



Mr. Sunil Agrawal, Chairman and MD,
Vaibhav Global Limited— 28th AGM address excerpt



VGL Group

"Top notch customer experience is very important in our electronic retail business. In 2016-17 we were keenly focussed on executing the bold initiatives we took over last two years towards this end. Affordability is primary driver of purchase by our customers. Buying frequency has markedly improved to 27 products per year per customer from 24.5 year before mainly as a result of Budget Pay EMI now available at both our US and UK retail operations. With the availability of Budget Pay, we now have an edge over competitors already offering EMI options as it makes our low-priced products even more attractive..."

VGL VISION

Be the value leader in electronic retailing of jewellery and lifestyle products

VGL MISSION

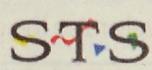
- Building a learning organisation with high performing people
- Offer low-priced, high-quality products
- Delight our customers everyday



VGL: A Successful B2C Electronic Retail Franchise in Developed Markets— Unique Achievement for an Indian Company

Vaibhav Global Limited (VGL) is a vertically integrated, omnichannel electronic retailer of fashion jewellery, accessories and lifestyle products. It has a reach of over 100 million households in the US and UK on its TV Shopping channels —

ShopLC in the US and The Jewellery Channel (TJC) in UK. These TV shopping channels reach customers directly 24x7 on almost all the major cable, satellite and DTH platforms — Dish TV, DirecTV, Comcast, Time Warner, AT&T, Sky, Virgin, Freeview, and Freesat etc. In addition, VGL's e-commerce websites/mobile apps in the US www.shoplc.com and UK www.tjc.co.uk complement its TV coverage, diversify customer engagement and increase customer lifetime value.



VGL has transformed its business from the traditional B2B gold and diamond jewellery exports most Indian companies focus on. Today, it is possibly one of few Indian companies to successfully develop profitable B2C customer franchise in developed markets. This is driven by its deep understanding of customer markets in developed countries

and cost efficient manufacturing and sourcing operations in India, China, Bali and Thailand. As a result, VGL has achieved over \$ 200 million in revenues with a gross margin of over 60% in its core retail business.

VGL is expanding its fashion jewelry portfolio to a range of lifestyle and fashion accessories that are adjacent categories targeting the same audiences and affording similar margin profile. It has also developed a series of brands, some are in collaboration with popular designers, to engage more deeply with younger buyers in the US and UK who aspire for brands. These new product lines are finding strong interest with customers.

- Created an end-to-end B2C business model for fashion jewellery, accessories and lifestyle products
- Reach of over 100 million households through Proprietary TV home shopping ShopLC and TJC in the US and UK respectively
- Modern e-commerce platforms and mobile applications under retail brands www.ShopLC.com and www.tjc.co.uk
- Cost-effective manufacturing base in India, China, Thailand and Bali Flexible and scalable gemstone sourcing from across the globe with recent foray into adjacent lifestyle products category
- Industry leader in coloured gemstones having popularised stones like 'Tanzanite' etc.
- Professional and highly reputed management team.



Shop LC featured at Times Square on Jan 10th 2017 for 24 hours as part of its rebranding effort



Better Customer engagement through our new studio with enhanced presentation capabilities at ShopLC, USA



Fully operationalised the new warehouse with barcode processing at ShopLC, USA



Our new 100,000 Sqft., Fully-integrated, LEED Certified 'Gold Level' Building at SEZ, Jaipur



Our focus to be where our customers are, is evident with almost 20% of our revenues now coming from our websites — both desktop and mobile. We are also available on emerging internet-based streaming devices such as Roku, Hulu, Amazon Fire, Apple TV, etc. that deliver our live video streams when the device is attached to a television. We have recently launched applications for mobile devices and Smart TVs to maximize reach. Yet another emerging opportunity comprises OTA (over-the-air) customers, which are about 20 million households large. These so-called 'cord-cutters' or 'cord-nevers' present a large potential market to tap into cost-effectively. We are already in over 9 million such homes.



SOCIAL IMPACT— IN PURSUIT OF A BETTER TOMORROW

In a distinctive social initiative, for every single item ordered by a customer, we donate a meal to a hungry child in India and the UK. We have partnered with Akshaya Patra Foundation, the world's largest NGO that serves wholesome and nutritious meals to over 1.5 million children in over 10,000 government and non-government-aided schools in India every day. With the understanding that a nutritious meal is a strong draw for the child to attend school and continue with his/her education, we provide over 14,000 meals to 141 schools and 322 Aanganwadis around Jaipur every day. So far, we have delivered over 9.5 million meals since the launch of the program in January 2015. Going forward, our plan is to eventually extend our One for One initiative to all the communities within which we operate. With a view to extend the scope and coverage under this program, we joined hands with Magic Breakfast, a UK charity partner for TJC One for One in December 2016. In 2016-17,

under our UK charity commitment, we delivered 2,000 meals per month. Magic Breakfast is a charity in the UK that provides wholesome meals to more than 31,000 children in 467 primary, secondary and special educational needs schools.



Other social initiatives

- Association with Smedha NGO that provides scholarships for higher studies to underprivileged but bright children
- Association with Akshar Society that provides education in the slum areas of Jaipur
- Association with Manav Seva Sangh Prem Niketan Bal Mandir, a senior secondary school for upgrading the school facilities and providing midday meals Association with Manav Seva Sangh Hospital for helping spruce-up their medical facilities Association with Manav Seva Sangh Ashram for the welfare of senior citizens

Our aggregate CSR investments, 2016-17! Rs. 1.52 crore

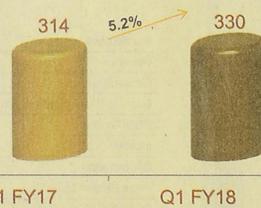
Extract of Consolidated Unaudited Financial Results for the Quarter Ended 30th June, 2017

(Rs. in lacs, unless otherwise stated)

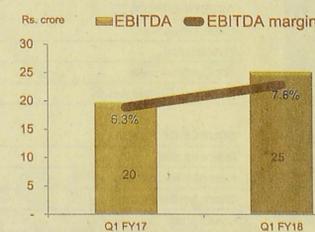
PARTICULARS	Consolidated		Standalone	
	30.06.2017 (Unaudited)	30.06.2016 (Unaudited)	30.06.2017 (Unaudited)	30.06.2016 (Unaudited)
1. Income				
a. Revenue from operations	32,965.03	31,348.14	10,565.57	10,638.85
b. Other income				
(i) Exchange gain	299.57	-	303.89	55.26
(ii) Others	307.66	274.37	95.96	36.58
Total income	33,572.26	31,622.51	10,965.42	10,730.69
2. Expenses				
a. Cost of materials consumed	6,789.42	6,280.72	6,789.11	6,280.72
b. Purchase of stock-in-trade	6,389.29	5,314.84	312.66	318.71
c. Change in inventories of finished goods, work-in-progress and stock-in-trade	(3,063.72)	(2,029.83)	(128.17)	538.76
d. Employees benefit expense	6,456.03	5,771.35	967.73	927.62
e. Finance cost	142.70	161.42	99.98	114.13
f. Depreciation and amortisation expenses	742.50	663.76	96.00	178.38
g. Other expenditure :				
(i) Manufacturing expenses	1,725.10	1,712.02	1,210.24	1,172.61
(ii) Administrative and selling expenses (refer note 9)	12,767.29	12,604.12	487.12	546.62
Total expenses	31,948.61	30,478.40	9,834.67	10,077.55
3. "Profit from operations before exceptional items and tax (1-2)"	1,623.65	1,144.11	1,130.75	653.14
4. Exceptional items				
5. Profit from ordinary activities before tax (3-4)	1,623.65	1,144.11	1,130.75	653.14
6. Tax expense (refer note 4)	116.72	45.55	340.15	308.43
7. Profit for the year (5-6) (A)	1,506.93	1,098.56	790.60	344.71
8. Other comprehensive income after tax (B)				
a. Items that will not be classified to profit & loss	15.45	(86.13)	(0.13)	11.96
b. Items that will be classified to profit & loss	105.72	(48.01)	-	-
9. Total comprehensive income for the year (A+B)	1,628.10	964.42	790.47	356.67
10. Profit for the period attributable to :				
a. Owners of Vaibhav Global Limited	1,506.93	1,098.56	790.60	344.71
b. Non-controlling Interest	-	-	-	-
11. Other comprehensive income attributable to :				
a. Owners of Vaibhav Global Limited	121.17	(134.14)	(0.13)	11.96
b. Non-controlling Interest	-	-	-	-
12. Total comprehensive income attributable to :				
a. Owners of Vaibhav Global Limited	1,628.10	964.42	790.47	356.67
b. Non-controlling Interest	-	-	-	-
13. Paid-up Equity Share Capital (Face Value Per Share of Rs.10/-)	3,253.79	3,250.78	3,253.79	3,250.78
14. Earnings per share for the Period (after exceptional item)				
i) Basic EPS	5.00	2.97	2.43	1.10
ii) Diluted EPS	4.89	2.93	2.37	1.08

* The full format of the Quarterly Financial Results is available on the stock exchange websites www.bseindia.com and www.nseindia.com and on the Company's website www.vaibhavglobal.com.

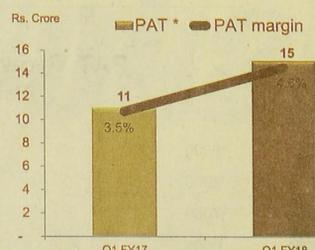
Revenue INR Crore



INR Revenue Growth - 5.2% YoY
Constant Currency growth
• Shop LC (USD) - 10.2% YoY
• TJC (BBP) - 14.3% YoY



Note: EBITDA includes exchange gain/(loss)



* Profit after tax including exchange gain/(loss) fluctuation

"We continued to deliver healthy performance in the quarter under review with strong retail volume growth of 10% YoY. Reported revenues grew 5% YoY despite the adverse impact of currency translation. In constant currency terms, our retail subsidiaries in the US and UK that account for about 90% of revenues, delivered revenue growth of 10.2% and 14.3% respectively — in line with management's guidance. In addition, a largely stable cost structure and organizational efficiencies aided EBITDA and PAT and growth of 27% YoY and 38% YoY respectively.

In the past year, we have undertaken multiple initiatives to strengthen our business model. We have judiciously used internal cash accruals to ramp-up our manufacturing facilities and e-commerce platforms. We have also developed deeper relationships with customers — with extended household coverage, launch of Budget Pay across all sales channels, mobile app for Shop LC and TJC, improved programming content involving on-air guest experts and a robust supply chain logistics. In addition, we recently undertook quality and supply chain initiatives at Shop LC as we focus on improving overall consumer experience in our retail operations.

We are confident of maintaining the growth momentum during the rest of the year. We expect our deep value proposition to deliver volume growth across all mediums in both the markets."

Mr. Sunil Agarwal
on Q1 FY18 Performance

