Preference Share are redeemable at the end of seven years from the date of allotment i.e. 31st Oct' 2006 or before at the discretion of the Board.

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

Name	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Equity Shares				
Brett Plastics Pvt Ltd.	2554332	7.97	2554332	8.06
Shivram Properties Pvt Ltd.	5187963	16.18	-	-
Nalanda India Fund Limited	4110600	12.82	4110600	12.97
FID Funds (Mauritius) Limited	-	-	2324324	7.33
Surawell Pacific Ltd #	3175000	9.90	3175000	10.02
Heartiford Ltd #	2400000	7.48	2400000	7.57
Accelstar Investment Ltd #	3175000	9.90	3175000	10.02
Preference Shares				
Reengus Exim Pvt Ltd	1086000	24.68	1086000	24.68
Brett Plastics Pvt Ltd	2879000	65.43	2879000	65.43
STP Exim Pvt Ltd	225000	5.11	225000	5.11

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



Note No.	Particulars	As at 31st March, 2013 (₹)	As at 31st March, 2012 (₹)
----------	-------------	-------------------------------	-------------------------------

f **Employee Stock Option Scheme:**

During the year the Board in their meeting held on 23 July, 2012 has approved certain amendments in Employees' Stock Option Scheme (VGL ESOP – 2006) whereby issue and allotment of 750,000 new stock option was approved pursuant to approval from BSE and NSE. The company during the year granted 477,000 stock options out of 750,000 stock options as approved by Board at price of Rs. 45.30 to the eligible employees of the Group. Further, the Board also approved re-pricing of 41324 stock options (under tranche A & B) to Rs. 45.30 from original exercise price of Rs. 240 and Rs. 202 respectively.

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

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

2012-13

Particulars	VGL ESOP (As amended) – 2006					
	A	B	C	D	E	F
Original Exercise (Grant) Price	240.00	202.00	20.65	26.75	33.57	45.30
Revised Exercise (Grant) Price	45.30	45.30	-	-	-	-
Date of Grant of Option	06.01.2007	27.07.2007	28.01.2009	29.01.2010	30.09.10	23.07.12
Vesting commences on	06.01.2008	27.07.2008	28.01.2010	29.01.2011	30.09.11	23.07.13
Options granted and outstanding as at the beginning of the year on 01.04.12	29,324	12,000	300,000	185,000	20,000	-
Options granted during the year						477,000
Options exercised during the year	19,628	9,600	300,000	36,500	-	-
Options lapsed during the year	5,900	2,400	-	12,500	10,000	86,875
Options granted and outstanding as at the end of the year on 31.03.13	3,796	-	-	136,000	10,000	390,125

2011-12

Particulars	VGL ESOP – 2006					
	A	B	C	D	E	Total
Exercise (Grant) Price	240	202	20.65	26.75	33.57	
Date of Grant of Option	06.01.2007	27.07.2007	28.01.2009	29.01.2010	30.09.10	
Vesting commences on	06.01.2008	27.07.2008	28.01.2010	29.01.2011	30.09.11	
Options granted and outstanding as at the beginning of the year on 01.04.11	36,655	12,000	300,000	195,000	20,000	563,655
Options granted during the year*	-	-	-	-	-	-
Options lapsed during the year	7331	-	-	10,000	-	17,331
Options granted and outstanding as at the end of the year on 31.03.12	29,324	12,000	300,000	185,000	20,000	546,324

The excess of market price per share as on the date of grant of option, over the exercise price for the Stock Option granted to employees (including certain employees of the Subsidiaries), is amortized by the Company over the vesting period. The amortized value for the year and effect of re-pricing of stock options to its employees (including certain employees of the Subsidiaries) amounting to Rs. 47,73,619 (Previous year 3,145) has been charged under employee cost during the year.



Note No.	Particulars	As at 31st March, 2013 (₹)	As at 31st March, 2012 (₹)
3	Reserves & Surplus		
A.	Capital Reserve:		
	Opening Balance	95,474,890	95,474,890
	Add: Transfer During The Year	-	-
		95,474,890	95,474,890
	Less : Written back during year	-	-
		95,474,890	95,474,890
B.	Securities Premium Account :		
	Opening Balance	5,874,020,191	5,874,020,191
	Add: Security premium received on share issue	4,838,123	
	Add: Transfer from Employee stock option outstanding	5,407,702	-
		5,884,266,016	5,874,020,191
	Less: Premium utilised	-	-
		5,884,266,016	5,874,020,191
C.	Employee Stock Option Outstanding		
	Options granted till date	2,328,452	2,685,290
	Add : Additional Compensation on account of repricing	5,381,112	-
		7,709,564	2,685,290
	Less : Transfer to Security premium on allotment	5,407,702	356,838
	Less : Written off during year	750,281	-
	Closing Balance	1,551,581	2,328,452
	Less : Deferred Employees Compensation expenses outstanding	-	142,788
		1,551,581	2,185,664
D.	General Reserve:		
	Opening Balance	79,647,256	79,647,256
	Add: Transferred from Profit and Loss Account	-	-
		79,647,256	79,647,256
	Less: Utilised	-	-
		79,647,256	79,647,256
E.	Foreign Currency Translation Reserve		
	Opening Balance	(66,283,679)	16,197,301
	Add : Current year transfer	163,650,981	(82,480,980)
		97,367,302	(66,283,679)
	Less : Transfer to Statement of profit and loss account	382,861,615	-
		(285,494,313)	(66,283,679)
F.	Surplus/ (Deficit)		
	Opening balance	(4,088,585,005)	(4,773,667,199)
	Add:		
	Net Profit For the current year	(856,101,226)	685,082,194
	Surplus/ (Deficit)	(4,944,686,231)	(4,088,585,005)
		830,759,198	1,896,459,317
	NON CURRENT LIABILITIES		
4	Long Term Borrowings		
a	The details of Secured or unsecured Long Term Borrowings outstanding are as under :-		
	Secured:		
	Term Loan from Banks		
	Corporate Loan #	176,540,000	258,020,000
	Working Capital Term Loan #	262,475,659	359,173,591
		439,015,659	617,193,591
	Unsecured:		
	Deposits(Inter corporate deposit)		
	From Related parties	38,000,000	38,000,000
		477,015,659	655,193,591

Current maturities are disclosed under other current liabilities



Note No.	Particulars	As at 31st March, 2013 (₹)	As at 31st March, 2012 (₹)
b	<u>Nature of Security</u>		
	A. Corporate Loan :-		
	(i) Above Corporate Loan is secured by second charges on Current Assets as well as Fixed Assets of the Company.		
	(ii) Pledge of 2,300,000 equity shares of Rs. 10 each of Vaibhav Global Limited by Brett Plastic Private Limited and;		
	(iii) Pledge of 21,800,000 equity shares of US \$ 1 each of Genoa Jewelers Limited, BVI		
	B. Working Capital Term Loan		
	(i) Above WCTL Loan is secured by first pari pasu charge on block of assets (including Land & Building).		
	C. Working Capital Term Loan & Corporate Loan is further secured by (on pari pasu basis) :-		
	(i) Pledge of 254,332 equity shares of Rs. 10 each of Vaibhav Global Limited by Brett Plastic Private Limited.		
	(ii) Pledge of 200 common shares with no par value of STS Jewels Inc.		
	(iii) Pledge of 87,500 Ordinary Shares of HK \$100 each & assignment of loan worth USD 0.5 million to STS Gems Limited, HKK.		
	(iv) Pledge of 12,576,633 equity shares of US \$ 1 each and assignment of loan worth USD 24.45 million to Genoa Jewelers Limited, BVI and;		
	(v) Personal Guarantee of Mr. Sunil Agarwal, Chairman of the Company & pledge of 28140 shares in his name.		
c	<u>Terms of Repayment of Term Loans</u>		
	A. Corporate Loan		
	IDBI: Term Loan of Rs.40.74 Crore with a moratorium period of 30 months and repayable in equal monthly for installment over a period of 60 months commencing July 2011 carrying interest @ 8% p.a. upto June 2011 and @ 10 % p.a. thereafter		
	B. Working Capital Term Loan		
	Punjab National Bank : WCTL of Rs.36 Crore with a moratorium period of 30 months and repayable in equal monthly 60 instalments commencing July 2011 carrying interest @ 8% p.a. upto June 2011 and @ 10 % p.a. thereafter		
	State Bank of Bikaner & Jaipur: WCTL of Rs.18 Crore with a moratorium period of 30 months and repayable in equal monthly 60 instalments commencing July 2011 carrying interest @ 8% p.a. upto June 2011 and @ 10 % p.a. thereafter		
	Union Bank of India: WCTL of Rs.18 Crore with a moratorium period of 30 months and repayable in equal monthly 60 instalments commencing July 2011 carrying interest @ 8% p.a. upto June 2011 and @ 10 % p.a. thereafter		
	C. Deposits (Inter corporate deposit)		
	These deposits are received as a part of Promoter's contribution in terms of CDR package and not repayable before the repayment of term loan and working capital term loan repayable.		
5	Long Term Provisions		
	Provision For Employee Benefits:		
	Provision for Gratuity	9,322,731	11,772,339
	Provision for Compensated Absences	3,368,776	2,733,352
		12,691,507	14,505,691
	Provision for Income Tax	360,438	-
		13,051,945	14,505,691
6	CURRENT LIABILITIES		
	Short Term Borrowings		
	Secured:		
	Loan Repayable on demand from Banks		
	Pre-shipment Credit *	383,489,120	401,498,074
	Post-shipment Credit *	213,448,957	217,130,644
	Other Short term Loans & overdraft #	299,908,327	324,789,651
	Unsecured		
	Deposit from related party	58,000,000	
		954,846,404	943,418,369



Note No.	Particulars	As at 31st March, 2013 (₹)	As at 31st March, 2012 (₹)
a	<p><u>Nature of Security</u></p> <p>A. * Working Capital Facilities in India :-</p> <p>(i) Above Loans are secured by hypothecation of Stock-in-trade and Book Debts on pari-passu basis.</p> <p>(ii) Further Secured, on parri-passu basis, by :-</p> <p style="padding-left: 20px;">a. Equitable Mortgage of Land and Buildings situated at K-6A & K-6B, Adarsh Nagar and E-68 & E-69 EPIP, Sitapura, Jaipur</p> <p style="padding-left: 20px;">b. First charge on block of asset of the company (excluding Land & Building and vehicles)</p> <p>(iii) Pledge of 254,332 equity shares of Rs. 10 each of Vaibhav Global Limited by Brett Plastic Private Limited.</p> <p>(iv) Pledge of 200 common shares with no par value of STS Jewels Inc.</p> <p>(v) Pledge of 87,500 Ordinary Shares of HK \$100 each & assignment of loan worth USD 0.5 million to STS Gems Limited, HKK.</p> <p>(vi) Pledge of 12,576,633 equity shares of US \$ 1 each and assignment of loan worth USD 24.45 million to Genoa Jewelers Limited, BVI and;</p> <p>(vii) Personal Guarantee of Mr. Sunil Agarwal, Chairman of the Company & pledge of 28140 shares in his name.</p> <p>B. # Short term Loans & overdraft facilities in respect of The Jewellery channel Limited,UK for Rs. 200,655,342 (Previous year Rs. 224,453,310) :-</p> <p>(i) Above Loan is secured by first charge on EPG Licence on sky.</p> <p>(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.</p> <p>(iii) In addition to that all debts are secured by Corporate guarantee of the immediate parent company and Corporate guarantee of the ultimate parent company.</p> <p>C. # Short term Loans in respect of The STS Gems Ltd,HKK Rs. 99,252,985 (Previous year Rs. 100,336,341) :-</p> <p>(i) 25% cash margin of credit limit 2m as fixed deposit.</p>		
b	<p><u>Terms of Repayment of Loans</u></p> <p>A. Short term loan & overdraft in respect of The Jewellery Channel Ltd,UK</p> <p style="padding-left: 20px;">Punjab National Bank : Overdraft facility of £ 2,400,000 repayable on demand.</p> <p style="padding-left: 20px;">Barclays : An overdraft facility of £ 100,000 repayable on demand.</p> <p>B. Short term loan & overdraft in respect of STS Gems Ltd,HKK</p> <p style="padding-left: 20px;">Bank of Baroda,HK : Repayable with in 120 days with interest charged @ 5.75%</p>		
7	<p>Trade Payables</p> <p>Trade Payables</p>	<p>447,702,473</p> <p><u>447,702,473</u></p>	<p>460,917,371</p> <p><u>460,917,371</u></p>



Note No.	Particulars	As at 31st March, 2013 (₹)		As at 31st March, 2012 (₹)	
8	Other Current Liabilities				
	Other Current Liabilities consists of following :-				
	Current Maturity of Long Term Debt:				
	-Corporate Loan	81,480,000		81,480,000	
	-Working Capital Term Loan	96,000,000	177,480,000	96,000,000	177,480,000
	Unclaimed Dividend*		92,922		209,282
	Employee benefit payables		14,128,398		12,352,405
	Statutory Dues(including PF,TDS etc.)		35,130,649		2,497,876
	Creditor for Capital goods		-		7,420,727
	Other Payables #		288,071,042		214,684,483
			514,903,011		414,644,773

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

Includes Rs. 24,022,062 (previous year 12,173,773) being credit balance in current account with a bank and Rs.111,700,000 (Previous year Nil) being liability for CDR re-compense interest as approved by CDR EG (Refer Note No 28 (b)).

9 Short Term Provisions

Provision for employee benefits:

Provision for Gratuity	5,713,238		815,409	
Provision for Compensated Absences	220,577	5,933,815	187,791	1,003,200
Provision for Taxation & Others		5,104,273		1,408,015
		11,038,088		2,411,215

10 **Note is given at page no. 80**

Non Current Assets

11 Non Current Investments

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

Amount in (₹)

	Gross Amount		Diminution in Value of Investment		Net Amount	
	31.03.2013	31.03.2012	31.03.2013	31.03.2012	31.03.2013	31.03.2012
A Other than Trade Investments						
(i) Unquoted Investment in Equity Instrument of Associate (Fully Paid up) :						
360,000 (Previous year- 360,000)						
Equity Shares of Rs.10 each of VGL Softech Limited	5,207,000	5,207,000	5,207,000	5,207,000	-	-
Extent of holding 19.78 %						
(ii) Quoted Investment in Equity (Fully Paid up) :						
368 (Previous year - 368)						
Equity Shares of Rs.10 each of Punjab National Bank	143,520	143,520	-	-	143,520	143,520
1000 (Previous year -1000)	28,835	31,510			28,835	31,510
Equity Shares of Yen 50 each Asahi Shinkin Bank Stock						
Total (B)	5,379,355	5,382,030	5,207,000	5,207,000	172,355	175,030



Note No.	Particulars	As at 31st March, 2013 (₹)		As at 31st March, 2012 (₹)	
	Notes:-				
	1. Aggregate amount of Quoted Investment			172,355	175,030
	2. Market value of Quoted Investment			264,040	372,692
	3. Aggregate amount of Non Quoted Investment			5,207,000	5,207,000
	4. Aggregate amount of provision for diminution in value of Investment			5,207,000	5,207,000
12	Deferred Tax Assets (Net)				
	Add : Deferred Tax Assets				
	Provision for Gratuity	5,110,726		3,889,614	
	Provision for Leave Encashment	1,220,021	6,330,747	902,633	4,792,247
	Less: Deferred Tax Liability:				
	Depreciation	4,690,327	4,690,327	2,182,987	2,182,987
			1,640,420		2,609,260
	Net deferred tax charge/(credit) for the year of Rs. 9,68,840 (Previous year Rs. (12,57,307)) has been recognized in the Statement of Profit and Loss for the year.				
13	Long Term Loans & Advances				
	<i>(Unsecured and considered good unless otherwise stated)</i>				
	Capital Advances		-		7,857,725
	Security Deposits		116,045,030		7,209,580
			116,045,030		15,067,305
	CURRENT ASSETS				
14	Current Investments				
	Investment in Mutual Fund #		601,058		130,742,892
			601,058		130,742,892
	# Through Morgan Stanley Private Wealth Management- Portfolio Investment				
15	Inventories				
	<i>(Cost & Net realizable value whichever is lower)</i>				
	<i>(As taken, valued and certified by the Management)</i>				
	Materials-in-process		815,763,632		705,989,037
	Semi Finished Goods		13,122,335		28,958,991
	Finished Goods		1,253,593,266		978,574,753
	Stores and Consumables		8,369,435		4,367,305
			2,090,848,668		1,717,890,086
15.1	Particulars of Material-in-process				
	Gem Stones		725,060,754		591,806,566
	Alloys		5,780,403		7,781,538
	Diamond		43,988,410		38,882,305
	Gold		16,403,917		31,463,108
	Platinum		3,678,456		2,047,623
	Silver		17,188,712		33,352,617
	Parts & Findings		1,856,608		178,277
	Metal (Others)		1,806,372		477,003
			815,763,632		705,989,037
16	Trade Receivables				
	<i>(Unsecured and considered good unless otherwise stated)</i>				
	Outstanding for a period Months from the date they are due for payments		190,108		-
	Others		355,598,041		374,600,880
			355,788,149		374,600,880



Note No.	Particulars	As at 31st March, 2013 (₹)	As at 31st March, 2012 (₹)
17	Cash & Cash Balances		
	Cash & Cash Equivalents		
	Balance with Banks	402,729,631	133,218,022
	Cash on hand	2,523,540	2,479,368
		<u>405,253,171</u>	<u>135,697,390</u>
	Other Bank Balances		
	Unpaid Dividend account	92,145	211,312
	Bank Deposits (Pledged)	53,686,724	50,882,891
		<u>53,778,869</u>	<u>51,094,203</u>
		<u>459,032,040</u>	<u>186,791,593</u>
18	Short Term Loans and Advances		
	(Unsecured and considered good unless otherwise stated)		
	Advance To Staff	1,575,482	1,366,402
	Advance To Suppliers	8,264,489	11,844,693
	Loans & Advances #	118,379,210	396,668,565
	Prepaid Expenses	208,730,165	142,884,549
	Balances with Tax Authorities	34,424,610	11,056,163
	Others (includes short term Security Deposits)	36,908,857	125,210,342
		<u>408,282,813</u>	<u>689,030,714</u>
	# Being loan given to third parties, the confirmations of which and the terms & conditions for the same have not defined.		
19	Other Current Assets		
	Interest Accrued on Bank FDR	767,609	828,715
		<u>767,609</u>	<u>828,715</u>
Note No.	Particulars	Year ended 31st March, 2013 (₹)	Year ended 31st March, 2012 (₹)
20	REVENUE FROM OPERATIONS		
	Sale of Products:		
	Sales	8,924,896,438	6,460,246,614
	Other Operating revenue (Commission)	4,044,652	4,713,863
		<u>8,928,941,090</u>	<u>6,464,960,477</u>
21	OTHER INCOME		
	Interest	21,575,346	19,608,703
	Dividend Received	709,891	1,751,514
	Liability No Longer required	2,684,811	14,318,480
	Miscellaneous Income	141,426,526	84,803,181
	Exchange Fluctuation (Net)	210,241,808	162,717,651
		<u>376,638,382</u>	<u>283,199,529</u>
22	COST OF MATERIAL CONSUMED		
	Materials Consumed		
	Opening Material-in-process	705,989,037	639,283,871
	Add: Purchases	1,813,058,188	1,319,393,463
		<u>2,519,047,225</u>	<u>1,958,677,334</u>
	Less: Closing Material-in-process	815,763,632	705,989,037
		<u>1,703,283,593</u>	<u>1,252,688,297</u>

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



Note No.	Particulars	Year ended 31st March, 2013 (₹)	Year ended 31st March, 2012 (₹)
23	PURCHASES OF STOCK-IN-TRADE		
	Purchases of Finished Goods	1,578,398,888	1,199,405,745
		<u>1,578,398,888</u>	<u>1,199,405,745</u>
24	CHANGES IN STOCK-IN-TRADE		
	Decrease/(Increase) of Stock-in-Trade consists of		
	Finished Goods:		
	<i>Opening Stocks</i>		
	Semi Finished Goods	28,958,991	6,427,000
	Finished Goods	978,574,760	828,981,353
		<u>1,007,533,751</u>	<u>835,408,353</u>
	<i>Less: Closing Stocks</i>		
	Semi Finished Goods	13,122,335	28,958,991
	Finished Goods	1,253,593,267	978,574,750
		<u>1,266,715,602</u>	<u>1,007,533,741</u>
		(259,181,851)	(172,125,388)
		<u>(259,181,851)</u>	<u>(172,125,388)</u>
25	EMPLOYEES BENEFIT EXPENSE		
	Salaries, Wages, Bonus etc.	1,207,288,154	774,274,809
	Contributions to Provident and Other Funds	166,206,455	112,195,164
	Staff Welfare Expenses	19,927,941	11,599,897
	Employee Compensation Expenses under ESOS (Refer Note No.2f)	4,773,619	3,145
	Recruitment and Training	21,141,920	6,548,249
		<u>1,419,338,089</u>	<u>904,621,264</u>
26	FINANCE COST		
	Interest	124,194,878	127,605,262
	Finance Charges	20,388,906	16,753,669
		<u>144,583,784</u>	<u>144,358,931</u>
27	OTHER EXPENSES		
	a. MANUFACTURING EXPENSES		
	Job Work Charges	152,899,513	57,895,009
	Stores and Consumables	36,176,553	33,068,158
	Power and Fuel	17,011,957	12,740,140
	Freight, taxes and duties	219,329,469	134,987,909
	Repairs and Maintenance	9,218,976	6,039,543
	Other Manufacturing Expenses	141,074,595	104,674,255
		<u>575,711,063</u>	<u>349,405,014</u>
	b. ADMINISTRATIVE & SELLING EXPENSES		
	Rent, Rates and Taxes	80,845,145	51,609,853
	Insurance	31,425,919	20,135,223
	Travelling and Conveyance	52,114,891	32,931,886
	Legal and Professional	24,403,079	29,209,485
	Postage and Telephone	53,482,562	37,855,427
	Printing and Stationery	18,712,843	10,363,854
	Repair Expenses	13,199,813	8,505,287
	Advertisement and Business Promotion	144,295,213	71,877,589
	Discounts, Brokerage and Commission	3,714,876	14,198,551
	Packing and Forwarding	104,935,989	56,520,296
	Misc. Expenses	123,540,106	103,020,898
	Donation	2,271,362	1,480,969



Note No.	Particulars	Year ended 31st March, 2013 (₹)	Year ended 31st March, 2012 (₹)
	Auditors' Remuneration	9,536,718	4,910,044
	Directors' Remuneration	4,200,000	4,200,000
	Directors' Sitting Fees	690,000	500,000
	Loss On Sale of Investments	-	14,251,892
	Loss on Sale of Assets	1,031,546	2,837,006
	Bad Debts	67,236,527	7,492,076
	TV Channel Expenses		
	Content & Broadcasting	1,751,349,297	1,268,128,985
	Call handling & Collection Charges	220,709,300	162,627,120
	Packing & Distribution Charges	519,894,085	257,726,202
	Information Technology Expenses	44,833,828	30,679,116
	Total Other Expenses	3,272,423,099	2,191,061,759
		3,848,134,162	2,540,466,773
28	EXCEPTIONAL ITEMS		
	Goodwill on Consolidation written off (refer note no (a) below)	1,511,097,632	-
	CDR re-compense interest provided (refer Note (b) below)	111,700,000	-
	Investment in subsidiary closed/under liquidation written off (refer Note (c) below)	15,826,500	509,829,871
	Write back of losses of subsidiary closed/under liquidation and not considered for consolidation (refer Note (c) below)	(1,349,828)	(409,290,727)
		1,637,274,304	100,539,144

- a Based on the valuation carried out by an Independent valuer of one of the group company namely STS Jewels Inc, USA, the decline in value of investment amounting to Rs. 1,511,097,632 has been provided by the parent company. Correspondingly, the goodwill arised on consolidation of the said group company is written off to that extent in the consolidated financial statement as "exceptional Item".
- b. The company during the year made proposal to CDR Cell for exit from CDR mechanism. The proposal envisaged the exit of company from the CDR by payment of interest under re-compense clause and continuing with the existing limits from banks. The said proposal was approved by the CDR Empowered Group in their meeting held on March 25, 2013 wherein the company is required to pay Rs. 1,117,00,000 being interest upto March 31, 2013 under re-compense clause. The re-compense interest amounting to Rs. 1,117,00,000 has been charged to statement of profit and loss account as "Exceptional Item".
- c During the year one of the group company namely STS Creations Thai Limited, Thailand has gone under liquidation and therefore is not under control of the group. The financial statements of the said company has not been consolidated and the Investment amounting to Rs. 15,826,500 has been written off and losses amounting to Rs. 1,349,828 accounted for in consolidated financial statement till previous year has been written back.



Note No.	Particulars	Year ended 31st March, 2013 (₹)	Year ended 31st March, 2012 (₹)
29	Contingent Liabilities and Commitments		
	1 (a). Capital Commitment:		
	Commitments	Nil	Nil
	1 (b). Contingent Liabilities:		
	Guarantees given by bank on behalf of the Company	91,560,000	90,799,200
	Guarantees given to bank & others by the Company	1,530,850,386	1,511,298,658
	Disputed Tax Matters:		
	Excise Duty	64,226,582	NIL
	Income tax*	3,880,370	-

*in respect of income tax liability for Assessment Year 2009-2010, for which reference has been made by the Company to Dispute Resolution Panel (DRP) against Draft Assessment Order. Pending final outcome of the DRP order amount is not ascertainable.

Dividend on Cumulative Preference Share* 24,566,667 20,166,667

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

30 Lease Commitments

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

Year	2012-13	2011-12
Not later than one year	101,658,725	111,182,995
Later than one year & not later than five year	246,658,756	15,665,901
Later than five years	537,052,800	300,008,506

31 Related Party Disclosures:

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

Enterprises in which Key management persons are interested :

- | | |
|---------------------------------|---------------------------------------|
| 1. VGL Softech Limited | 2. Surawell Pacific Limited |
| 3. Brett Plastic Pvt. Limited | 4. Shivram Properties Private Limited |
| 5. Emerald Creation Inc. | 6. Anubhav Gems (P) Ltd |
| 7. Reengus Exim Private Limited | 8. STP Exim Private Limited |

Key Management Personnel (KMP):

- | | |
|--|----------------------------------|
| 1. Shri Rahimullah – Managing Director | 2. Shri Sunil Agarwal – Chairman |
|--|----------------------------------|

Relative of Key Management Personnel

- | | |
|-------------------|--------------------|
| 1. Mr. Asifullah | 2. Mr. Arifullah |
| 3. Mr. Inamullah | 4. Mr. Rizwanullah |
| 5. Mr. Imranullah | |



Note No.	Particulars	Year ended 31st March, 2013 (₹)		Year ended 31st March, 2012 (₹)	
----------	-------------	------------------------------------	--	------------------------------------	--

B. Related Party Transactions

Amount in Rs.

Nature of Transactions	Key Managerial Person		Relative of Key Managerial Person		Enterprises over which Significant influence exercised by Key Managerial Person	
	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12
	(i) Transactions During the year					
a. Sales of Goods	175,208	3,422,135	-	570,294	62,634,250	39,720,541
b. Purchases of Goods					692,250	17,265,298
c. Advance Given						
d. Purchase of Fixed Assets						
e. Expenses	-			235,999	3,259,134	
f. Loan taken					58,000,000	
g. Guarantee						
h. Remuneration	4,200,000	4,200,000	-	1,731,180		
(ii) Balances as the end of the year						
a. Amount Receivable	-	3,477,863				
b. Amount Payable					285,330	1,439,039
c. Unsecured Loans					96,000,000	38,000,000
d. Loan Receivable						
e. Investment					5,207,000	5,207,000
f. Guarantee						

C. Note is given at page no. 81.

32 Two of the subsidiaries in USA have recognised net aggregate Deferred Tax Assets of Rs. 30,91,95,850 as at 31/03/2013 . 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)

a Profit after Tax (Rs.)	(856,101,226)	685,082,205
b. Dividend on Preference Shares (Rs.)	4,400,000	4,400,000
c. Profit attributable to Equity Shareholders for Basic and Diluted EPS (Rs.) (a-b)	(860,501,226)	680,682,205
d. i) Weighted average number of Equity Shares outstanding during the year for Basic EPS	31,785,765	31,698,473
ii) No of Stock Option Outstanding	539,921	546,324
iii) No of Dilutive Potential Equity Shares	327,665	145,000
e. Weighted average number of Equity Shares outstanding during the year for Diluted EPS (d(i)+d(iii))	32,113,430	31,843,473
f. Basic Earning Per Share	(27.07)	21.47
g. Diluted Earning Per Share	(26.80)	21.38



Note No.	Particulars	Year ended 31st March, 2013 (₹)	Year ended 31st March, 2012 (₹)
34	SEGMENT INFORMATION :		
	1 Segment Revenue		
	a. Wholesale	4,898,750,992	3,771,551,518
	b. Retail	8,040,601,568	5,551,702,058
	Total	12,939,352,560	9,323,253,576
	Less: Inter Segment revenue	(4,010,411,470)	(2,858,293,099)
	Net Sales/ Income from Operation	8,928,941,090	6,464,960,477
	2 Segment Results		
	a. Wholesale	3,95,494,472	233,325,796
	b. Retail	376,026,754	516,621,092
	Total	771,521,226	749,946,888
	(i) Interest Income	21,575,346	19,608,703
	(ii) Interest expense	(144,583,784)	(144,358,931)
	(iii) Exchange gain/(Loss) Unallocated	149,306,400	162,717,651
	Total Profit before Tax	797,819,188	787,914,311
	3 Capital Employed		
	a. Wholesale	743,860,945	21,298,991,627
	b. Retail	847,263,933	524,043,439
	Total	1,591,124,878	2,653,035,066
	4 Other Information		
	Segment Assets		
	a. Wholesale	2,483,259,907	3,927,869,583
	b. Retail	1,526,422,623	1,216,256,465
	Segment Liabilities		
	a. Wholesale	1,739,398,962	1,798,877,956
	b. Retail	679,158,690	692,213,026
	Capital Expenditure		
	a. Wholesale	31,876,285	19,009,699
	b. Retail	29,363,175	22,999,278
	Depreciation & Amortisation		
	a. Wholesale	23,146,350	16,712,471
	b. Retail	50,057,272	74,117,601
	Non Cash Expenses other than Depreciation		
	a. Wholesale	1,031,546	2,837,006
	b. Retail	-	-

- a) Segment has been identified in line with the Accounting Standard-17, "Segment Reporting" taking into consideration the organization structure as well as the differential risks and returns of these segments.
- b) The differential risk and rewards of VGL Group are more identifiable and associated with the method of distribution of product and hence, the company has identified two reportable segments viz. Wholesale Operations & Retail Operations.
- c) Inter-Segment revenues are recognized at sales and/or transfer price.
- d) The Segment Revenues, Results, Assets and Liabilities include the respective amounts identifiable to each of the segment and amounts allocated on reasonable basis. The amounts, which are not allocable to any segment, are shown as un-allocable under respective heads.

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

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

Jaipur, 18th May, 2013

For and on behalf of the Board

SHEELA AGRAWAL
Director

RAHIMULLAH
Managing Director

BRAHM PRAKASH
Company Secretary



NON CURRENT ASSETS
Note 10 Fixed Assets

NAME OF ASSETS	GROSS BLOCK						ACCUMULATED DEPRECIATION			NET BLOCK		
	As at 01.04.2012	Addition	(Disposals)	Currency Realinment	As at 31.03.2013	Up to 31.03.2012	For the Year	Deletions	Currency Realinment	Up to 31.03.2013	As at 31.03.2013	As at 31.03.2012
A. Tangible Assets												
Freehold Land	4,894,909	-	-	-	4,894,909	-	-	-	-	-	4,894,909	4,894,909
Leasehold Land	15,477,028	-	-	-	15,477,028	914,383	152,767	-	-	1,067,150	14,409,878	14,562,645
Lease Hold Improvement	136,042,373	6,189,317	-	3,348,855	145,580,546	119,917,431	7,868,822	-	2,793,096	130,579,349	15,001,196	16,124,942
Building	66,606,277	-	-	(303,876)	66,302,402	30,922,762	4,593,260	-	(251,624)	35,264,398	31,038,003	35,683,515
Plant & Machinery	208,310,229	60,303,294	8,361,960	7,278,466	267,530,029	139,944,817	13,916,185	5,696,397	1,852,218	150,016,822	117,513,207	68,365,412
Electric Installation	19,796,482	882,342	-	-	20,678,824	11,112,965	1,281,167	-	-	12,394,132	8,284,692	8,683,517
Furniture & Fixtures	71,435,918	21,374,871	-	1,899,745	94,710,534	47,695,100	7,256,313	-	1,148,296	56,099,710	38,610,824	23,740,817
Office Equipment	15,142,746	4,201,017	46,769	(372,921)	18,924,073	10,200,374	1,154,604	25,535	31,303	11,360,746	7,563,327	4,942,373
Computer	162,292,714	37,041,089	-	2,883,152	202,216,955	133,173,434	15,948,942	-	3,761,740	152,884,116	49,332,839	29,119,280
Vehicles	8,696,475	1,794,724	-	341,964	10,833,162	6,617,232	850,312	-	341,963	7,809,506	3,023,656	2,079,244
Total	708,695,151	131,786,654	8,408,729	15,075,385	847,148,461	500,498,498	53,022,372	5,721,932	9,676,992	557,475,929	289,672,531	208,196,654
B. Intangible Assets												
Goodwill on Consolidation	1,797,929,503	-	1,511,097,632	-	286,831,871	-	-	1,511,097,632	-	-	286,831,871	1,797,929,503
Broadcast Rights	66,316,762	-	-	(268,914)	66,047,848	46,053,344	20,181,250	-	(186,746)	66,047,848	-	20,263,418
Total	1,864,246,265	-	1,511,097,632	(268,914)	352,879,719	46,053,344	20,181,250	1,511,097,632	(186,746)	66,047,848	286,831,871	1,818,192,921
C. Capital Work In Progress												
	-	-	-	-	-	-	-	-	-	-	276,245	409,008
Total	-	-	-	-	-	-	-	-	-	-	276,245	409,008
Grand Total (A+B+C)	2,572,941,416	131,786,654	1,519,506,361	14,806,471	1,200,028,180	546,551,842	73,203,622	1,516,819,564	9,490,245	623,523,777	576,780,647	2,026,796,583
Previous Year	2,449,738,765	84,689,603	20,680,138	59,193,185	2,572,941,416	419,359,611	90,830,072	3,647,188	4,000,9408	546,551,842	2,026,798,582	2,045,153,908



31 C. Details of Material Related Party Transactions																		
Enterprises over which significant influence exercised by Key Managerial Persons																		
Nature of Transactions	Anubhav Gems		Emerald Creation		Shivram Properties Pvt. Ltd.		VGL Softech		Others		Total		Key Managerial Person		Relative of Key Managerial Person			
	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12		
(i) Transaction during the year																		
a. Sales of Goods	62,634,250	39,646,459	175,208	74,082							62,809,458	39,720,541			34,22,135		570,294	
b. Purchases of Goods	692,250	94,402	17,170,896								692,250	17,265,298						
c. Loan taken					58,000,000													
d. Expense					3,259,134						3,259,134						235,999	
e. Investment																		
f. Guarantee																		
g. Remuneration														4,200,000	4,200,000		1,731,180	
(ii) Balances as at year end																		
a. Amount Receivable																		
b. Amount Payable			285,330	1,439,039							285,330	1,439,039						
c. Loan Receivable													38,000,000					
d. Loan Payable					58,000,000						58,000,000	38,000,000						
e. Investment								5,207,000			5,207,000							
f. Guarantee																		



This page has been left blank intentionally



Vaibhav Global Limited

Regd. Office: K-6B, Fateh Tiba, Adarsh Nagar, Jaipur -302004

PROXY FORM

DP ID No.		L.F. No.	
Client ID No.		No. of Shares held	

I / We.....
of.....being
a Member / Members of **Vaibhav Global Limited**, hereby appoint.....
of.....or failing him / her.....
of..... as my / our proxy to attend and vote for me / us or my /our behalf at the Twenty Fourth Annual General Meeting
of the Company at E-69, EPIP, Sitapura, Jaipur -302 022 and at any adjournment thereof.

Affix Revenue Stamp

(Signature of the shareholder)

Signed this day of 2013

Note:

1. The Proxy Form signed across revenue stamp should reach the Registered Office of the Company at least 48 hours before the scheduled time of meeting.
2. Those members who have multiple folios with different joint holders may use copies of this Attendance Slip / Proxy.



Vaibhav Global Limited

Regd. Office: K-6B, Fateh Tiba, Adarsh Nagar, Jaipur -302004

ATTENDANCE SLIP

	L.F. No.	
	No. of Shares held	

I / we hereby record my / our presence at the Twenty Fourth Annual General Meeting of the Company on Wednesday, the 14th August, 2013 at 11.00 am at Corporate office of the Company at E-69, EPIP, Sitapura, Jaipur -302022.

.....
Name of the Shareholder
(In block letters)

.....
Signature

.....
Name of the Proxy
(In block letters)

.....
Signature

- Notes:**
1. Shareholders attending the Meeting in person or by Proxy are requested to complete the attendance slip and hand it over at the entrance of the meeting venue.
 2. Shareholder / Proxy holder desiring to attend the meeting should bring his copy of the Annual Report for reference at the meeting.



SUPER**SAVINGS** SATURDAY

Super deals and **super** savings you don't want to miss out on.

LIQUIDATION CHANNEL



[SHOP NOW](#)

Summer Savings

GETAWAY



Summer totes for a perfect getaway.

THIS SUMMER, ENJOY 10% OFF **SHOP NOW**
USE "GETAWAY10" AT CHECKOUT



Vaibhav Global Limited

(Formerly Vaibhav Gems Limited)

Registered Office :

K-6B, Fateh Tiba, Adarsh Nagar, Jaipur- 302 004
Tel. : 91-141-2601020, 2605077 Fax : 91-141-2601020

Corporate Office :

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