

LETTER OF OFFER

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

This Letter of Offer is sent to you as Shareholder(s)/Beneficial Owner(s) of **Vaibhav Gems Limited (VGL)**. If you require any clarification about the action to be taken, you may consult your Stock Broker or Investment consultant or Manager to the Offer/Registrar to the Offer. In case you have recently sold your Equity Shares in the Company, please hand over this Letter of Offer and the accompanying Form of Acceptance cum Acknowledgement (Tendering Form) and Transfer Deed to the Member of Stock Exchange through whom the said sale was effected.

Smt. Deepti Agrawal

D-70, J L N Marg, Near Police Memorial, Jaipur 302017
Tel No: 0141 - 2770648, Fax 0141-2770510, Email Id : da174@hotmail.com

Shri. Rahimullah

H No: 722, Mohalla Patethan, Ghat Gate, Jaipur 302 004
Tel No: 0141 - 2770648, Fax 0141-2770510, Email Id : vgl@vaibhavgems.com

Shri. Nirmal Kumar Bardiya

24, Bardiya Colony, Museum Road, Jaipur 302004
Tel No: 0141-2533000, Fax – 0141-25330600, Email Id : rmc@rmcgems.in

&

Shivram Properties Private Limited

Registered Office, 905, Panchratna, Mama Purmanand Marg
Opera House, Mumbai 0 400 004
Tel No: 022 – 23692180, Fax No: 022- 23630563, Email ID: shivramproperties@hotmail.com
(hereinafter referred to as “the Acquirers”)

**MAKES A CASH OFFER AT Rs. 41.75 (RUPEES FORTY ONE PAISE SEVENTY FIVE ONLY)
PER FULLY PAID EQUITY SHARE OF FACE VALUE OF Rs. 10/-**

to acquire

90,00,000 Equity Shares of Rs.10/- each, representing 28.392 % of the Paid up Equity Share
Capital of

the Target Company

VAIBHAV GEMS LIMITED (VGL)

Regd. Office: K-6B, Fateh Tiba, Adarsh Nagar, Jaipur - 302 004, Rajasthan
Tel: (0141) 2601020 Fax: (0141) 2770510, E Mail ID: vgl@vaibhavgems.com, Website:
www.vaibhavgems.com

Corporate Office: E-69, EPIP, Sitapura, Jaipur - 302022
Tel: (0141) 2770648, Fax: (0141) 2770510, E Mail ID: vgl@vaibhavgems.com

1. This Offer is made pursuant to and in compliance with Regulation 3(1) of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and subsequent amendments thereof.
2. This Offer is not conditional on any minimum level of acceptance.
3. This is not a Competing Offer
4. As on the date of this Letter of Offer, there are no Statutory approvals required to implement this offer. However, the Offer shall be subject to all Statutory approvals that may become applicable on a later date.
5. The Acquirers can revise the Offer Price upto 3 working days prior to the opening of the tendering

period for the offer, i.e. Friday, May 18, 2012. Any upward revision or withdrawal, if any of the offer would be informed by way of the Issue Opening P.A. in the same Newspapers and editions in which the original Detailed Public Statement had appeared. Consideration at the same rate will be paid to all Equity Shares tendered any time during the Offer period.

6. **If there is a Competing Offer; the public offers under all the subsisting bids will close on the same date.**
7. Details of Competing Offers, if any: **There is no competing Offer (Will be updated)**
8. The Registration of all the Intermediaries associated with the Offer, viz. Fedex Securities Ltd, Manager to the Offer and Karvy Computershare (P) Ltd, Registrar to the Offer are valid and no action has been initiated by SEBI or any other Government body against them.
9. A copy the Public Announcement, Detailed Public Statement and this Letter of Offer (including Form of Acceptance cum Acknowledgement) is also available on SEBI's Website (www.sebi.gov.in)

MERCHANT BANKER TO THE OFFER	REGISTRARS TO THE OFFER
Fedex Securities Ltd SEBI Regn. No. INM 000010163 3 rd Floor, Jay Chambers Service Road, Adj. Western Express Highway Vile Parle (East), Mumbai 400 057 Tel. Nos. (022) 26136460/61 Fax No. (022) 2618 6966 E Mail: fedex@vsnl.com , rk@fedsec.in Contact Person: Mr. R. Ramakrishnan	Karvy Computershare (P) Limited SEBI Regn No: INR000000221 17-24, Vittal Rao Nagar, Madhapur, Hyderabad 500 081 Tel Nos: (040) 4465 5000 Fax No: (040) 2343 1551 Email: einward.ris@karvy.com Contact Person: Shri. M. Muralikrishna

The Schedule of activities under this Offer is as follows:

Activity	Date	Day
Public Announcement (PA)	March 28, 2012	Wednesday
Detailed Public Statement (DPS)	April 04, 2012	Wednesday
Last date for a competitive bid	April 27, 2012	Friday
Identified Date	May 09, 2012	Wednesday
Letter of Offer to be despatched to shareholders	May 16, 2012	Wednesday
Last date for revising the Offer price/ number of shares	May 18, 2012	Friday
Last Date by which Board of TC shall give its recommendation	May 21, 2012	Monday
Offer Opening PA Date	May 22, 2012	Tuesday
Date of commencement of Tendering Period (Offer Opening Date)	May 23, 2012	Wednesday
Date of Expiry of Tendering Period (Offer closing Date)	June 05, 2012	Tuesday
Last date of communicating rejection/ acceptance and payment of consideration for applications accepted/return of unaccepted Share Certificates/credit of unaccepted Shares to demat account	June 19, 2012	Tuesday

Identified Date is only for the purpose of determining the names of the Shareholder(s)/Beneficial owner(s) as on such date, to whom the Letter of Offer would be sent and all owners (registered or unregistered) of Shares of Vaibhav Gems Limited anytime before the closure of the Offer, are eligible to participate in the Offer.

Risk Factors relating to the transaction and probable risks involved in associating with the Acquirers

A. Relating to the proposed Offer

1. Shareholders accepting this Offer will be tendering their Equity Shares before getting payment of consideration as the Acquirers have time upto 10 working days from date of closure of the tendering period to make payment of consideration. Further, they will not be able to take advantage of favorable price movements, if any, in the market.
2. As on date of this Letter of Offer, no statutory approval is required to acquire the Equity Shares that are tendered pursuant to the Offer. However, the Offer would be subject to all statutory approvals that may become applicable at a later date. The despatch of consideration can be delayed beyond 10 working days from date of closure of tendering period, in case any statutory approval, which becomes so applicable on a later date, is not received in time. In terms of Regulation 18(11) of the Regulations, in the case of non-receipt of statutory approvals, SEBI has the power to grant extension of time for the purpose of making payment, subject to, the Acquirers agreeing to pay interest to the Shareholders for the delay at such rate as may be specified.

B. Probable Risks in associating with the Acquirers

1. Association of the Acquirers with VGL does not warrant any assurance with respect to the future financial performance of VGL.

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DEFINITIONS/ABBREVIATIONS

1	VGL /Target Company/TC	Company whose Equity Shares are proposed to be acquired under this Offer viz. Vaibhav Gems Limited
2	Acquirers	Smt Deepti Agrawal, Shri Rahimullah, Shri Nirmal Kumar Bardiya and Shivram Properties Private Limited , who are offering to acquire the Equity Shares in this Open Offer.
3	PAC/Person Acting in Concert	Person who is acting in concert with the Acquirers in connection with the open Offer, for acquiring Shares under the Open Offer, in this case None.
4	RBI	Reserve Bank of India
5	SEBI/Board	Securities and Exchange Board of India
6	Merchant Banker/ Manager to the Offer	Fedex Securities Limited
7	Registrar to the Offer	Karvy Computershare Private Limited
8	PA/ Public Announcement	Announcement of the Offer made on behalf of the Acquirers, to the Stock Exchanges on March 28, 2012.
9	DPS/Detailed Public Statement	The Detailed Public Statement , published on behalf of the Acquirers in the Newspapers on Wednesday, April 04, 2012
10	Offer	Cash offer being made by the Acquirers to the Shareholders of the Target Company, to acquire upto 90,00,000 Equity Shares at a price of Rs 41.75 (Rupees Forty One Paise Seventy Five only) per Equity Share.
11	ICDR Regulations	SEBI (Issue of Capital and Disclosure Requirements) Regulations 2009, as amended
12	Shares	Equity Shares
13	EPS	Earnings Per Equity Share, for the period under reference and annualized

14	Book Value	Book Value of each Equity Share as on the date referred to
15	Regulations/Takeover Regulations/SEBI(SAST) Regulations	SEBI (Substantial Acquisition of Shares & Takeovers) Regulations, 2011.
16	NAV	Net Asset Value per Equity Share
17	Persons not eligible to participate in the Offer	Promoter group Shareholders of the Target Company, the Acquirers and Persons deemed to be acting in concert with the promoters/promoter group.
18	Persons eligible to participate in the Offer	All Equity Shareholders of the Target Company, other than the Acquirers, Person acting in concert with the Acquirers and the Promoter Group Shareholders of the Target Company.
19	BSE	Bombay Stock Exchange Ltd
20	ASE	Ahmedabad Stock Exchange Ltd
21	JSE	Jaipur Stock Exchange Limited
22	DSE	Delhi Stock Exchange
23	NSE	National Stock Exchange of India Limited
24	RoNW	Return on Net Worth
25	FIIs	Foreign Institutional Investors
26	NRI	Non Resident Indians and persons of Indian origin residing abroad
27	FI	Financial Institutions
28	PAT	Profit After Tax
29	PE Ratio	Price Earnings Ratio
30	CDSL	Central Depository Services (India) Limited
31	NSDL	National Securities Depository Limited
32	DP	Depository Participant
33	FY	Financial Year
34	FIFO	First in, First out
35	SEBI	Securities and Exchange Board of India
36	NPA	Non Performing Asset
37	CDR	Corporate Debt Restructuring
38	GDR	Global Depository Receipts
39	SCRR	Securities Contract (Regulations) Rules 1957

2. DISCLAIMER CLAUSE

“IT IS TO BE DISTINCTLY UNDERSTOOD THAT FILING OF DRAFT LETTER OF OFFER WITH SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI) SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED, VETTED OR APPROVED BY SEBI. THE DRAFT LETTER OF OFFER HAS BEEN SUBMITTED TO SEBI FOR A LIMITED PURPOSE OF OVERSEEING WHETHER THE DISCLOSURES CONTAINED THEREIN ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE REGULATIONS. THIS REQUIREMENT IS TO FACILITATE THE SHAREHOLDERS OF VAIBHAV GEMS LIMITED (VGL), THE TARGET COMPANY, TO TAKE AN INFORMED DECISION WITH REGARD TO THE OFFER. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF THE ACQUIRERS, PAC OR THE COMPANY WHOSE SHARES/CONTROL IS PROPOSED TO BE ACQUIRED OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE LETTER OF OFFER. IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ACQUIRERS ARE PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS LETTER OF OFFER, THE MERCHANT BANKER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ACQUIRERS DULY DISCHARGE THEIR RESPONSIBILITY ADEQUATELY. IN THIS BEHALF, AND TOWARDS THIS PURPOSE, THE MERCHANT BANKER (MANAGER) TO THE OFFER M/S. FEDEX SECURITIES LIMITED HAS SUBMITTED A DUE DILIGENCE CERTIFICATE DATED APRIL 12, 2012 TO SEBI IN ACCORDANCE WITH THE SEBI (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS, 2011 AND SUBSEQUENT AMENDMENT (S) THEREOF. THE FILING OF THE LETTER OF OFFER DOES NOT, HOWEVER, ABSOLVE THE ACQUIRERS FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE OFFER.”

3. DETAILS OF THE OFFER

3.1 Background of the Offer

- 3.1.1 This Offer is in compliance with Regulation 3(1) of SEBI (Substantial Acquisition of Shares & Takeovers) Regulations 2011 and subsequent amendments thereof and in effect (hereinafter referred to as the “Regulations”) for consolidation of holdings of the promoter group through substantial acquisition of Shares.
- 3.1.2 Smt. Deepti Agrawal, wife of Shri. Sunil Agrawal, aged about 49 years, residing at D-70, J L Marg, Near Police Memorial, Jaipur 302017 (Tel No: 0141 - 2770648, Fax 0141-2770510 (Email Id : da174@hotmaill.com), Shri. Rahimullah, Son of Late Shri. Azizullah aged about 56 years, presently Managing Director of VGL, residing at H No:722, Mohalla Patethan, Ghat Gate, Jaipur 302 004 (Tel No: 0141 - 2770648, Fax 0141-2770510, Email Id: vgl@vaibhavgems.com), Shri. Nirmal Kumar Bardiya, Son of Late Shri. Sagarmal Bardiya

aged about 52 years, presently Non Executive Independent Director of VGL , residing at 24, Bardiya Colony, Museum Road, Jaipur 302004 Tel No: 0141-2533000, Fax – 0141-2533060, Email Id : rmc@rmcgems.in) and Shivram Properties Private Limited (CIN Number U45202MH1990PTC059040) having its registered office at 905, Panchratna, Mama Purmanand Marg, Opera House, Mumbai 0 400 004 (Tel No: 022 – 23692180, Fax No: 022-23630563 Email ID: shivramproperties@hotmail.com) (hereinafter referred to as "the Acquirers") are making an Open Offer to the public Shareholders (i.e. Shareholders other than the Acquirers and the promoter group Shareholders of VGL) of Vaibhav Gems Limited ("VGL", "the Target Company") to acquire upto 90,00,000 Equity Shares of Rs. 10/- each representing 28.392% of paid up Equity Share Capital of VGL ("the Offer") at a price of Rs. 41.75 (Rupees Forty One Paise Seventy Five only) per fully paid Equity Share of VGL ("the offer Price"). There are no partly paid shares. The Equity Shares are being acquired by the Acquirers for cash.

- 3.1.3 As on date of the Public Announcement, Smt Deepti Agrawal and Shri Nirmal Kumar Bardiya do not hold any shares in VGL. Shri Rahimullah holds 54,600 Equity Shares and Shivram Properties Private Limited holds 50,400 Equity Shares in VGL. The other members of the promoter group hold 41,38,873 equity Shares in VGL, constituting 13.05% of the paid up Capital.
- 3.1.4 The Acquirers, Promoters and Directors of Shivram(one of the Acquirers) have not been prohibited by SEBI from dealing in securities, in terms of directions issued u/s 11B of SEBI Act or under any of the regulations made under the SEBI Act.
- 3.1.5 This Offer will not result in a change in control. The Acquirers do not propose to make changes in the Board of Directors of the Target Company after the completion of the Offer/as a consequence of this Offer.
- 3.1.6 The Committee of Independent Directors of the Board of VGL, the Target Company, will come out with their recommendations for the Offer and the same shall be published in the same Newspapers and editions which carried the Detailed Public Statement, latest by Monday, May 21, 2012(as per the tentative activity Schedule).

3.2 Details of the proposed Offer

- 3.2.1 A Public Announcement, as per Regulation 13 (2) of the Regulations was submitted to The Bombay Stock Exchange Ltd, Mumbai (BSE), and the National Stock Exchange of India Limited (NSE), the Stock Exchanges where Equity Shares of VGL are listed, on Wednesday, March 28, 2012, the date on which the Takeover Regulations were triggered being the date on which the Acquirers decided to make this Open Offer. A Detailed Public Statement as per Regulation 13(4) and 15(2) was made on Wednesday, April 04, 2012 in all editions of one English national daily with wide circulation, and all editions of one Hindi national daily with wide circulation, one Marathi daily published at Mumbai, the place where the Equity Shares of the Target Company are most actively traded and a Hindi Daily, published at Jaipur, the

place where Registered Office of the Target Company is situated. The details pertaining to the publication of the Detailed Public Statement in Newspapers is given below:

Newspaper	Language	Editions	Date of DPS
Business Standard	English	Ahmedabad, Bangalore, Chennai, Chandigarh, Hyderabad, Kochi, Kolkatta, Lucknow, Mumbai, New Delhi, Bhubneshwar & Pune	Wednesday, April 04, 2012
Business Standard - Hindi (covers all editions)	Hindi	Mumbai, Delhi, Patna, Kolkata & Lucknow	Wednesday, April 04, 2012
Apla Mahanagar	Marathi	Mumbai	Wednesday, April 04, 2012
Jalte Deep	Hindi	Jaipur	Wednesday, April 04, 2012

The Public Announcement and the Detailed Public Statement are also available at SEBI's Website: www.sebi.gov.in

- 3.2.2 The Offer is to acquire 90,00,000 Equity Shares of Re. 10/- each, representing 28.392% of the issued, subscribed and paid up Equity Share Capital of VGL as at the end of ten working days after the closure of the tendering period. No further changes are contemplated in the Paid Up capital of the Target Company till expiry of 10 days from the date of closure of this tendering period.
- 3.2.3 The consideration will be paid in Cash. There is no differential price since entire consideration is payable in cash.
- 3.2.4 The Offer price is Rs. 41.75 (Rupees Forty one Paise Seventy five Only) per each fully paid up Equity Share. There are no partly paid Equity Shares.
- 3.2.5 This is not a competing Offer
- 3.2.6 This Offer is not conditional on any minimum level of acceptance.
- 3.2.7 As on date of the Public Announcement and the Detailed Public Statement, the Acquirers were collectively holding 1,05,000 Equity Shares in VGL. The Promoters/Promoter Group Shareholders other than the Acquirers are holding 41,38,873 Equity Shares , constituting 13.05% of the paid up Equity Share Capital of VGL . The Acquirers/other Promoter Group Shareholders have not acquired any Equity Shares or voting rights from the date of the Public Announcement till the date of this Letter of Offer. **(As on the date of filing the Draft Letter of Offer. Will be updated with position as on date of the Letter of Offer)**
- 3.2.8 Details of competing Offers, if any : **There is no competing Offer (will be updated).**
- 3.2.9 The acquisition of 28.392 % of the paid up Equity Share Capital of VGL under this Offer together with the current holding of the other Promoters/Promoter Group Shareholders of VGL will not result in public Shareholding falling below the level required for continued

Listing. Assuming full acceptance under this Offer, the post offer holding of the Acquirers / Promoters of the Target Company shall not go beyond the maximum permissible non public shareholding under Securities Contract (Regulation) Rules, 1957 (“SCRR”) and in case the holding of the Acquirers / other promoters goes beyond the maximum permissible non public shareholding under Securities Contract (Regulation) Rules, 1957 (“SCRR”) due to further acquisitions by the Acquirers/Promoter Group of VGL, the Acquirers/Promoters of the Target Company hereby undertakes to reduce their shareholding to the level stipulated in the SCRR and within the time specified in SCRR.

3.3. OBJECT OF THE ACQUISITION / OFFER

- 3.3.1 The object of the acquisition is substantial acquisition of Shares in VGL for the purpose of consolidation of holding of the Promoter Group.
- 3.3.2 The Acquirers do not have any plans to dispose off or otherwise encumber any assets of VGL in the succeeding two years from the date of closure of the Offer, except in the ordinary course of business as may be permissible. They undertake that they will not sell, dispose of or otherwise encumber any substantial assets of the Target Company except with the prior approval of the shareholders through a postal ballot.

4. BACKGROUND OF THE ACQUIRERS

4.1 SMT. DEEPTI AGRAWAL

- 4.1.1 The Acquirers are (1) Smt. Deepti Agrawal, (2) Shri. Rahimullah, (3) Shri. Nirmal Kumar Bardiya and (4) Shivram Properties Private Limited. Acquirers 1 to 3 are not related to each other. Acquirer 1 is promoter of Acquirer 4.
- 4.1.2 **Smt. Deepti Agrawal**, wife of Shri. Sunil Agrawal, aged about 49 years, residing at D-70, J L Marg, Near Police Memorial, Jaipur 302017 (Tel No: 0141 - 2770648, Fax 0141-2770510 (Email Id : da174@hotmail.com), is Masters in Civil Engineering. She is a returned Non Resident. She is a social worker and is also a Director in Shivram Properties Private Limited.
- 4.1.3 The Net worth of Smt. Deepti Agrawal, as certified by Shri. Rajesh Bapna, (Membership Number 075907) Partner of Bapna Rajesh & Co. (Firm Regn. No. 006943c), Chartered Accountants, having their Office at 208, Samod Tower, Lane Opp. City Centre, Sansar Chandra Road, Jaipur 302 001 (Tel. No. (0141) 2362284, Email ID: bapnarajesh@rediffmail.com) vide their certificate dated 30th March 2012 is Rs 1137.18. Lacs (Rupees Eleven Crores thirty seven Lacs Eighteen Thousand Only).
- 4.1.4 Apart from being a Director and promoter in Shivram Properties Private Limited, she is not on the Board of Directors of any other listed/unlisted Company.

- 4.1.5 Smt. Deepti Agrawal is the wife of Shri. Sunil Agrawal, the Chairman and Promoter of the Vaibhav Gems Limited, the Target Company.
- 4.1.6 Smt. Deepti Agrawal, at present, does not hold any shares in VGL. She had acquired Equity Shares in VGL during the period 1989 to 1994 but no Equity Shares were held by her as on 20-02-2007. Further she has not acquired any Equity Shares thereafter. Hence the provisions with regard to disclosures under Chapter II of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and Chapter V of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 are not applicable.
- 4.1.7 Smt. Deepti Agrawal has not acquired any shares in VGL in the past, including through Open Offers.

4.2 SHRI. RAHIMULLAH

- 4.2.1 **Shri. Rahimullah**, Son of Late Shri. Azizullah aged about 56 years, presently Managing Director of VGL, residing at H No: 722, Mohalla Patethan, Ghat Gate, Jaipur 302 004 (Tel No: 0141 - 2770648, Fax 0141-2770510, Email Id vgl@vaibhavgems.com) began his career in emerald trading and export business. He has gained considerable experience and knowledge in this field and has traveled extensively in Africa, Europe and the Far East to source rough stones. He has about 37 years of industrial experience .He is also Director of Ganpati Chambers Private Limited, Jaipur Gem Bourse Limited and VGL Softech Limited. None of these entities are participating or interested or acting in concert in this Offer.
- 4.2.2 The Net worth of Shri. Rahimullah as certified by Shri. Rajesh Bapna, (Membership Number 075907) Partner of Bapna Rajesh & Co. (Firm Regn. No. 006943c), Chartered Accountants, having their Office at 208, Samod Tower, Lane Opp. City Centre, Sansar Chandra Road, Jaipur 302 001 (Tel. No. (0141) 2362284, ., Email ID: bapnarajesh@rediffmail.com) vide their certificate dated 30th March, 2012 is Rs 811.36 Lacs (Rupees Eight Crores Eleven Lacs Thirty Six Thousand Only).
- 4.2.3 Shri Rahimullah is the Managing Director of VGL, the Target Company and is also a Director in Ganpati Chambers Private Limited., Jaipur Gem Bourse Limited and VGL Softech Limited. Except the Target Company, none of the other Companies in which he is a Director are listed in any Stock Exchange.
- 4.2.4 Shri Rahimullah holds 54,600 Equity Shares in the target company and Except for delayed filings under Reg. 8(3) for the years 2001, and 2002, has complied with the provisions with regard to disclosures under Chapter II of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and Chapter V of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 without any delay.
- 4.2.5 **Shri. Rahimullah had, in the past, acquired/sold the following Equity Shares in the Target Company.**

Date of acquisition /sale	Number of Shares acquired /Sold	% to the Paid Up Equity Share Capital	Mode of Acquisition/Sale	Cumulative Shareholding
1998-99	2800	0.053%	Market Purchase	2800 (0.053%)
2001-2002	47000	0.89%	Not Available	49800 (0.94%)
14-12-2002	49800	0.47%	Bonus Shares	99600 (0.94%)
10-05-2005	(15000)	0.14%	Open Market	84600 (0.80%)
11-05-2005	(10000)	0.09%	Open Market	74600 (0.71%)
01-08-2005	(10000)	0.09%	Open Market	64600 (0.62%)
Apr05 - Sep 05	(10000)	0.09%	Open Market	54600 (0.52%)

4.3 SHRI NIRMAL KUMAR BARDIYA

- 4.3.1 **Shri. Nirmal Kumar Bardiya**, Son of Late Shri. Sagarmal Bardiya aged about 52 years, presently Non Executive Independent Director of VGL , residing at 24, Bardiya Colony, Museum Road, Jaipur 302004 Tel No: 0141-2533000, Fax – 0141-2533060, Email Id : rmc@rmcgems.in) is a Commerce Graduate. He has been in the business of Gem Stone Trading, Manufacturing, import and export of Gems for the last 30 years. He has been associated with the Target Company since 2001 He is a promoter of RMC Gems India Limited, Zari Silk India Private Limited, Devashish Builders Private Limited, Bardiya Construction Co Private Limited, Crystal Cubic Gems Private Limited, Kalpavriksha Construction Private Limited and RMC Construction Private Limited. Further, he is the Managing Director of RMC Gems India Limited and a Director in Zari Silk India Private Limited, Devashish Builders Private Limited, Bardiya Construction Co Private Limited, Crystal Cubic Gems Private Limited, Kalpavriksha Construction Private Limited, RMC Construction Private Limited, VGL Softech Limited and Royal Heritage Gems and Jewelry Bourse. None of these entities are participating or interested or acting in concert in this Offer.
- 4.3.2 The Net worth of Shri. Nirmal Kumar Bardiya as certified by Shri. Rajesh Bapna, (Membership Number 075907) Partner of Bapna Rajesh & Co. (Firm Regn. No. 006943c), Chartered Accountants, having their Office at 208, Samod Tower, Lane Opp. City Centre, Sansar Chandra Road, Jaipur 302 001 (Tel. No. (0141) 2362284, Email ID: bapnarajesh@rediffmail.com) vide their certificate dated 30th March 2012 is Rs 5140.81 Lacs (Rupees Fifty One Crores Forty Lacs Eighty One Thousand Only)

- 4.3.3 Shri. Nirmal Kumar Bardiya is the promoter of RMC Gems India Limited, Zari Silk India Private Limited, Devashish Builders Private Limited, Bardiya Construction Co Private Limited, Crystal Cubic Gems Private Limited, Kalpavriksha Construction Private Limited and RMC Construction Private Limited.
- 4.3.4 Shri. Nirmal Kumar Bardiya is Managing Director of RMC Gems India Limited and a Director in Zari Silk India Private Limited, Devashish Builders Private Limited, Bardiya Construction Co Private Limited, Crystal Cubic Gems Private Limited, Kalpavriksha Construction Private Limited, RMC Construction Private Limited, VGL Softech Limited and Royal Heritage Gems and Jewelry Bourse. He is at present Non Executive Independent Director of the Target Company. Other than the Target Company, none of the other Companies in which he is a Director are listed in any Stock Exchange.
- 4.3.5 Subject to what is stated hereinafter, Shri Nirmal Kumar Bardiya has complied with the provisions with regard to disclosures under Chapter II of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and Chapter V of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, with respect to his earlier acquisitions in the Target Company, without delay. However, no data is available w.r.to compliance of filing requirements under Reg. 7(1A) for the acquisitions made in quarter ended 30.09.2001 and quarter ended June 2002.
- 4.3.6 **Shri. Nirmal Kumar Bardiya has acquired/sold the following shares in the Target Company in the past.**

Date of acquisition /sale	Number of Shares acquired / sold	% to the paid up Equity Share Capital	Mode of Acquisition/Sale	Cumulative Shareholding
Quarter ended 30.09.2001	1,88,500	3.57%	Not available	188,500 (3.57%)
Quarter ended June 2002	35,200	0.67%	Not available	2,23,700 (4.24%)
14-12-2002	2,23,700	4.24%	Issue of Bonus Shares by Target Company	4,47,400 (4.24%)
08-12-2003	(1,92,268)	1.82%	Open Market	2,55,132 (2.42%)
03-03-2005	(2,55,132)	2.42%	Open Market	NIL

Currently, Shri Nirmal Kumar Bardiya does not hold any Equity Shares in the Target Company

4.4 SHIVRAM PROPERTIES PRIVATE LIMITED

- 4.4.1 Shivram Properties Private Limited** (CIN Number U45202MH1990PTC059040) (Shivram) was incorporated as a private limited Company under the Companies Act 1956 on November 19, 1990. The Company was incorporated with the object of carrying on the business of construction and acquiring or otherwise exchanging the premises of every description and to carry on the business of colonizers and developers. The company is yet to commence the said activities and is not carrying on any activity currently.
- 4.4.2** The main Objects of Shivram are “To carry on the business in all branches of architecture and of builders, contractors, erectors, construction of buildings, houses, apartments, structures or residential offices, industrial, institutional or commercial or developers of co-operative housing societies, developers of housing schemes, townships, holiday resorts, hotels, motels and in particular preparing of building sites, constructing reconstructing, erecting, altering, improving, enlarging, developing, decorating, furnishing and maintaining of structures, flats, houses, factories, shops, offices, garages, warehouses, buildings, works, workshops, hospitals, nursing homes, clinics, godowns, and other commercial educational purposes for and conveniences to purchase for development, or for resale lands, houses, buildings structures and other properties of any tenure and any interest therein and purchase, sell and deal in freehold ground rents and to purchase, sell, lease, hire, exchange or otherwise deal in land and house property and other property whether real or personal and turn the same into account as may seem expedient”.
- 4.4.3** The Registered Office of Shivram is located at 905, Panchratna, Mama Purmanand Marg, Opera House, Mumbai 0 400 004 (Tel No: 022 – 23692180, Fax No: 022- 23630563 Email ID: shivramproperties@hotmail.com).
- 4.4.4** Shivram Properties Pvt. Ltd has been promoted by Smt. Deepti Agrawal, Acquirer No.1. The Equity Shares of Shivram are not listed on any Stock Exchanges and it does not have any Subsidiaries.
- 4.4.5** The promoter and Director of Shivram, Smt. Deepti Agrawal is the wife of Shri. Sunil Agrawal, the Chairman and promoter of the Target Company, VGL.
- 4.4.6** Shivram holds 50,400 Equity Shares in the Target Company and except filing under Reg. 8(3) for the years 2001 & 2002, has complied with the provisions with regard to disclosures under Chapter II of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and Chapter V of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 without any delay. **Shivram has acquired acquired/sold the following shares in the Target Company in the past.**

Date of acquisition /sale	Number of Shares acquired / sold	% to the paid up Equity Share Capital	Mode of Acquisition/Sale	Cumulative Shareholding
Opening holding as on 31.12.1997	25,200	0.48	Not available	25,200 (0.48%)
14-12-2002	25,200	0.48	Issue of Bonus Shares by Target Company	50,400 (0.48%)

4.4.7 The Shareholding pattern of Shivram Properties is as under:

Name of the Shareholder	Number of Equity Shares of Rs.10/-each	% age of Shareholding
Promoters		
Smt. Deepti Agrawal	29,300	99.32
Ghanshyam Agrawal HUF	100	0.34
Shri. Ghanshyam Agrawal	100	0.34
Total	29,500	100.00

4.4.8 Subsequent to December 31, 2011, Shivram has received Unsecured Loan of Rs. 50 Lacs from Smt. Deepti Agrawal, promoter and US \$ 4.25 Million from Sonymike's Holdings Limited, a Promoter Group Company towards application money for equity Shares (Rs. 6.00 Crs.) and OFCDs Rs. 16.00 Crores. The Equity Shares and OFCDs are proposed to be allotted soon, after complying with the applicable provisions in this regard

4.4.9 The Directors of Shivram Properties are Smt Deepti Agrawal (DIN 02448419) and Shri Ghanshyam Agrawal (DIN: 00136329). Their details are as under:

Name	Date of appointment	Age, Qualification	Residential Address	Designation and Experience
Smt. Deepti Agrawal (DIN 02448419)	19.11.1990	Age: 49 years Qualification: M.A & Civil Engineering	D-70, J L N Marg, Near Police Memorial Jaipur- 302017	Director She is an active Social Worker

Shri. Ghanshyam Agrawal (DIN 00136329)	19.11.1990	Age: 77 years Qualification: Graduation	B/189A, University Marg, Bapu Nagar, Jaipur - 302015	Director Business of Photo studio, its processing etc. for last 50 years
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4.4.10 The Authorized Share Capital of Shivram Properties Pvt. Ltd. is Rs.1,10,00,000 comprising of 10,90,000 Equity shares of Rs.10 each and 10,000 Preference Shares of Rs.10/- each. The paid up Share Capital of Shivram as on 31st December 2011 is Rs. 2,95,000 comprising of 29,500 Equity Shares of Rs.10/- each.

The brief audited financial details of Shivram for the last 3 years and Certified financials (Certified by Auditor) for the interim period ended December 31, 2011 are given hereunder :

(Rs. in Lacs)				
Profit & Loss Statement	March 31, 2009	March 31, 2010	March 31, 2011	December 31, 2011
Other Income	4.25	4.24	4.22	3.78
Total Income	4.25	4.24	4.22	3.78
Total Expenditure	1.63	7.28	2.88	1.74
Profit/(Loss) Before Depreciation Interest and Tax	2.66	(2.99)	1.38	2.07
Depreciation	0.02	0.01	0.03	0.02
Interest	0.03	0.05	0.01	0.01
Profit Before Tax	2.61	(3.04)	1.34	2.04
Profit After Tax/(Loss)	1.73	(3.09)	1.09	1.65
Balance Sheet Statement	March 31, 2009	March 31, 2010	March 31, 2011	December 31, 2011
Sources of Funds				
Paid Up Equity Share Capital	2.95	2.95	2.95	2.95
Reserves and Surplus (Excluding Revaluation Reserves)	14.89	11.80	12.89	14.53
Net worth	17.84	14.75	15.84	17.48
Secured Loans	0.00	0.00	0.00	0.00
Unsecured Loans	52.07	52.07	49.07	49.07
Total	69.91	66.82	64.91	66.55

Uses of Funds				
Net Fixed Assets	0.09	0.08	0.06	0.05
Investments(At Cost)	59.13	59.13	59.13	59.13
Net Current Assets	10.69	7.61	5.72	7.37
Total	69.91	66.82	64.91	66.55
Other Financial Data	March 31, 2009	March 31, 2010	March 31, 2011	December 31, 2011
Dividend (%)	-	-	-	-
Earnings Per Share (in Rs)	5.28	(10.49)	3.69	5.60
Book Value Per Share (In Rs.)	60.47	49.99	53.69	59.25

Break up of Investments

(Rs. In Lacs)

Particulars	March 31, 2009	March 31, 2010	March 31, 2011	December 31, 2011
Quoted: 50,400 Equity Shares of Vaibhav Gems Limited	7.56	7.56	7.56	7.56
Immoveable Property	51.57	51.57	51.57	51.57
Total	59.13	59.13	59.13	59.13

Break-up of Other Income

(Rs. In Lacs)

Particulars	March 31, 2009	March 31, 2010	March 31, 2011	December 31, 2011
Rent received	4.20	4.20	4.20	3.78
Interest on Income Tax Refund	0	0	0.02	0
Interest Income (TDS:NIL)	0.05	0.04	0	0
Total	4.25	4.24	4.22	3.78

Break up of Unsecured Loans

(Rs. In Lacs)

Particulars	March 31, 2009	March 31, 2010	March 31, 2011	December 31, 2011
From Directors and Shareholders	40.08	40.08	40.08	40.08
Inter Corporate Deposits	12.00	12.00	9.00	9.00
Total	52.08	52.08	49.08	49.08

The significant Accounting Policies as at March 31, 2012, are as under:

1. Basis of Accounting

- a. The Financial Statements have been prepared in compliance with the Accounting Standards notified by Companies (Accounting Standard) Rules 2006 and the relevant provisions of the Companies Act, 1956 in all material aspects.
- b. Financial Statements are based on historical cost convention and are prepared on accrual basis.

2. Use of Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires estimates and assumptions to be made that affect the reported amount of assets and liabilities and disclosure of contingent liabilities on the financial statements and reported amounts of revenues and expenses during the reporting period. Differences between actual results and estimated are recognized in the period in which the results are known / materialized.

3. Revenue Recognition:

- a. Revenue is recognized when it is earned and no significant uncertainty exists as to its realization or collection.
- b. Rent is recognized on accrual basis as per the terms of the agreement.
- c. Interest is recognized on a time proportion basis taking in to account the amount outstanding and the rate applicable.

4. Investments:

Investments that is intended to be held for more than a year from the date of acquisition are classified as long term investments and are carried at cost less any provision for permanent diminution in value. Investments other than long term investments being current investments are valued at cost or fair market value whichever is lower.

5. Fixed Assets

Fixed Assets are stated at cost less accumulated depreciation, if any. Cost comprises the purchase price and any attributable cost of bringing the assets to its working condition for its intended use.

6. Impairment of Fixed Assets:

At the end of each year, the company determines whether a provision should be made for impairment loss on fixed assets by considering the indication that an impairment loss may have occurred in accordance with Accounting Standard 28 on "Impairment of Assets" notified by the Companies (Accounting Standard) Rules, 2006. Where the recoverable amount of any fixed assets is lower than its carrying amount, a provision for impairment loss on fixed assets is made for the difference.

7. Depreciation

Depreciation on Fixed Assets has been provided on written down value method at the rates and in the manner prescribed in Schedule XIV of the Companies Act, 1956.

8. Provisions and Contingent Liabilities:

The company recognizes a provision when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation that the likelihood of outflow of resources is remote, no provision or disclosure is made.

9. Accounting for Taxation of Income:

Current Taxes: Provision for current income tax is recognized in accordance with the provisions of Indian Income Tax Act, 1961 and is made annually based on the tax liability after taking credit for tax allowances and exemptions.

Deferred Taxes : Deferred tax assets and liabilities are recognized for the future tax consequences attributable to timing differences that result between the profits offered for income taxes and the profits as per the financial statements. Deferred tax assets and liabilities are measured using the tax rates and the tax laws that have been enacted or substantially enacted at the balance sheet date. Deferred tax assets are recognized only to the extent there is reasonable certainty that the assets can be realized in the future. Deferred Tax Assets are reviewed as at each Balance Sheet date.

- 4.4.12 Shivram has no Contingent liabilities not provided for, for the Financial Year ended March 31, 2011, date when accounts were last audited.
- 4.4.13 The Equity Shares of Shivram are not listed at any Stock Exchange. Shivram has no Subsidiary Company(ies). Shivram has not promoted any other Company.
- 4.4.14 Shivram, being a closely held Company has not appointed any Compliance Officer and the provisions of Corporate Governance are not applicable to Shivram.
- 4.4.15 Shivram has no overdue liabilities to Banks/FIs /Deposit holders as at December 31, 2011. There was no default in the past. There has been no merger/demerger or spin off of activities of Shivram in the last three years.
- 4.4.16 As per Certificate dated 30th March 2012, from Shri. Rajesh Bapna, (Membership Number 075907) Partner of Bapna Rajesh & Co. (Firm Regn. No. 006943c), Chartered Accountants, having their Office at 208, Samod Tower, Lane Opp. City Centre, Sansar Chandra Road, Jaipur 302 001 (Tel. No. (0141) 2362284, Email ID: bapnarajesh@rediffmail.com), the Net worth of Shivram as on December 31, 2011 is Rs. 17,48, 727/-
- 4.4.17 There are no pending litigations against Shivram.

- 4.4.18 The promoters of Shivram have not promoted any other listed Company(other than the Target Company) and the Directors of the Shivram are not Directors in any listed Company or associated with any other Company (other than the Target Company)which is listed on any stock exchange.

4.5 Other Disclosures pertaining to the Acquirers

- 4.5.1 Shri. Sunil Agrawal and Smt. Sheela Agrawal are representing Acquirers Nos. 1 and 4 on the Board of Directors of the Target Company. Shri. Rahimullah, the Acquirers No:2 is Managing Director of the Target Company and Shri. Nirmal Kumar Bardiya, Acquirers No:3 is on the Board of Director of VGL, the Target Company, presently as a Non Executive Independent Director. All Directors representing the promoter group are deemed to be representing the Acquirers. Except to the extent required as Acquirers in this Offer, they shall recuse themselves and not participate in any matter(s) concerning or 'relating' to the Offer including any preparatory steps leading to the Offer. Further, none of the Directors representing the Acquirers and promoter group shall participate in the deliberations/decisions/views expressed by the Board of Directors of VGL concerning any matter relating to this Offer
- 4.5.2 There are no pending litigations against the Acquirers, the Promoters/Directors of Shivram, one of the Acquirers, or Group Companies/Ventures with which the Acquirers are associated with.
- 4.5.3. Neither the Acquirers, nor any of the Companies with which the Acquirers or its promoters / Directors are associated with, are in securities related business and registered with SEBI as a Market Intermediary

5 BACKGROUND OF VAIBHAV GEMS LTD(VGL),THE TARGET COMPANY

5.1.1 Share Capital Structure of Vaibhav Gems Limited

Paid UP Equity Shares of TC	No. of Share / Voting Rights	% of Shares / Voting Rights
Fully Paid up Equity Shares	229,48,473	100%
Partly Paid UP Equity Shares	0	0
Total Paid up Equity Shares	229,48,473	100%
Total Voting Rights in TC	229,48,473	100%
Total number of shares held by Custodians, against which Global Depository Receipts have been issued	87,50,000	0

Note: Against 87,50,000 Equity Shares, VGL has issued Global Depository Receipts (GDRs). The Equity Shares against which GDRs have been issued are held by Custodians. As per the terms of the GDR issue, the holders of GDR do not have voting rights. Hence, these Shares have been shown above as not carrying any voting rights.

- 5.1.2 The Equity Shares of VGL are not currently suspended from trading in any Stock Exchange. The GDRs of VGL are listed on the Luxembourg Stock Exchange. The Target Company is in compliance with the listing agreement as on the date of the Letter of Offer and no punitive action has been initiated against the Target Company by the Stock Exchanges where the Equity Shares are listed. Equity Shares were earlier listed at Jaipur Stock Exchange Ltd (JSE), The Ahmedabad Stock Exchange Ltd (ASE) and Delhi Stock Exchange (DSE). VGL has since de-listed its Equity Shares from Jaipur Stock Exchange Ltd (JSE) w.e.f 19th February, 2005, The Ahmedabad Stock Exchange Ltd (ASE) and Delhi Stock Exchange (DSE) with effect from 31st March, 2005.
- 5.1.3 The entire issued, subscribed and paid up Equity Share Capital of the VGL are listed on the Bombay Stock Exchange Ltd and National Stock Exchange of India Limited.
- 5.1.4 There are no outstanding convertible instruments like warrants, Fully Convertible Debentures or Partly Convertible Debentures, which are pending for conversion as on the date of the Letter of Offer. There are no partly paid up shares.
- 5.1.5 **The details of the present Board of Directors of VGL are given hereunder:**

Name	Date of appointment	Residential Address	Designation
Shri. Sunil Agrawal (DIN: 00061142)	08.05.1989	Present Address: 200, Riverside Blvd, Apt 35A, New York, USA Permanent Address: D-70, JLN Marg Near Police Memorial, Jaipur - 302 004	Chairman (Promoter, Non Independent) gossip
Shri Rahimullah (DIN: 00043791)	25.01.1999	722, Mohalla Patetan, Ghat Gate Jaipur - 302004	Managing Director (Promoter, Non Independent)
Shri Anandi Lal Roongta (DIN: 00092555)	12.12.1995	55, Sngam Colony, Mahaveer Marg, Jaipur-	Director (Non Executive, Independent)
Shri Mitha Lal Mehta (DIN: 00043696)	25.01.2004	5, Keshav Vihar, Gopalpura Road, Jaipur - 302018	Director (Non Executive, Independent)
Shri. Surendra Singh Bhandari (DIN : 00043525)	25.01.2004	P-7, Tilak Marg, C-Scheme, Jaipur - 302 005	Director (Non Executive, Independent)

Smt. Sheela Agrawal (DIN : 00178548)	10.11.2008	B-189A, University Marg, Bapu Marg, Jaipur - 302015	Director (Promoter, Non Independent)
Shri. Nirmal Kumar Bardiya (DIN : 00044624)	10.07.2001	24, Bardiya Colony, Museum Road, Jaipur 302004	Director (Non Executive, Independent)

There is no change in Board of Directors after the date of PA. Post Offer, Shri. Nirmal Kumar Bardiya will cease to be an Independent Director

- 5.1.6 Shri. Sunil Agrawal (appointed as Director on 08-05-1989) and Smt. Sheela Agrawal (appointed on 10-11-2008) are representing Acquirers Nos. 1 and 4 on the Board of Directors of the Target Company. Shri. Rahimullah, the Acquirers No:2 is Managing Director(appointed on 25-01-1999) of the Target Company and Shri. Nirmal Kumar Bardiya (appointed on 10-07-2001), Acquirers No:3 is on the Board of Director of VGL, the Target Company, presently as a Non Executive Independent Director. All Directors representing the promoter group are deemed to be representing the Acquirers. Except to the extent required as Acquirers in this Offer, they shall recuse themselves and not participate in any matter(s) concerning or 'relating' to the Offer including any preparatory steps leading to the Offer.
- 5.1.7 Vaibhav Gems Limited (VGL), the Target Company, (CIN: L36911RJ1989LC004945) was incorporated on May 08, 1989 as a public limited company at Jaipur (Rajasthan) under the Companies Act, 1956. VGL made its maiden public issue in September 1996 and got its Equity Shares listed at Jaipur Stock Exchange Ltd (JSE), The Ahmedabad Stock Exchange Ltd (ASE) and Delhi Stock Exchange (DSE). VGL had got listed its shares on The Bombay Stock Exchange Ltd (BSE) on 26th May, 1997 and the National Stock Exchange of India Ltd(NSE) on 5th April, 2004 .VGL has also issued GDRs. VGL had got de-listed its Equity Shares from Jaipur Stock Exchange Ltd (JSE) w.e.f 19th February, 2005, The Ahmedabad Stock Exchange Ltd (ASE) and Delhi Stock Exchange (DSE) w.e.f 31st March, 2005.
- 5.1.8 The Registered Office of VGL is located at K-6B, Fateh Tiba, Adarsh Nagar, Jaipur - 302 004, Rajasthan. (Tel No: 0141-2601020 Fax No:-0141-2770510 E Mail ID: vgl@vaibhavgems.com Website: www.vaibhavgems.com).
- 5.1.9 The Corporate Office of VGL is situated at E-69 ,EPIP, Sitapura, Jaipur -302 022, (Tel : 141- 2770648, Fax : 0141- 2770510, Email ID: vgl@vaibhavgems.com)
- 5.1.10 VGL has been promoted by Shri. Sunil Agrawal and his associates/family members
- 5.1.11 There has not been any merger or demerger or spin-off of activity in the preceding 3 years. There has been no change in the name of the company since incorporation.

- 5.1.12 VGL had overdue liabilities with its Bankers and had entered into a Corporate Debt Restructuring (CDR) Package with its Bankers on June 11, 2009.
- 5.1.13. As on date of the Public Announcement, VGL has no overdue liabilities to Banks/FIs/Deposit holders.
- 5.1.14. The Compliance Officer of VGL is Shri. Brahm Prakash, Company Secretary residing at A-3, Model Town, Indraprasath Colony, Malviya Nagar, Jaipur who will be available at the Corporate Office address of VGL at E-69, EPIP, Sitapura, Jaipur - 302022 (Tel. (0141) 2770648, Fax : (0141) 2770510 E mail: brahm.prakash@vaibhavgems.com), and shall attend to all investor grievances.
- 5.1.15 **The brief audited financial details of VGL for the last 3 years and for the interim period ended December 31, 2011 (subject to limited review by Auditors) are as under:**

(Rs. in Lacs)				
Profit & Loss Statement	March 31, 2009	March 31, 2010	March 31, 2011	December 31, 2011 (Limited review)
Income from operations	17096.49	12083.95	14514.75	14593.83
Other Income	810.57	(547.01)	168.72	0.00
Total Income	17907.06	11536.94	14683.47	14593.83
Total Expenditure	18388.11	11391.24	13058.42	11945.82
Profit/ (Loss) Before Depreciation Interest and Tax	(481.05)	145.70	1625.05	2648.01
Depreciation	150.13	120.76	120.25	110.04
Interest	1584.15	1386.21	1201.12	881.45
Profit/(Loss) Before Tax	(2215.33)	(1361.27)	303.67	1656.52
Provision for Taxation (includes deferred tax adjustment - a positive figure)	50.42	(17.57)	(0,71)	313.04
Profit / (Loss) After Tax Before Exceptional Item	(2265.75)	(1343.70)	304.38	1343.28
Profit / (Loss) After Tax after Exceptional Item	(25418.48)	(34354.17)	(32617.15)	1343.28

Balance Sheet Statement				
Sources of Funds				
Paid Up Share Capital	7569.84	7569.84	7569.84	7569.84
Share Warrants	812.64	0.00	0.00	-
Reserves and Surplus (Excluding Revaluation Reserves)	59792.10	59931.82	59967.95	-
Net worth	68174.58	67501.67	67537.80	-
Secured Loans	17500.54	16938.42	17159.30	-
Unsecured Loans	0.00	28.00	204.00	-
Deferred Tax Liability	0.00	4.62	0.00	-
Total	85675.12	84468.10	84901.10	-
Uses of Funds				-
Net Fixed Assets	925.13	911.71	1128.31	-
Investments	27724.56	27724.55	25834.89	-
Deferred Tax Assets	10.23	27.80	38.66	-
Net Current Assets	23243.61	22246.33	26078.56	
Profit and Loss A/c. Debit Bal	33771.59	33557.69	31820.68	--
Total	85675.12	84468.10	84901.10	-

Other Financial Data	March 31, 2009	March 31, 2010	March 31, 2011	December 31, 2011 (Limited review)
Dividend (%)	0.00	0.00	0.00	0.00
Earnings Per Share Before Exceptional Item	(7.29)	(4.38)	5.48	4.13
After Exceptional Item	(80.33)	(4.38)	5.48	4.13
Return on Net worth(%)	(3.32)	(1.99)	0.45	-
Book Value Per Share (Rs.)	188.86	186.99	187.09	-

Break up of Investments

(Rs. In Lacs)

Particulars	March 31, 2009	March 31, 2010	March 31, 2011	December 31, 2011 (Limited review)
Trade Investments - Unquoted in Wholly Owned Subsidiaries				-
1000 common stock with no par value of Jewel Gem USA 34376633 Ordinary Shares of US\$1 each of Genoa Jewellers Ltd	1476.67	1476.67	1476.67	-
200 common shares with no par value of STS Jewels Inc	4720.65	4720.65	2830.98	
87,500 Ordinary Shares of HK\$100 each fully paid up of STS Gems Limited., Hongkong	19950.80	19950.79	19950.79	
Other Than Trade Investments - Unquoted 360000 Equity Shares of VGL Softech	1575.00	1575.00	1575.00	
Other than Trade Investments - Quoted 368 Equity Shares of Punjab National Bank	0	0	0	-
Total	27724.56	27724.56	25834.89	-

Aggregate amount of Quoted Investments as on 31.03.2011 – Rs. 1,43,520

Market Value of Quoted Investments as on 31.03.2011 – Rs. 4,49,015

Aggregate amount of Non Quoted Investments as on 31.03.2011 – Rs. 5,77,08,02,765

Break up of Other Income**(Rs. In Lacs)**

Particulars	31.03.2009	31.03.2010	31.03.2011	December 31, 2011 (Limited review)
Interest Received	49.81	12.41	25.75	
Dividend Received	0.71	0.22	0.04	
Commission Received	69.50	47.19	28.81	
Liability no longer required		0.00	31.34	
Miscellaneous Income	11.65	8.40	35.96	
Exchange Fluctuation (NET)	678.89	(6.15)	46.81	
Total	810.57	(5.47)	168.72	

Break up of Unsecured Loans**(Rs. In Lacs)**

Particulars	31.03.2009	31.03.2010	31.03.2011	
Inter-Corporate Loan	0.00	28.00	204.00	
Total	0.00	28.00	204.00	

Significant Accounting policies as on 31-03-2011, date of last audit:**1. BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

- a. Financial Statements are prepared in compliance with the applicable Accounting Standards issued by the Institute of Chartered Accountants of India, the accounting standards as specified in Companies (Accounting Standards) Rules, 2006, prescribed by Central Government and the relevant provisions of the Companies Act, 1956. 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 requires estimates and assumptions to be made 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. Difference between the actual results and the 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 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.

5. Intangible Assets

Intangible assets are recognized if it 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 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 units 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 capitalized as a part of the cost of such assets. All other borrowing costs are charged to revenue.

8. Inventories

- a. Inventories are valued at lower of cost and estimated net realizable value. Cost is determined on “First-in First-Out” “specific Identification” or “Weighted Averages” basis as applicable. Cost of inventories Comprises of all cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost of semi finished and finished goods are determined on absorption costing method.
- b. All raw materials purchased are simultaneously issued for production. Accordingly material in process includes such raw materials as well. Semi Finished Goods are goods manufactured and pending for pre-shipment inspection. Materials consumed are materials used in production of semi finished 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 Advancers 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 right to receive payment is established

Interest Income : Income is recognized on time proportionate basis taking into account the Revenue is recognized on time proportionate basis.

Commission Income : Revenue is recognized on the accrual basis.

11. Foreign Currency Transactions:

- a. Initial Recognition : Transactions denominated 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 Advance to non integral wholly owned subsidiaries and forming part of net investment, are recognized in foreign currency translation reserve.

- c. Exchange Difference: 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 profit and loss account 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 profit and loss account of the year in which the related service is rendered.
- b. Employee Retirement benefits are recognized as an expense in the 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 techniques. Actuarial gains and losses in respect of post employment and other long term benefit are charged to the profit and loss account.
- c. In respect of Employee Stock Options, the excess of market price of shares as at the date of grant of option granted to the 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

Provision for current tax is made after taking into consideration benefits admissible under the provisions of the Income Tax Act, 1961.

Deferred tax resulting from timing difference between book and taxable profit is accounted for using the tax rates and laws that have been enacted or substantively enacted as on the Balance Sheet date. The deferred tax assets are recognized if there is a virtual certainty that the assets will be realized in future.

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 share, 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 listed at fair value (i.e. the average market value of the outstanding shares)

15. Provision, Contingent Liabilities and Contingent Assets

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

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

Contingent Liability is disclosed in case of

- 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
- 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 etc.

5.1.16 Pre and Post Offer Shareholding pattern of VGL as on date of Letter of offer shall be as follows:

Shareholders' Category	Shareholding Prior to Agreement / PA which triggered the Regulations		Shares acquired / which triggered off the Regulations		Shares to be acquired in the Open Offer (Assuming full acceptance)		Shareholding after the acquisition and the offer	
	(A)		(B)		(C)		(D)	
	Number	%	Number	%	Number	%	Number	%
1. Promoters Group								
A. Parties to the Transaction								
Smt. Deepti Agrawal	0	0.00	0	0.00	7,92,600	3.45	7,92,600	3.45
Shri. Rahimullah	54,600	0.24	0	0.00	13,71,900	5.98	14,26,500	6.22
Shri. Nirmal Kumar Bardiya	0	0.00	0	0.00	14,26,500	6.22	14,26,500	6.22
Shivram Properties P Ltd	50,400	0.22	0	0.00	54,09,000	23.57	54,59,400	23.79
Total (A)	1,05,000	0.46	0	0.00	90,00,000	39.23	91,05,000	39.68
B. Other Promoters	41,38,873	18.03	0	0.00			41,38,873	18.03
Total (1)	42,43,873	18.49	0.00	0.00	90,00,000	39.23	1,32,43,873	57.71

2. Public Holding								
Institutions(FIIs)	64,34,924	28.04						
NRIs	45,91,241	20.01					97,04,600	42.29
Indian Public	76,78,435	33.46						
Total(2)	1,87,04,600	81.51	0	0.00	(90,00,000)	(39.23)	97,04,600	42.29
Total (1+2)	2,29,48,473	100.00	0	0.00			2,29,48,473	100.00
Shares held by Custodians and against which Depository receipts have been issued (3)								
Promoters	55,75,000						55,75,000	
Public	31,75,000						31,75,000	
Total (3)	87,50,000						87,50,000	
GRAND TOTAL (1+2+3)	3,16,98,473						3,16,98,473	

Notes:

- In the above table, the holding percentages shown against the Acquirers, Other Promoters and various categories Public (Items 1 & 2) are with respect to the paid up Capital of the Target Company, excluding the Equity Shares against which GDRs have been issued.
- The GDRs shown under 3 above do not carry any voting rights at the hands of the holders of GDRs.
- There are no partly paid Equity Shares in the Target Company.
- Except for Options issued under ESOPs, there are no warrants, options or convertible instruments, convertible at a later stage of Target Company. As on the date of filing the Draft Letter of Offer, there are no conversions contemplated at this stage which will alter the Paid up Equity Share Capital/Voting rights until 10 working days after closure of the tendering period.
- No Equity Shares are subject to lock in
- Face Value of Equity Shares of Target Company is Re. 10/- each.
- The number of Equity Shareholders under Public Category, i.e. under 3 above, on the Identified Date is 4670 **(As on 24-02-2012 .Will be updated with position as on Identified Date)**. The number of GDR holders under Public Category is 1.

5.1.17 Open Offer made earlier in the Target Company: Cortland Investment Ltd, 10 Frere Felix de Valois Street, Port Louis, Mauritius had made an Open Offer to acquire upto 55,17,575 fully paid up Equity Shares of Rs. 10/- each of VGL, representing 20% of the then issued and paid-up capital of VGL, which was consequent to an allotment on preferential basis (and Share Subscription Agreement), at a price of Rs. 279/- (Rupees Two Hundred and Seventy Nine Only) per fully paid up Equity Share . The Offer opened on Monday, June 26, 2006 and closed

on Saturday, July 15, 2006. Cortland Investment Ltd accepted 13,86,256 Equity Shares representing 5.03% of the paid up capital received through the Offer

6. OFFER PRICE AND FINANCIAL ARRANGEMENTS

6.1 Justification of Offer price

6.1.1 – Direct Acquisition

- (i) The Equity Shares of VGL are listed on The Bombay Stock Exchange Ltd, Mumbai (BSE), and the National Stock Exchange of India Limited (NSE)
- (ii) The Equity Shares of VGL were frequently traded on both BSE and the NSE, during the 12 months preceding the date on which the Public Announcement was made. The number of shares traded at BSE during the twelve calendar months preceding March, 2012, the month in which the PA was made is 58,24,386 Equity Shares which is 18.37% of total listed Equity Share Capital (25.38% of the total number of listed and traded at BSE after excluding Equity Shares against which GDRs are issued and outstanding) of the Target Company. (Source: www.bseindia.com) and 64,49,506 Equity Shares which is 20.35 % of total listed Equity Share Capital (28.10% of the total number of listed and traded at NSE after excluding Equity Shares against which GDRs are issued and outstanding) of the Target Company on the NSE (source: www.nseindia.com).
- (iii) Since the Equity Shares of VGL have been frequently traded at all the Stock Exchanges where the Equity Shares are listed, during the 12 calendar months preceding the month in which the PA has been issued, and since the maximum volume of trading is recorded at NSE during the preceding 60 trading days from date of Public Announcement, the Offer price is justified, taking into account, the following parameters, as set out under Regulation 8(2) of the SEBI (SAST) Regulations 2011:

a	Highest Negotiated Price per Share (as per SPA)	N.A.
b	Volume Weighted Average Price paid by Acquirers during the fifty two weeks preceding the date of Public Announcement	No acquisition
c	Highest Price Paid for any Acquisition by the Acquirers in the twenty six weeks preceding the date of the Public Announcement	No acquisitions
d	Volume weighted average price paid by any of the Promoter Group Shareholders (other than Acquirers) during the fifty two weeks preceding the date of Public Announcement	Rs. 28.36
e	Highest price paid by any of the Promoter Group Shareholders (other than Acquirers) during the twenty six weeks preceding the date of Public Announcement	Rs. 28.70

f	The volume-weighted average market price of Equity Shares of the Target Company for a period of sixty trading days immediately preceding the date of the Public Announcement as traded on NSE, being the Stock Exchange where the maximum volume of trading in the Shares of the Target Company are recorded during such period, the Shares being frequently traded.	Rs. 41.68
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The trading volume data in respect of BSE has been taken from the BSE's website www.bseindia.com and the trading volume data in respect of NSE has been taken from the NSE website www.nseindia.com. (Source: www.bseindia.com) & (www.nseindia.com)

Trading data at NSE

The trading data of the Equity Shares of VGL at NSE during the 60 trading days prior to 28th March 2012, the date when the Public Announcement was made is as under:

Sr. No.	Date	Volume traded	Value in Rs. Lacs
1	27-Mar-12	8397	3.59
2	26-Mar-12	2654	1.07
3	23-Mar-12	4782	1.83
4	22-Mar-12	5336	1.96
5	21-Mar-12	22683	8.52
6	20-Mar-12	11613	4.62
7	19-Mar-12	15769	6.48
8	16-Mar-12	3946	1.68
9	15-Mar-12	3122	1.32
10	14-Mar-12	18418	8.19
11	13-Mar-12	4973	2.24
12	12-Mar-12	3122	1.41
13	9-Mar-12	768	0.34
14	7-Mar-12	624	0.28
15	6-Mar-12	1126	0.52
16	5-Mar-12	467	0.21
17	3-Mar-12	1615	0.75
18	2-Mar-12	5400	2.5
19	1-Mar-12	1979	0.89
20	29-Feb-12	4441	2.04
21	28-Feb-12	3428	1.5
22	27-Feb-12	4296	1.86
23	24-Feb-12	2571	1.16
24	23-Feb-12	2600	1.21
25	22-Feb-12	11902	5.9
26	21-Feb-12	23990	11.89
27	17-Feb-12	17006	8.44
28	16-Feb-12	19279	8.95
29	15-Feb-12	41820	19.63
30	14-Feb-12	19509	8.8

31	13-Feb-12	87436	39.5
32	10-Feb-12	64036	27.87
33	9-Feb-12	168856	69.15
34	8-Feb-12	17786	6.59
35	7-Feb-12	4444	1.58
36	6-Feb-12	12607	4.55
37	3-Feb-12	3138	1.09
38	2-Feb-12	1856	0.64
39	1-Feb-12	2782	0.97
40	31-Jan-12	2875	0.98
41	30-Jan-12	1647	0.55
42	27-Jan-12	3582	1.2
43	25-Jan-12	7756	2.63
44	24-Jan-12	1753	0.62
45	23-Jan-12	42114	15.57
46	20-Jan-12	4979	1.69
47	19-Jan-12	4800	1.66
48	18-Jan-12	15973	5.93
49	17-Jan-12	133288	53.62
50	16-Jan-12	2054	0.71
51	13-Jan-12	2898	0.97
52	12-Jan-12	985	0.31
53	11-Jan-12	3967	1.29
54	10-Jan-12	908	0.3
55	9-Jan-12	2581	0.82
56	7-Jan-12	1252	0.38
57	6-Jan-12	346	0.11
58	5-Jan-12	1024	0.32
59	4-Jan-12	408	0.13
60	3-Jan-12	6519	2.05
Total		8,72,286	363.56
Weighted Average Price			Rs. 41.68

- (iii) In view of the parameters considered and presented in table above, in the opinion of the Acquirers and Manager to the Offer, the Offer Price of Rs. 41.75 (Rupees Forty one Paise Seventy Five Only) per share being the highest of the prices mentioned above is justified in terms of Regulation 8 of the SEBI (SAST) Regulations, 2011.
- (iv) The relevant price parameters have not been adjusted for any corporate actions.
- (v) There have been no revisions in the offer price till date of this Detailed Public Statement.
- (vi) In case there is any increase in the Offer Price, on account of any future purchases or competing offers, the revision in the offer price shall be done only up to 3 working days prior to the commencement of tendering period (i.e. Friday, May 18, 2012, as per tentative Schedule of Activity) and shall be notified to the Shareholders by way of an advertisement in the same newspapers in which the Detailed Public Statement was published.

6.1.2 There has been no indirect acquisition of shares and no justification of Offer price is required in this regard.

6.1.3 In the opinion of the Manager to the Offer and the Acquirers, the Offer price is justified. The Offer price of Rs.41.75 ((Rupees Forty One Paise Seventy Five Only) per fully paid Equity Share of Face Value Rs.10/- is higher than the volume weighted average price for the Equity Shares of VGL during the 60 trading days preceding the public announcement. There are no partly paid Shares.

6.2 Financial arrangements

6.2.1 The Acquirers have adequate resources to meet the financial requirements of the Offer. The entire funds requirements will be met from own sources/Net Worth of the Acquirers. The source of funds are domestic resources which includes investment in Equity Shares/Optionally Fully Convertible Debentures in Shivram by Promoter Group entities incorporated abroad. No borrowings from Banks/FIs/Foreign sources/NRIs is contemplated. This will be adequate to meet the funds requirements of the Offer.

6.2.2 Assuming full acceptance, the total funds requirements to meet this Offer is Rs.37,57,50,000/- (Rupees Thirty Seven Crores Fifty Seven Lacs Fifty Thousand Only)

6.2.3 In accordance with Regulation 17(1) of the SEBI (SAST) Regulations, the Acquirers have opened/created an Escrow Account in the form of Bank Deposit for Rs 9,40,00,000/- (Rupees Nine Crores Forty Lacs only) with The Federal Bank Limited, 93,94 & 95 EMP-17, Venus CHS, Thakur Village, Kandivli East, Mumbai 400 101, on March 30, 2012 which is more than 25% of the consideration payable under this Offer, assuming full acceptance. Net of Bank charges debited by the Bank subsequently, a sum of Rs. Rs. 9,39,99,955/- has since been transferred to a Fixed Deposit Account, maturing on June 08, 2012 , with lien in favor of Fedex Securities Ltd, Manager to the Offer.

6.2.4 The Acquirers have authorized Fedex Securities Limited, Managers to the Offer to realize the value of the Escrow Account in terms of the Regulations.

6.2.5 As per Certificate dated 30th March 2012, from Shri. Rajesh Bapna, (Membership Number 075907) Partner of Bapna Rajesh & Co. (Firm Regn. No. 006943c), Chartered Accountants, having their Office at 208, Samod Tower, Lane Opp. City Centre, Sansar Chandra Road, Jaipur 302 001 (Tel. No. (0141) 2362284, Email ID: bapnarajesh@rediffmail.com), the Net worth of Smt. Deepti Agrawal as on 30th March 2012 is Rs 1137.18. Lacs (Rupees Eleven Crores Thirty Seven Lacs Eighteen Thousand Only).

6.2.6 As per Certificate dated 30th March 2012, from Shri. Rajesh Bapna, (Membership Number 075907) Partner of Bapna Rajesh & Co. (Firm Regn. No. 006943c), Chartered Accountants, having their Office at 208, Samod Tower, Lane Opp. City Centre, Sansar Chandra Road, Jaipur 302 001 (Tel. No. (0141) 2362284, Email ID: bapnarajesh@rediffmail.com), the Net worth of Shri. Rahimullah as on 30th March 2012 is Rs 811.36 Lacs (Rupees Eight Crores Eleven Lacs Thirty Six Thousand Only).

- 6.2.7 As per Certificate dated 30th March 2012, from Shri. Rajesh Bapna, (Membership Number 075907) Partner of Bapna Rajesh & Co. (Firm Regn. No. 006943c), Chartered Accountants, having their Office at 208, Samod Tower, Lane Opp. City Centre, Sansar Chandra Road, Jaipur 302 001 (Tel. No. (0141) 2362284, Email ID: bapnarajesh@rediffmail.com), the Net worth of Shri. Nirmal Kumar Bardiya as on 30th March 2012 is Rs 5140.81 Lacs (Rupees Fifty One Crores Forty Lacs Eighty One Thousand Only).
- 6.2.8 As per Certificate dated 30th March 2012, from Shri. Rajesh Bapna, (Membership Number 075907) Partner of Bapna Rajesh & Co. (Firm Regn. No. 006943c), Chartered Accountants, having their Office at 208, Samod Tower, Lane Opp. City Centre, Sansar Chandra Road, Jaipur 302 001 (Tel. No. (0141) 2362284, Email ID: bapnarajesh@rediffmail.com), the Net worth of Shivram as on December 31, 2011 is Rs. 17,48, 727/-
- 6.2.9 As per Certificate dated 30th March, 2012 from Shri. Rajesh Bapna, (Membership Number 075907) Partner of Bapna Rajesh & Co. (Firm Regn. No. 006943c), Chartered Accountants, having their Office at 208, Samod Tower, Lane Opp. City Centre, Sansar Chandra Road, Jaipur 302 001 (Tel. No. (0141) 2362284, ., Email ID: bapnarajesh@rediffmail.com) the Acquirers have adequate liquid resources to meet the funds requirements/obligations under this Offer.
- 6.2.10 The liquid resources available with the Acquirers are : (1) Smt. Deepti Agrawal – Fixed Deposits with Banks Rs. 60.50 Lacs, Other bank Deposits Rs. 400.26 Lacs & unquoted investments/Jewellery Rs. 139.69 Lacs (2) Shri. Rahimullah – Fixed Deposits with banks Rs. 48.32 Lacs, Market Value of quoted Investments Rs. 1.06 Lacs & Bank Deposits Rs. 603.32 Lacs, Shri. Nirmal Kumar Bardiya – Fixed Deposit with Banks Rs. 0.93 Lacs, Quoted Investments Rs. 7.17 Lacs, bank Deposits Rs. 7.17 Lacs and jewellery Rs. 25.13 Lacs (4) Shivram Properties Pvt. Ltd – In Current Account with Banks Rs. 7.12 Lacs, present value of quoted Investments Rs. 7.56 Lacs, Unsecured loans from Promoters Rs. 50.00 Lacs, Share Application Money for Equity Shares Rs. 600.00 Lacs and Optionally Fully Convertible Debentures Rs. 1600 Lacs. The aggregate value of liquid sources net of unquoted investments/jewellery is Rs. 4116.10 Lacs.
- 6.2.11 Based on the above, Fedex Securities Limited, Manager to the Offer certify and confirm that firm arrangements for funds and money for payment through verifiable means are in place to fulfill the Offer obligations.

7. TERMS AND CONDITIONS OF THE OFFER

7.1

- a. This tendering period will commence on Wednesday, May 23, 2012 and will close on Tuesday, June 05, 2012. The Equity Shares offered under this Offer should be free from all liens, charges, equitable interests, encumbrances and are to be offered together with, if any, of all rights of dividends, bonuses or rights from now on and hereafter.
- b. This is not a conditional Offer and there is no stipulation on any minimum level of acceptance.
- c. The Identified date for this Offer as per tentative Schedule of activity is Wednesday, May 09, 2012.

- d. VGL has signed agreements with NSDL and CDSL for offering Shares in dematerialized form. The ISIN Number is INE884A01019.
- e. The Marketable lot for the Shares of VGL for the purpose of this Offer shall be 1(one only).

7.2 **Locked in Shares:** None of the shares are subject to Lock-in.

7.3. Eligibility for accepting the Offer

- 7.3.1 The Letter of Offer shall be mailed to all Equity Shareholders/Beneficial Owners holding Equity Shares in dematerialized form (except the present promoter group shareholders, and the Acquirers and persons deemed to be acting in concert with the present promoters) whose names appear in register of Target Company as on Wednesday, May 09, 2012, the Identified Date.
- 7.3.2 This Offer is also open to persons who own Equity Shares in VGL but are not registered Shareholders as on the “Identified date”.
- 7.3.3 As per the tentative Schedule of Activity, the Letter of Offer will be sent to all Equity Shareholders of the VGL as on Wednesday , May 09, 2012 (“Identified Date”). In terms of Reg.18(2), where local laws or regulations of any jurisdiction outside India may expose the Acquirers or the Target Company to material risk of civil, regulatory or criminal liabilities in the event the Letter of Offer in its final form were to be sent without material amendments or modifications into such jurisdiction, and the shareholders resident in such jurisdiction hold Shares entitling them to less than five per cent of the voting rights of the Target Company, the Acquirers may refrain from dispatch of the Letter of Offer into such jurisdiction.
- 7.3.4 Every person holding equity Shares(except the present promoter group shareholders, and the Acquirers and persons deemed to be acting in concert with the present promoters), regardless of whether he held shares on the Identified Date or has not received the Letter of Offer, shall be entitled to tender such Equity Shares in acceptance of the Offer.
- 7.3.5 In compliance with Reg. 18(3) but subject clause 4 above, simultaneously with the despatch of the Letter of Offer, the Acquirers shall send the Letter of Offer to the custodian of Shares underlying Depository Receipts, if any, of the Target Company.
- 7.3.6 All Equity Shareholders/Beneficial Owners (except the present promoter group shareholders, and the Acquirers and persons deemed to be acting in concert with the present promoters) who own Equity Shares of Target Company anytime before the closure of the Offer are eligible to participate in the Offer.
- 7.3.7 The Form of acceptance and other documents required to be submitted, herewith, will be accepted by Registrar to the Offer, M/s. Karvy Computershare (P) Limited 17-24, Vittal Rao Nagar, Madhapur, Hyderabad - 500 081 (Tel. Nos. 040 – 4465 5000, Fax. No. 040-2343

1551, Email ID: einwards.ris@karvy.com) (Contact person: Shri. M. Muralikrishna) between 10:00 a.m. to 4:00 p.m. on working days and between 10:00 a.m. to 2:00 p.m. on Saturdays, during the period the Offer is open.

- 7.3.8 The Public Announcement, the Detailed Public Statement, the Letter of Offer and the Form of Acceptance cum Acknowledgement will also be available on the **SEBI website: www.sebi.gov.in**. In case of non-receipt of the Letter of Offer, all Shareholders including unregistered Shareholders, if they so desire, may download the Letter of Offer, the Form of Acceptance or Form of Withdrawal from the SEBI's website for applying in the Offer or to withdraw from the Offer.
- 7.3.9 Unregistered Shareholders, those who hold in street name and those who apply in plain paper will not be required to provide any indemnity. They may follow the same procedure mentioned above for registered Shareholders.
- 7.3.10 The acceptance of this Offer by the Equity Shareholders of VGL must be absolute and unqualified. Any acceptance to this Offer which is conditional or incomplete in any respect will be rejected without assigning any reason whatsoever.
- 7.3.11 The acceptance of this Offer is entirely at the discretion of the Equity Shareholder(s)/Beneficial owner(s) of VGL.
- 7.3.12 The Acquirers, Manager to the Offer or Registrar to the Offer accept no responsibility for any loss of Equity Share Certificates, Offer Acceptance Forms, Share Transfer Deed etc. during transit and the Equity Shareholders of VGL are advised to adequately safeguard their interest in this regard.
- 7.3.13 The acceptance of Shares tendered in the Offer will be made by the Acquirers in consultation with the Manager to the Offer.
- 7.3.14 The instructions, authorizations and provisions contained in the Form of Acceptance constitute part of the terms of the Offer.
- 7.3.15 The Manager to the Offer shall submit a final report to SEBI within 15 working days from the expiry of the tendering period in accordance with Regulation 27 (7) of the Regulations.
- 7.3.16 For any assistance please contact Fedex Securities Limited, Manager to the Offer or the Acquirers or the Registrar to the Offer.

7.4 Statutory Approvals:

- 7.4.1 As on the date of this Detailed Public Statement, no approvals are required to acquire the Equity Shares that are tendered pursuant to the Offer. No approval is required to be obtained from Banks/Financial Institutions for the Offer. However, the Offer would be subject to all statutory approvals that may become applicable at a later date.

- 7.4.2 In terms of Regulation 18(11) the Acquirers shall be responsible to pursue all statutory approvals required by the Acquirers in order to complete the open offer without any default, neglect or delay.
- 7.4.3 Barring unforeseen circumstances beyond its control, the Acquirers would endeavor to obtain all such approvals referred in clause 7.4.1 above and complete all procedures relating to Offer within 10 days of the expiry of the tendering period. In terms of Regulation 18(11) of the Regulations, in the case of non-receipt of statutory approvals, SEBI has the power to grant extension of time for the purpose of making payment subject to, the Acquirers agreeing to pay interest to the Shareholders for delay beyond 15 days from the date of closure of Offer. In case the Acquirers fails to obtain requisite statutory approvals in time, on account of any willful default or neglect or inaction or no-action, then action will be initiated by SEBI.
- 7.4.4 In terms of Explanation to Regulation 18(11), where the Acquirers are unable to make the payment to the shareholders who have accepted the open offer within such period owing to non-receipt of statutory approvals required by the Acquirers, then SEBI may, where it is satisfied that such non-receipt was not attributable to any willful default, failure or neglect on the part of the Acquirers to diligently pursue such approvals, grant extension of time for making payments subject to the Acquirers agreeing to pay interest to the shareholders for the delay at such rate as may be specified. Where the statutory approval extends to some but not all shareholders, the Acquirers shall have the option to make payment to such shareholders in respect of whom no statutory approvals are required in order to complete the open offer.
- 7.4.5 Since there is no Agreement for Acquisition of Shares, there are no conditions the meeting of which would be outside the reasonable control of the Acquirers and in view of which the offer might be withdrawn under Regulation 23 of the “SEBI (SAST) Regulations”.
- 7.4.6 No approval is required to be obtained from Banks/Financial Institutions for the Offer.

8. PROCEDURE FOR ACCEPTANCE AND SETTLEMENT

ACCEPTANCE OF THE OFFER

- 8.1.1 Name and Address of the persons (Registrars to the Offer) to whom the Equity Shares along with documents required to be submitted therewith, should be sent.

Registrar to the Offer	Working days and timings	Mode of delivery
Karvy Computershare (P) Limited 17-24, Vittal Rao Nagar Madhapur Hyderabad - 500 081 Tel. Nos. 040 – 4465 5000 Fax. No. 040-2343 1551 Email ID: einwards.ris@karvy.com Contact person: Shri. M. Muralikrishna	Monday to Friday 10.00 a. m. to 4.00 p.m. Saturday 10.00 a. m. to 2.00 p m	By Post/Courier/ Hand delivery

8.1.2 Shareholders holding Shares in physical form and wishing to tender their Equity Shares will be required to send their form of acceptance, original Share certificates and transfer deeds to the Registrar to the Offer: M/s. Karvy Computershare (P) Limited 17-24, Vittal Rao Nagar, Madhapur, Hyderabad - 500 081 (Tel. Nos. 040 – 4465 5000, Fax. No. 040-2343 1551, Email ID: einwards.ris@karvy.com) **(Contact person: Shri. M. Muralikrishna)** either by hand delivery or by Registered Post, to reach them on or before the expiry of the tendering period, i.e. Tuesday, June 05, 2012 in accordance with the instructions specified in the Letter of Offer and in the Form of Acceptance. In case the Share Certificate(s) and Transfer Deeds are lodged with VGL /its Share Transfer Agent for transfer and have not been received back, then the acceptance shall be accompanied by (i) The copy of Share Transfer Deed(s) and (ii) The acknowledgement of the lodgment with, or receipt issued by VGL/its transfer agents for the Share Certificate(s) so lodged. Where the Transfer Deeds are signed by a constituted Attorney, a certified copy of the Power of Attorney shall also be lodged. In the case of body corporate/limited Companies, certified copy of the Memorandum & Articles of Association and copy of the Board Resolution authorizing the signatory, shall also be sent.

8.1.3 Beneficial owners (holders of shares in Dematerialized Form) who wish to tender their shares will be required to send their Form of Acceptance-cum-acknowledgement along with a photocopy of the delivery instructions in “Off –market” mode or counterfoil of the delivery instruction in “Off –market” mode, duly acknowledged by the Depository Participant (DP) in favor of a Depository Escrow Account opened by the Registrar to the Offer, in accordance with instructions specified in this Letter of Offer and in the Form of Acceptance-cum-acknowledgement. The details of the Depository Escrow Account is given below:

DP Name	
DP ID	
Client Name	
Client Id	

8.1.4 **For the attention of Beneficial Owners holding Shares in dematerialized form:** Please note that the above account is maintained with Central Depository Services (India) Limited (CDSL). Shareholders having their beneficiary account with National Securities Depository Limited (NSDL) must use the inter depository delivery instruction slip for the purpose of crediting their Shares in favor of the Depository Escrow Account with CDSL.**(Will be updated)**

8.1.5 The Acceptance Form along with Share Certificates/copy of delivery instruction to DP and other relevant documents shall be sent to the Registrars to the Offer only. The same shall not be sent to the Acquirers, Target Company or Manager to the Offer.

8.2. Procedure for acceptance of the Offer by unregistered Shareholders/owners of Shares who have sent them for transfer or those who did not receive the Letter of Offer

8.2.1 Accidental omission to dispatch the Letter of Offer to any person will not invalidate the Offer in any way.

- 8.2.2 In case of non-receipt of the letter of Offer, the eligible person(s), holding Equity Shares of VGL in physical form, may send his/her/their consent on plain paper stating the name, address, number of Shares held, distinctive numbers, certificate numbers and the number of Equity Shares offered along with the Share certificates, duly signed transfer forms and other required documents to the Registrar to the Offer so as to reach them on or before the date of closure of the Offer.
- 8.2.3 In case of non receipt of the Letter of Offer, beneficial owners holding Equity Shares in dematerialized form, may send their applications in writing to The Registrar to the Offer, on a plain paper stating the name, address, number of Shares held, number of Shares offered, DP name, DP ID, beneficiary account number and photocopy of the delivery instruction in “Off-market”, or counterfoil of the delivery instruction in “Off-market” mode, duly acknowledged by the DP, in favor of the Depository Escrow Account, so as to reach the Registrar to the Offer on or before the date of closure of the Offer.
- 8.2.4 In case the Share Certificate(s) and Transfer Deeds are lodged with VGL /its Share Transfer Agent for transfer and have not been received back, then the acceptance shall be accompanied by (i) The copy of Share Transfer Deed(s) and (ii) The acknowledgement of the lodgment with, or receipt issued by VGL/its Share Transfer Agent, for the Share Certificate(s) so lodged. Where the Transfer Deeds are signed by a constituted Attorney, a certified copy of the Power of Attorney shall also be lodged. In the case of body corporate/limited Companies, certified copy of Memorandum & Articles of Association shall also be sent.
- 8.2.5 Unregistered owners holding Equity Shares in physical Form should enclose**
- a. Form of Acceptance-cum-acknowledgement duly completed and signed in accordance with instructions contained therein, by all Shareholders whose names appear on the Share certificates.
 - b. Original Share Certificates.
 - c. Original broker contract note of a registered broker of a recognized Stock Exchange
 - d. Valid Share transfer form as received from the market. The details of the buyer should be left blank. If the details of buyer are filled in, the tender will not be valid under the Offer. All other requirements for valid transfer will be pre-conditions for acceptance.
- 8.3 If the number of Equity Shares offered by the Shareholders are more than the Offer size, then the acquisition from each Shareholder will be on proportionate basis and shall take care to ensure that the basis of acceptance is decided in a fair and equitable manner and does not result in non-marketable lots. It will also be ensured that the acceptance from a Shareholder is not less than marketable lot or the entire holding, if it is less than the marketable lot. The market lot for VGL Shares is 1 (one only).
- 8.4 In terms of Regulation 18(11) of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations 2011 in case of non receipt of statutory approvals, SEBI has the power to grant

extension of time beyond 10 working days from the date of expiry of the tendering period,

for the purpose of making payment, however, subject to, the Acquirers agreeing to pay interest to the Shareholders for delay beyond 10 working days from the date of expiry of the tendering period.

- 8.5 The Equity Shares Certificate(s) and the transfer form(s), or Shares transferred to the Depository Escrow Account together with the Acceptance Form submitted by the acceptors of the Offer, will be held by the Registrars in trust for the acceptors of the Offer until the Acquirers pay the Offer Price.
- 8.6 In case of acceptance on proportionate basis/or rejection for any reason, the unaccepted Share Certificates, Transfer deeds and other documents, if any, will be returned by Registered Post at the Share holder's / unregistered holder's sole risk as per the details furnished in the form of acceptance-cum-acknowledgement. Shares held in demat form, to the extent not accepted, will be returned to the beneficial owner, to the credit of the beneficial owner's DP Account with the respective DP as per the details furnished by the beneficial owner(s) in the form of acceptance cum acknowledgement.
- 8.7 **Holders of GDRs :**Holders of GDRs who wish to avail of this Offer should request withdrawal of the Equity Share/(s) underlying such GDRs from the Depository in terms of the issuance of the GDRs. Holders of GDRs who wish to tender the Equity Shares underlying such GDRs, should also request the Depository to instruct the custodian to transfer the Equity Shares underlying the GDRs in dematerialized form by submitting delivery instruction to the Registrar to the Offer. Further, if the Equity Shares underlying the GDRs are transferred in dematerialized form, then the GDR holders should follow the procedure for tender of Equity Shares as indicated above. Other terms of the Offer would apply mutatis mutandis to GDR holders as well. However, the holders of GDRs under Promoters/Promoter Group shall not be entitled to participate in the Offer even upon conversion into Equity Shares of any GDRs that they hold.

8.7 SETTLEMENT/ PAYMENT OF CONSIDERATION

8.7.1 The Acquirers shall arrange to pay the consideration on or before Tuesday, June 19, 2012.

8.7.2 **Consideration for Equity Shares accepted will be paid as given hereinafter:** Acceptors of this Offer, having their Bank accounts at any of the Centres where Clearing Houses are managed by the Reserve Bank of India (RBI) will get payment of consideration through Electronic Credit Service (**ECS**), except where the acceptor is otherwise eligible to get payments through Direct Credit ("**DC**"), National Electronic Funds Transfer ("**NEFT**") or Real Time Gross Settlement ("**RTGS**"). In case of other applicants, the consideration of value up to Rs.1,500/- will be despatched through Ordinary Post and those of Rs.1,500 and above by Registered Post or Speed Post, by Demand Drafts/Banker's Pay Order. Applicants to whom payments are made through Electronic transfer of funds will be sent a letter (Payment advice) through Ordinary Post intimating them about the mode of credit/payment within 15 days from the date of closure of the Offer. The Registrars to the Offer shall ensure despatch of Consideration/payment advice, if any, by Ordinary Post or Registered Post or Speed Post or Electronic Clearing Service or Direct Credit or RTGS, only in the name of the Sole or First shareholder and all communication will be addressed to the person whose name appears on Acceptance Form within 15 days of the date of Closure of the Offer and adequate funds for making payments as per the mode(s) disclosed above shall be made available to the Registrar by the Acquirers. Tax at applicable rate(s) will be deducted, in those cases where Tax Deduction at Source (TDS) is applicable.

8.7.3 In terms of Regulation 18(11) of the SEBI (SAST) Regulations, in the case of non receipt of statutory approvals, SEBI has the power to grant extension of time for the purpose of making payment subject to the Acquirers agreeing to pay interest to the Shareholders for delay beyond the last date mentioned for payment of consideration.

9. DOCUMENTS FOR INSPECTION

- 9.1 Copies of the following documents will be available for inspection at D-70, J L N Marg, Near Police Memorial, Jaipur 302017, (Tel No: 0141 - 2770648, Fax 0141-2770510), the place of residence of Smt. Deepti Agrawal, one of the Acquirers. The documents can be inspected during normal business hours (10.00 A.M. to 5.00 P.M.) on all working days (except Saturdays and Sundays) during the period from the date of this Letter of Offer, till date of expiry of the tendering period.**
- 9.1.1 Certificate of Incorporation, Memorandum and Articles of Association of Shivram Properties Private Limited, one of the Acquirers.
- 9.1.2 Copy of Certificate dated 30th March 2012, from Shri. Rajesh Bapna, (Membership Number 075907) Partner of Bapna Rajesh & Co. (Firm Regn. No. 006943c), Chartered Accountants, having their Office at 208, Samod Tower, Lane Opp. City Centre, Sansar Chandra Road, Jaipur 302 001 (Tel. No. (0141) 2362284, Email ID: bapnarajesh@rediffmail.com), certifying the Net worth of Smt. Deepti Agrawal as on 30th March 2012.
- 9.1.3 Copy of Certificate dated 30th March 2012 from Shri. Rajesh Bapna, (Membership Number 075907) Partner of Bapna Rajesh & Co. (Firm Regn. No. 006943c), Chartered Accountants, having their Office at 208, Samod Tower, Lane Opp. City Centre, Sansar Chandra Road, Jaipur 302 001 (Tel. No. (0141) 2362284, Email ID: bapnarajesh@rediffmail.com), certifying the Net worth of Shri. Rahimullah as on 30th March 2012.
- 9.1.4 Copy of Certificate dated 30th March 2012, from Shri. Rajesh Bapna, (Membership Number 075907) Partner of Bapna Rajesh & Co. (Firm Regn. No. 006943c), Chartered Accountants, having their Office at 208, Samod Tower, Lane Opp. City Centre, Sansar Chandra Road, Jaipur 302 001 (Tel. No. (0141) 2362284, Email ID: bapnarajesh@rediffmail.com), certifying the Net worth of Shri. Nirmal Kumar Bardiya as on 30th March 2012.
- 9.1.5 Copy of Certificate dated 30th March 2012, from Shri. Rajesh Bapna, (Membership Number 075907) Partner of Bapna Rajesh & Co. (Firm Regn. No. 006943c), Chartered Accountants, having their Office at 208, Samod Tower, Lane Opp. City Centre, Sansar Chandra Road, Jaipur 302 001 (Tel. No. (0141) 2362284, Email ID: bapnarajesh@rediffmail.com), certifying the Net worth of Shivram as on December 31, 2011.
- 9.1.6 Copy of Certificate dated 30th March, 2012 from Shri. Rajesh Bapna, (Membership Number 075907) Partner of Bapna Rajesh & Co. (Firm Regn. No. 006943c), Chartered Accountants, having their Office at 208, Samod Tower, Lane Opp. City Centre, Sansar Chandra Road, Jaipur 302 001 (Tel. No. (0141) 2362284, ., Email ID: bapnarajesh@rediffmail.com) certifying that Acquirers have adequate liquid resources to meet the funds requirements/obligations under this Offer.
- 9.1.7 Audited Annual Reports of Shivram Properties Pvt. Ltd, one of the Acquirers for the last three years i.e. years ending 31.03.2009, 31.03.2010 and 31.03.2011 and certified financials as on December 31, 2011.

- 9.1.8 Audited Annual Reports of Vaibhav Gems Limited, the Target Company for the last three years i.e. years ending 31.03.2009, 31.03.2010 and 31.03.2011 and unaudited financials as on December 31, 2011 (limited reviewed by Auditors)
- 9.1.9 Copy of Current Account No. 16220200002273 with The Federal Bank Limited, 93,94 & 95 EMP-17, Venus CHS, Thakur Village, Kandivli East, Mumbai 400 101, wherein entire funds required towards Escrow was deposited as on March 30, 2012.
- 9.1.10 Copy of Fixed Deposit Receipt No. 16220400006454 for Rs. 9,39,99,955/- dated 09-04-2012 of with The Federal Bank Limited, 93,94 & 95 EMP-17, Venus CHS, Thakur Village, Kandivli East, Mumbai 400 101 being Escrow Deposit transferred to Fixed Deposit.
- 9.1.11 Copy of Letter dated 10-04-2012 from with The Federal Bank Limited, 93,94 & 95 EMP-17, Venus CHS, Thakur Village, Kandivli East, Mumbai 400 101 certifying opening of Escrow Accounts and noting of lien in favor of Fedex Securities Limited., Manager to the Offer.
- 9.1.12 Client Master Copy dated of, DP, relating to Depository Escrow Account opened by Registrars to the Offer.
- 9.1.13 Copy of the Public Announcement submitted to Stock Exchanges on March 28, 2012
- 9.1.14 Copy of Letter dated March 30, 2012, signed by Smt. Deepti Agrawal, joint holder of Escrow Deposits (jointly with Manager to the Offer) authorizing Fedex Securities Ltd, Manager to the Offer to realize the value of the Escrow Deposits.
- 9.1.15 Published copy of the Detailed Public Statement, published in newspapers on behalf the Acquirers on April 04, 2012
- 9.1.16 Published copy of the Opening Public Announcement made in Newspapers on ***** 2012 made on behalf of the Acquirers.
- 9.1.17 Published copy of the recommendation made by Committee of the Independent Directors of the Target Company, published in Newspapers on *****
- 9.1.18 Copy of MOU dated March 28, 2012 between the Acquirers and Manager to the Offer.
- 9.1.19 Copy of MOU dated April 02, 2012 between the Acquirers and the Registrar to the Offer.

- 9.1.20 Copy of Power of Attorney dated March 28, 2012 by Shivram Properties Private Limited, one of the Acquirers authorizing Smt. Deepti Agrawal, Director to sign the MOU with Intermediaries and the Letter of Offer and to do all acts and deeds in connection with the Offer.
- 9.1.21 Copy of Power of Attorney dated March 28, 2012, by Shri. Rahimullah, one of the Acquirers, in favor of Smt. Deepti Agrawal to do all acts and deeds in connection with the Offer.
- 9.1.22 Copy of Power of Attorney dated March 28, 2012, by Shri. Nirmal Kumar Bardiya, one of the Acquirers, in favor of Smt. Deepti Agrawal to do all acts and deeds in connection with the Offer
- 9.1.23 Due Diligence Certificate dated April 12, 2012 submitted to SEBI by Fedex Securities Limited, Manager to the Offer
- 9.1.24 Undertaking dated March 30, 2012 by the Acquirers, agreeing to maintain public holding as per Clause 40A of listing agreement.
- 9.1.25 Undertaking dated March 30, 2012 by the Acquirers, expressing their intention not to delist the Equity Shares of VGL after the Offer.
- 9.1.26 Undertaking dated March 30, 2012 by the Acquirers agreeing that they shall not sell, dispose of or otherwise encumber any substantial assets of the Target Company except with the prior approval of the shareholders.
- 9.1.27 SEBI Observation letter No. CFD/DCR/TO/***/***/2012 dated **** on the Letter of Offer

10. DECLARATION

The Acquirers and each of the Directors of Shivram Properties Pvt. Ltd, one of the Acquirers, jointly and severally accept full responsibility for the information contained in this Letter of Offer and Form of Acceptance. All information contained in this document is as on the date of the Public Announcement i.e. Wednesday, March 28, 2012 unless stated otherwise.

The Acquirers and each of the Directors of Shivram Properties Pvt. Ltd, one of the Acquirers, severally and jointly shall be responsible for ensuring compliance of the Regulations.

The Acquirers

Smt. Deepti Agrawal

Shri. Rahimullah

Shri. Nirmal Kumar Bardiya

(By the hand of their duly constituted Attorney(s), Smt. Deepti Agrawal)

&

For Shivram Properties Private Limited

Signature:

Name: **Smt. Deepti Agrawal**

Director:

Place: Mumbai

Date:

Encl.:

1. Form of Acceptance cum Acknowledgement
3. Share Transfer Form (only to Shareholders holding Shares in physical form)

FORM OF ACCEPTANCE CUM ACKNOWLEDGEMENT

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

(Please send this Form with enclosures to the Registrars to the Offer)

Date of commencement of tendering period	Wednesday, May 23, 2012
Date of expiry of tendering period	Tuesday, June 05, 2012

From:

Name and address of shareholder/Beneficiary owner

To

Karvy Computershare (P) Limited
Unit: VGL – Open Offer
17-24, Vittal Rao Nagar
Madhapur
Hyderabad - 500 081
Tel. Nos. 040 – 4465 5000
Fax. No. 040-2343 1551
Email ID: einwards.ris@karvy.com
Contact person: Shri. M. Muralikrishna

Dear Sir,

Sub: Open Offer to acquire up to 90,00,000 Equity Shares representing 28.392 % of the paid up Equity Capital of Vaibhav Gems Limited by Smt. Deepti Agrawal & Others

I/We refer to the Letter of Offer dated *****, 2012 for acquiring the Equity Shares held by me/us in **Vaibhav Gems Limited**

I/We, the undersigned have read the Letter of Offer and understood its contents including the terms and conditions as mentioned therein. I/We, hold Equity Shares of **Vaibhav Gems Limited** in physical form, accept the offer and enclose the original Share certificate(s) and duly signed transfer deed(s) in respect of my/our Shares as detailed below:

(In the case of Shares in Physical Form)

Sl. No	Ledger Folio No.	No. of Shares	Share Certificate Nos.	No. of Share Certificates	Distinctive Numbers	
					From	To

(In case of insufficient space, please attach a separate sheet.)

I/We confirm that the Equity Shares of **Vaibhav Gems Limited** which are being tendered herewith by me/us under this offer, are free from liens, charges and encumbrances of any kind whatsoever.

I/We note and understand that the original Share certificate(s) and valid Share transfer deed will be held in trust for me/us by the Registrar to the Offer until the time the Acquirer makes payment of the purchase consideration as mentioned in the Letter of Offer. I/We also note and understand that the Acquirer will pay the consideration only after verification of the documents and signatures.

I/We hold the following Equity Shares of **Vaibhav Gems Limited** in Dematerialized Form and accept the Offer and enclose a photocopy of the Delivery instruction(s) slips duly acknowledged by the DP in respect of my/our Equity Shares.

I/We have done an Off market transaction for crediting the Shares to the Depository Escrow Account noted below:

DP Name	*****
DP ID	*****
Client Name	*****
Client Id	*****

For the attention of Beneficial Owners holding Shares in dematerialized form: Please note that the above account is maintained with National Securities Depository Limited (NSDL) Shareholders having their beneficiary account with Central Depository Services (India) Limited (CDSL). must use the inter depository delivery instruction slip for the purpose of crediting their shares in favor of the Depository Escrow Account with NSDL.**(Will be updated)**

I/We note and understand that the Shares transferred to the above Depository Escrow Account will be held in trust for me/us by the Registrar to the Offer until the time the Acquirer makes payment of the purchase consideration as mentioned in the Letter of Offer. I/We also note and understand that the Acquirer will pay the consideration only after verification of the documents and signatures.

I/We confirm that the Equity Shares of **Vaibhav Gems Limited** which are transferred by me/us under this offer, are free from liens, charges and encumbrances of any kind whatsoever.

I/We authorize the Acquirer to accept the Shares so offered which they may decide to accept in consultation with the Manager to the Offer and in terms of the Letter of Offer and I/We further authorize the Acquirer to return to me/us, Equity Share certificate(s) in respect of which the offer is not found valid /not accepted, specifying the reasons thereof. I/We authorize the Acquirer or the Manager to the Offer or the Registrars to the Offer to send by registered post/ordinary post, the payment/payment advice as the case may be, in settlement of the amount to the sole/first holder at the address mentioned below:

Name	
Address	
Pin Code	

The permanent Account No. (PAN/GIR No.) Allotted under the Income Tax Act 1961 is as under

	PAN / GIR No.
1 st Shareholder	
2 nd Shareholder	
3 rd Shareholder	
4 th Shareholder	

Yours faithfully

Signed and delivered

	Full Name	Holder's Signature
Sole / First Holder		
Joint Holder 1		
Joint Holder 2		
Joint Holder 3		
Joint Holder 4		

Place: -----

Date: -----

So as to avoid fraudulent encashment in transit, and also to enable payment through ECS/RTGS etc, the applicants are requested to provide details of Bank account of the sole/first Shareholder .

Name of the Bank	
Full address of the Branch	
Nature of Account	
Account Number	
Payment through RTGS	
IFSC Code of the Branch	
MICR Code of the Branch	

-----**(Tear here)**-----

Acknowledgement Receipt

Received from Mr./Ms./M/s..... Form of acceptance cum acknowledgement in connection with Open Offer to Shareholders of **Vaibhav Gems Limited**

Ledger Folio No. _____ No. of Share Certificates (_____) / Copy of Delivery instructions slips (_____) to DP for _____ Shares of **Vaibhav Gems Limited**

Stamp of Registrar	In case of physical Shares, verify the number of Share certificates / number of Shares
	In case of dematerialized Shares, ensure that copy of the delivery instruction to the DP and duly acknowledged by the DP is submitted with the tender / offer form.

Note : All future correspondence, if any, should be addressed to the Registrar to the Offer, at the following address:

Karvy Computershare (P) Limited Unit: VGL – Open Offer 17-24, Vittal Rao Nagar Madhapur Hyderabad - 500 081 Tel. Nos. 040 – 4465 5000 Fax. No. 040-2343 1551 Email ID: einwards.ris@karvy.com Contact person: Shri. M. Muralikrishna
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