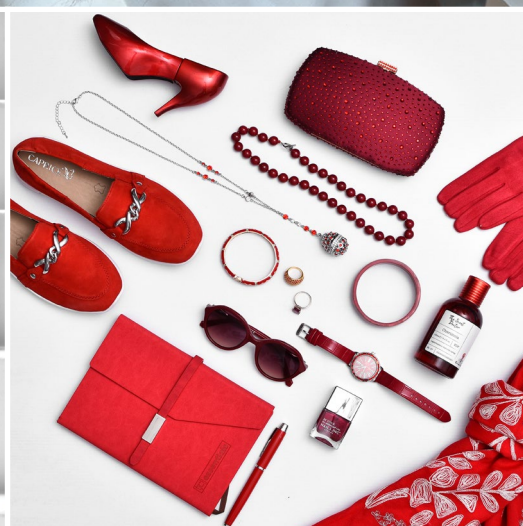




Vaibhav Global Limited

Agile Resilient Focussed





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Forward-Looking Statement

This document contains statements about expected future events and financial and operating results of Vaibhav Global Limited, which are forward-looking. By their nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There might be a risk that the assumptions, predictions and other forward-looking statements will not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as a number of factors could cause assumptions, actual future results and events to differ materially from those expressed in the forward-looking statements. Accordingly, this document is subject to the disclaimer and qualified in its entirety by the assumptions, qualifications and risk factors referred to in the management's discussion and analysis of the Vaibhav Global Limited Annual Report FY23.



To view this report online / to know more about us, please visit:
www.vaibhavglobal.com



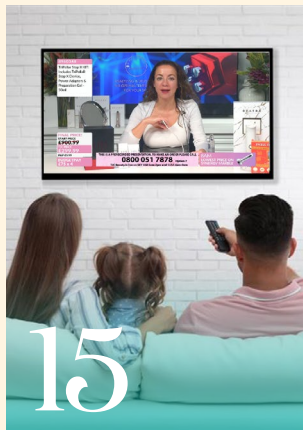
ABOUT THE REPORT



LETTER FROM THE CHAIRMAN



LETTER FROM THE MANAGING DIRECTOR



AN OMNI-CHANNEL PRESENCE



REGION-WISE PERFORMANCE UPDATES



OUR STRATEGIC OBJECTIVES

About The Report

Our Approach to Reporting

This is Vaibhav Global Limited's 2nd Integrated Report and 34th Annual Report that depicts the overall business and sustainability performance, data and context, reflecting our continued journey towards driving sustainable business practices into our core strategy.

Scope of the Report

Information included in this report covers our activities in the FY23 within our various operations globally.

Boundary of Reporting and Reporting Period

The Report covers financial and non-financial information and activities of Vaibhav Global Limited for the period 1 April, 2022 to 31 March, 2023. The financial statements has been audited by BSR & Co. LLP. The reporting scope and boundary for our disclosures, unless otherwise stated, covers the operations of Vaibhav Global Limited.



Reporting Principle

Vaibhav Global Limited (VGL) presents its Business Responsibility and Sustainability Report (BRSR), in line with the BRSR requirements provided under 'National Guidelines on Responsible Business Conduct (NGRBC)' released by the Ministry of Corporate Affairs in 2019, under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The BRSR primarily provides information about the key initiatives taken by the Company, driven by the triple bottom line attributes – environmental, social and governance.

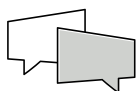
This Report marks our progress in communicating various ESG objectives and sustainability initiatives concerning our stakeholder groups. The Report outlines the approach adopted by VGL towards:

Creating positive environmental and social outcomes through our business operations, conducted in a responsible, ethical and inclusive manner.

Disclosing our sustainability performance across the identified material topics.

Capturing detailed information on the practices followed as a responsible beverage business, a people company, an environmental steward, and a corporate citizen.

We have made disclosures of our data and processes in line with SEBI's new mandate through our Business Sustainability and Responsibility Report. In addition, we have also published our 2nd Annual ESG Report for our stakeholders which details our ESG initiatives, priorities, impact and outlook on ESG imperatives.



FEEDBACK AND SUGGESTIONS

We welcome your feedback and suggestions on this Report. For any feedback, suggestion or clarification, please reach out to us at: investor_relations@vaibhavglobal.com

Our Six Capitals

FINANCIAL CAPITAL



► Read more on Page **36**

MANUFACTURED CAPITAL



► Read more on Page **38**

INTELLECTUAL CAPITAL



► Read more on Page **40**

SOCIAL & RELATIONSHIP CAPITAL



► Read more on Page **45**

HUMAN CAPITAL



► Read more on Page **48**

NATURAL CAPITAL



► Read more on Page **52**

Agile. Resilient. Focussed.

An agility to create, preserve and recover value, to build resilience amid macro challenges, to focus on the core, and the adaptability and ability to change and respond to ongoing uncertainty, and take advantage of new opportunities have always been key focus areas of Vaibhav Global Limited.



FY23 was a year when we faced the challenge of moderating consumer demand amidst an inflationary environment. We took this as an opportunity, leveraged our moats and delivered decent financial results. We stood firm and tall, recalibrated our business strategies and continued with our strategy to invest in our future growth levers.

We spent the year expanding our customer base, and leveraging our diverse portfolio and an omni-channel presence. Amidst broader macro challenges, we gained market share and continued to build our future growth levers. Further, sustained

efforts on cost optimisation helped improve quarterly margins with improved efficiency. A pragmatic approach gave us the confidence that when market conditions rebound, our solid foundation will see us advantageously into the future.

Moving forward, we remain cautiously optimistic about the future and are committed to investing and creating future growth enablers. We are confident of our ability to navigate challenges and experience to effectively manage the business in any environment. The robustness of our business model will continue to drive forward our growth ambitions.



What is VGL all about

Added
17 million
households across
OTA and cable
platforms

0.5 million
Total unique
customers



300 K
New
registrations

221 K
New customer
acquisition

38%
Customer
retention rate (%)

~14K to 15K
New jewellery
designs
introduced
every year

**US\$ 25 to
US\$ 45**
Average
ticket size



30
No. of
countries we
source from

23
Average pieces
purchased per
customer



No. of own
brands: **31**

No. of SKUs:
~75,000

250+
Dealing in
Gemstones
(including rare
gemstones)

57%
New customers
acquired digitally
in FY23

7
No. of
manufacturing
facilities

87%
Retention Rate for
20+ Purchases*



11.2 million
kWh Units
Power requirement
fulfilled through solar
energy (till date)



75 million
No. of meals provided to school children
since inception, under the Mid-day meal
programme '*Your Purchase Feeds...*'

* Refers to the retention rate of customers who have purchased more than 20 times on a TTM basis

Being A Vertically Integrated Digital Retailer



WHO ARE WE

We are a multinational, omni-channel, full-fledged, end-to-end 'value conscious' E-tailer with two pools of product verticals in the developed markets – Fashion Jewellery, Gemstones & Accessories; and Lifestyle Products, Home Décor, Beauty Care, Apparels & Accessories.

With an end-to-end B2C business model, we have direct access to 141 million households across US, UK and Germany through its proprietary TV home shopping network and digital platforms, which includes our proprietary website, shopping apps, OTT platforms, marketplaces and social media.

OUR LEGACY

Headquartered in Jaipur, India, we began operations as a B2B player reaching patrons via intermediaries like Walmart, Sear and Macys. Since 2005, the Company started to expand the customer funnel by venturing into the B2C business model, wherein it opened physical retail stores in major international tourist destinations, such as Alaska, Mexico and the Caribbean Islands, and opened 19 such stores till 2007. In parallel, the Company moved even closer to consumers through proprietary TV channels in the US, UK

and Germany. The above measures were a part of our bigger plan to become a prominent player in the teleshopping industry.

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

ROBUST AND CONTINUOUS CUSTOMER ENGAGEMENT

With a deep value proposition, we have established a wide presence across mediums, with a robust customer connect and a higher consumer and wallet share. Through our TV shopping channels, we serve our customers 24X7 on almost all major cables, satellite, DTH platforms, YouTube, OTT platforms and social media. We aid our customer lifetime value through our e-Commerce

websites in United States (www.shoplc.com), UK (www.tjc.co.uk) and Germany (www.shoplc.de). Our mobile applications complement us in our TV coverage.

Our TV home shopping network today connects us with 141 million households across US, UK and Germany. Few notable achievements in TV households during the year are:

Shop TJC: Our investment in upgrading 'Freeview' channel position to #22 from erstwhile #50 position is bearing the desired results. Even during a challenging macro-economic environment, the total 'number of new customers' increased by 8% YoY and much stronger by 26% over normalised pre-COVID period of FY20.

Shop LC US: Added 4 million households in US across OTA and linear TV platforms.

Shop LC Germany: Partnered with Vodafone Germany; Added 13 million additional households in Germany. We are now present in 90% of the households within 1.5 years of our operations in place.

Our Corporate Philosophy

OUR VISION

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

OUR MISSION

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

OUR CORE VALUES

TEAM WORK

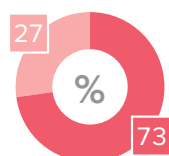
HONESTY

COMMITMENT

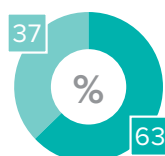
PASSION

POSITIVE ATTITUDE

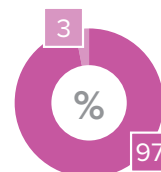
What contributes to Total Revenue



■ Jewellery
■ Lifestyle



■ Television
■ Digital



■ B2C
■ B2B

Our Vertically Integrated Supply Chain

Our low-cost manufacturing base in Asia

India and China

Value sourcing base

30 countries including China, Indonesia, Thailand, Hong Kong, and others

Serving affluent, but value-conscious customers in developed markets

Retail Markets: US, UK, Germany & Austria

Marketplaces: Canada

Diversifying customer engagement

Proprietary TV Shopping Channels

Shop LC in US and Germany
Shop TJC in UK
Proprietary Website

- ▶ Shoplc.com
- ▶ Tjc.co.uk
- ▶ Shoplc.de

Mobile Applications

Google Pay
App Store

Social Media

YouTube
FaceBook
SnapChat
Pinterest
Instagram

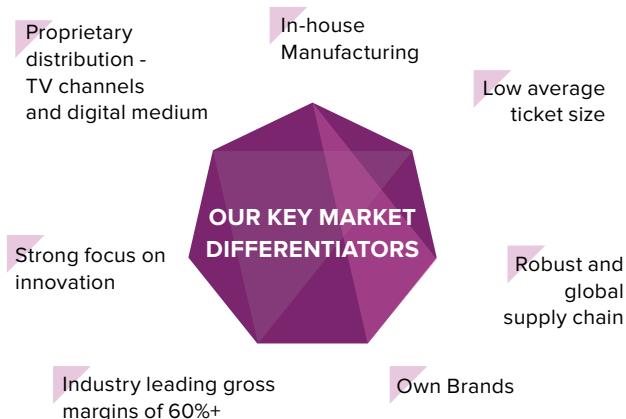
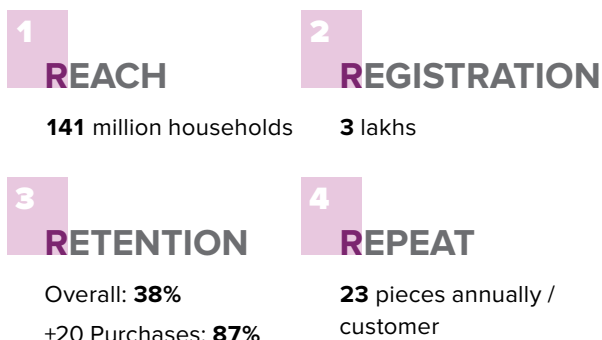
Third-Party Marketplaces

Amazon
Walmart
Google Marketplace
Overstock
eBay
Zulily

Over-The-Top Platforms (OTT)

ROKU TV
Direct TV Stream
Amazon Fire TV
Android TV
Apple TV
Samsung Smart TV
Vizio
YouTube Live

Aiming at growing further by leveraging our 4R Strategy



Letter from The Chairman

Dear Shareholders,

I am delighted to present the
2nd Integrated and 34th Annual
Report of Vaibhav Global Limited.



In my earlier communication, we extensively discussed our strategy of maintaining a diversified product portfolio and investing in future capabilities. This is even more relevant in the current times, considering the global macro-challenges like geopolitical tensions, cost inflation and a fragile growth environment.

In the preceding two years, during COVID-19 and its disruption phase, customers worked from the comfort of their homes. The pandemic changed online shopping behaviour, as they increasingly used online platforms to order, leading to a boom in teleshopping and online businesses.

However, in FY23, as things opened-up, people stepped out more to shop, which had an impact on online and TV shopping to some extent. Additionally, larger economies suffered during the year due to the geopolitical tensions. Inflationary and pricing pressures affected consumers' purchasing power, thereby impacting e-commerce and digital companies, including teleshopping companies.

NAVIGATING HEADWINDS

The headwinds in the global environment impacted two of the key regions that we operate in: United States and United Kingdom. Despite facing moderating consumer demand, we demonstrated resilience. We judiciously invested in key strategic initiatives, such as expanding our households reach by adding more cable TV and OTA households. We also increased marketing spend in OTT or connected TV homes where the customer lifetime value is very high.

At VGL, we believe in seeding investments for long-term growth. For instance, our Salesforce marketing and Salesforce service clouds have recently gone live in the US and the UK. Despite the challenging macro environment, we continue to gain market share across regions. We perceive that the current headwinds are transient in nature, and with all growth levers in place, we will continue to achieve market leading growth.

Our balance sheet remains robust having a healthy cash and bank balance of ₹167 crore (net of debt). We made sustained efforts towards cost optimisation, operational efficiency, constant new products introduction and customer acquisition. We are confident that the steps taken during the year will go a long way in developing a more agile and resilient business model.

OUR UNIQUE BUSINESS MODEL

We take pride in our omni-channel sales distribution model, enabling global electronic retailing of fashion jewellery, apparel, lifestyle products and accessories. Today, we are serving approximately 141 million households as against 124 million households in FY22. New registrations during the 12-month period were 3 lakhs, a significant increase of 69% over the last pre-COVID year. Nearly 57% of the new customers were acquired digitally, thus reaffirming our decision to increase investments in digital segment.