VAIBHAV GEMS LIMITED

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

Recommendations of the Committee of Independent Directors (constituted by the Board of Directors of Vaibhav Gems Ltd) (hereinafter referred to as "IDC") on the Open Offer to the Equity Shareholders of Vaibhav Gems Limited (Target Company) for the acquisition of 1,05,00,000 Equity Shares of the Target Company, under regulation 26(7) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (Takeover Regulations)

1.	Date of meeting of IDC to give its recommendations	25th August, 2012
2.	Name of the Target Company	Vaibhav Gems Limited
3.	Details of the Offer pertaining to Target Company	The Offer is being made by the Acquirers/PACs in terms of Regulation 3(1) of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 for the acquisition of 1,05,00,000 Equity Shares of Rs.10 each, of the Target Company, representing 33.13 % of the Equity Share Capital at a price of Rs. 41.75 per Equity Share.
4.	Name of the Acquirers and Person(s) Acting in Concert (PAC) with the Acquirers	**Acquirers :** a) Mrs. Deepti Agrawal b) Mr. Rahimullah c) Mr. Nirmal Kumar Bardiya d) Shivram Properties Pvt. Ltd. **PACs :** a) Mr. Sunil Agrawal b) Mrs.Sheela Agrwal c) Sonymike's Holdings Ltd.
5.	Name of the Manager to the Offer	**Fedex Securities Limited** 3rd Floor, Jay Chambers, Service Road, Ad. Western Express Highway, Vile Parle (East), Mumbai - 400 057 Tele : 022-26136460/61 Fax No. : 022-26186966, Email ID : fedex@vsnl.com
6.	Members of the Committee of Independent Directors (IDC)	a) Mr. Anandi Lal Roongta b) Mr. Mitha Lal Mehta c) Mr. Surendra Singh Bhandari
7.	IDC Members' relationship with the Target Company (Director, Equity Share owned, any other contract / relationship, if any)	IDC Members are the Independent Directors in the Board of Directors of the Target Company. Except Mr. Anandi Lal Roongta, they donot hold any Equity Shares of the Target Company.
8.	Trading in the Equity Shares/other securities of the Target Company by IDC Members	No Trading has been done by the IDC Members in the Equity Shares / other Securities of the Target Company.
9.	IDC Members relationship with the Acquirers / PACs (Director, Equity Share owned, any other contract / relationship, if any)	None of the IDC Members have any relationship with the Acquirers/PACs.
10.	Trading in the Equity Shares/other securities of the Acquirers/PACs by IDC Members	Not Applicable
11.	Recommendation on the Open Offer, as to whether the Offer is or is not, fair and reasonable	The IDC Members believes that the Open Offer is fair and reasonable.
12.	Summary of reasons for recommendation	The IDC of the Target Company have perused the Public Announcement (PA), Detailed Public Statement (DPS), Letter of Offer and Corrigendum to the Detailed Public Statement, released by Fedex Securities Limited, Manager to the Open Offer, for and on behalf of the Acquirers and PACs. Based on these documents, IDC is of the opinion that the Offer Price of Rs. 41.75 offered by the Acquirers/PACs (being the highest price amongst the selective criteria is in line with the regulation prescribed by SEBI under SEBI (SAST) Regulations, 2011 and prima facie appears to be justified.
13.	Details of Independent Advisors, if any	Nil
14.	Any other matter to be highlighted	Nil

To the best of our knowledge and belief, after making proper enquiry, the information contained in this statement is, in all material respect, true, correct and not misleading, whether by omission of any information or otherwise and includes all the information required to be disclosed by the Target Company under the Takeover Regulations.

For Vaibhav Gems Limited

Sd/-

Place : Jaipur

Mitha Lal Mehta

Date : 25th August, 2012

Chairman- Committee of Independent Directors