



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

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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

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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

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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.



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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.