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 400 004
Tel No: 022 – 23692180, Fax No: 022- 23630563, Email ID: shivramproperties@hotmail.com

(hereinafter referred to as "the Acquirers")

AND

Shri. Sunil Agrawal , D-70, JLN Marg, Near Police Memorial, Jaipur – 302004 (Tel No: 0141 - 2770648, Fax 0141-2770510)
Smt. Sheela Agrawal, B-189A, University Marg, Bapu Nagar, Jaipur – 302015 (Email Id : sheela.agarwal@hotmail.com)
&
Sonymike's Holdings Limited, C/o. Multiconsult Limited, Rogers House, 5, President John Kennedy Street, Port Louis, Mauritius
Tel +230 405 2000, Fax +230 212 5265, Email ID: Reena.Seegoolam@cimglobalbusiness.com

(hereinafter referred to as "the Persons acting in Concert(PACs)")

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/PACs can revise the Offer Price upto 3 working days prior to the opening of the tendering period for the offer, i.e. Tuesday, August 28, 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**
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, Corrigendum to the Public Announcement, Offer opening PA 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 3rd Floor, Jay Chambers Service Road, Adj. W. E. 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	August 16, 2012	Thursday
Letter of Offer to be despatched to shareholders	August 24, 2012	Friday
Last date for revising the Offer price/ number of shares	August 28, 2012	Tuesday
Last Date by which Board of TC shall give its recommendation	August 29, 2012	Wednesday
Offer Opening PA Date	August 30, 2012	Thursday
Date of commencement of Tendering Period (Offer Opening Date)	August 31, 2012	Friday
Date of Expiry of Tendering Period (Offer closing Date)	September 13, 2012	Thursday
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	September 28, 2012	Friday

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/PACs

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/PACs 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/PACs 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/PACs

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

TABLE OF CONTENTS

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 /PACs	**Sonymike's Holdings Ltd**, **Shri. Sunil Agrawal and Smt. Sheela Agrawal,** being persons/Entity who are acting in concert with the Acquirers in connection with the Open Offer.
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	Corrigendum to the Detailed Public Statement/Corrigendum to DPS	Corrigendum to the Detailed Public Statement/Corrigendum to DPS, published on behalf of the Acquirers/PACs in the Newspapers on Thursday, August 23, 2012
11	Offer	Cash offer being made under this Offer 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.
12	ICDR Regulations	SEBI (Issue of Capital and Disclosure Requirements) Regulations 2009, as amended
13	Shares	Equity Shares
14	EPS	Earnings Per Equity Share, for the period under reference and annualized
15	Book Value	Book Value of each Equity Share as on the date referred to
16	Regulations/TakeoverRegulations/ SEBI(SAST) Regulations	SEBI (Substantial Acquisition of Shares & Takeovers) Regulations, 2011.

17	NAV	Net Asset Value per Equity Share
18	Persons not eligible to participate in the Offer	Promoter group Shareholders of the Target Company, the Acquirers and Persons acting in Concert as well as persons deemed to be acting in concert with the promoters/promoter group.
19	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.
20	BSE	Bombay Stock Exchange Ltd
21	ASE	Ahmedabad Stock Exchange Ltd
22	JSE	Jaipur Stock Exchange Limited
23	DSE	Delhi Stock Exchange Limited
24	NSE	National Stock Exchange of India Limited
25	RoNW	Return on Net Worth
26	FIIs	Foreign Institutional Investors
27	NRIs	Non Resident Indians and persons of Indian origin residing abroad
28	FIs	Financial Institutions
29	PAT	Profit After Tax
30	PE Ratio	Price Earnings Ratio
31	CDSL	Central Depository Services (India) Limited
32	NSDL	National Securities Depository Limited
33	DP	Depository Participant
34	FY	Financial Year
35	FIFO	First in, First out
36	SEBI	Securities and Exchange Board of India
37	NPA	Non Performing Asset
38	CDR	Corporate Debt Restructuring
39	GDR	Global Depository Receipts
40	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, PACs OR THE COMPANY WHOSE SHARES ARE 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/PACs 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/PACs 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/PACs 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, PACs 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 Sonymike's Holdings Limited, a Company incorporated under the laws of Mauritius and having its Registered Office at C/o. Multiconsult Limited, Rogers House, 5, President John Kennedy Street, Port Louis, Mauritius (Tel +230 405 2000, Fax +230 212 5265, Email ID: Reena.Seegoolam@cimglobalbusiness.com), Shri. Sunil Agrawal residing at D-70, J L Marg, Near

Police Memorial, Jaipur 302017 (Tel No: 0141 - 2770648, Fax 0141-2770510) and Smt. Sheela Agrawal residing at B-189A, University Marg, Bapu Nagar, Jaipur – 302015 (Email Id : sheela.agarwal@hotmail.com) are Persons acting in concert (PACs) with the Acquirers in connection with this Open Offer

3.1.4 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 including PACs hold 41,38,873 equity Shares in VGL, constituting 13.05% of he paid up Capital. (Update with details of the PACs)

3.1.5 The Acquirers, PACs, Promoters and Directors of Shivram(one of the Acquirers) and Sonymike's, one of the PACs, 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.

3.1.6 This Offer will not result in a change in control. The Acquirers/PACs 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.

3.1.7 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 August 29, 2012.

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, 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

A Corrigendum to the Detailed Public Statement was also made in all the above newspapers and editions, on Thursday, August 23, 2012.

The Public Announcement, the Detailed Public Statement and Corrigendum to 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, the Detailed Public Statement and the date of this Letter of Offer, the Acquirers were collectively holding 1,05,000 Equity Shares in VGL. The PACs were holding 8,58,241 (2.71%) Equity Shares in VGL. The other Promoters/Promoter Group Shareholders (other than the Acquirers/PACs) are holding 32,80,632 Equity Shares , constituting 10.35% of the paid up Equity Share Capital of VGL . The Acquirers/PACs and 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.

3.2.8 Details of competing Offers, if any : **There is no competing Offer**

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/PACs/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 /PACs/ 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 / PACs/other promoters goes beyond the maximum permissible non public shareholding under Securities Contract (Regulation) Rules, 1957 ("SCRR") due to further acquisitions by the Acquirers/PACs/Promoter Group of VGL, the Acquirers/ PACs/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/PACs 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 AND PACs.

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. The PACs are Sonymike's Holdings Limited, Shri. Sunil Agrawal and Smt. Sheela Agrawal. Acquirers 1 to 3 are not related to each other. Acquirer 1 is promoter of Acquirer 4. Smt. Sheela Agrawal is mother of Shri. Sunil Agrawal and Smt. Deepti Agrawal is wife of Shri Sunil Agrawal.

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@hotmaill.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 20-02-1997. 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 requiring reporting/compliance 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 SEBI, 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 30^{th} 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. For the said non compliance, SEBI would initiate suitable action in this regard.

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%	Market Purchase	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 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.

4.3.4 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.

4.3.5 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%	Market Purchase	188,500 (3.57%)
Quarter ended June 2002	35,200	0.67%	Market Purchase	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, who is also a PAC under this Offer.

4.4.6 Shivram holds 50,400 Equity Shares in the Target Company and except for delay in 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. For the said non compliance, SEBI would initiate suitable action in this regard.

4.4.7 **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 31,31997	25,200	0.48	Market Purchase	25,200 (0.48%)
14-12-2002	25,200	0.48	Issue of Bonus Shares by Target Company	50,400 (0.48%)

4.4.8 **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**

4.4.9 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. In view of RBI Regulations, FCDs are being issued instead of OFCDs.

4.4.10 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

4.4.11 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.

4.4.12 **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, 2011, 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 dimunition 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.

4.4.13 Shivram has no Contingent liabilities not provided for, for the Financial Year ended March 31, 2011, date when accounts were last audited.

4.4.14 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.

4.4.15 Shivram, being a closely held Company has not appointed any Compliance Officer and the provisions of Corporate Governance are not applicable to Shivram.

4.4.16 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.

4.4.17 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/-

4.4.18 There are no pending litigations against Shivram.

4.4.19 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 SHRI. SUNIL AGRAWAL (PAC)

4.5.1 **Shri. Sunil Agrawal**, Son of Shri. Ghanshyam Agrawal aged about 53 years, presently Chairman of VGL, is residing at D-70, JLN Marg, Near Police Memorial, Jaipur – 302004. He established Vaibhav Enterprises in 1980 with the objective to trade in gemstone. He has travelled widely, and gained an immense knowledge of gemstone and jewellery. He has brought this expertise to bear on success of the Company. He has presented the Company at all major international trade shows and jewellery fairs. He is credited with the pioneering commercialization of popular gemstones like Tanzanite. He is also a Director of VGL Softech Limited (Indian Company) None of these entities are participating or interested or acting in concert in this Offer.

4.5.2. Shri Sunil Agrawal is the Chairman of VGL, the Target Company and is also a Director in VGL Softech Limited. Except the Target Company, none of the other Companies in which he is a Director are listed in any Stock Exchange.

4.5.3 The Net worth of Shri. Sunil, Agrawal as on 31st December 2011 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 16-08-2012, is US$ 66,38,500 which is equivalent to Rs. 33,96,25,660/- at an Exchange rate of Rs. 51.16 per US$.

4.5.4 Shri Sunil Agrawal presently holds 28,140 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. For the said non compliance, SEBI would initiate suitable action in this regard.

4.5.5 **Shri. Sunil Agrawal has, 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 (Number and %)**
Number of Shares as on 31st March, 2002	14,070	0.27%	Allotment/Market Acquisitions	14,070
6th February, 2003	14,070	0.13%	Bonus Shares	28040

4.5.6 Subject to what is stated above in 4.5.4, Shri Sunil Agrawal 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.

4.6. SMT. SHEELA AGRAWAL(PAC)

4.6.1 **Smt. Sheela Agrawal**, wife of Shri. Ghanshyam Agrawal, aged 69 years, residing at B-189A, University Marg, Bapu Nagar, Jaipur – 302015 (Email Id : sheela.agarwal@hotmail.com), is B.A. She is an active Social Worker. She is a Director in Vaibhav Gems Limited, Brett Plastic Pvt. Ltd. and Reengus Exim Pvt. Ltd.

4.6.2 The Net worth of Smt. Sheela Agrawal, as on 31st December 2011, 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 16-08-2012 is Rs. 102.22 Lacs

4.6.3 Apart from being a Director and promoter in Vaibhav Gems Limited , she is also on the Board of Directors of Brett Plastics Pvt. Ltd and Reengus Exim Pvt. Ltd.

4.6.4 Smt. Sheela Agrawal is the mother of Shri. Sunil Agrawal, the Chairman and Promoter of the Vaibhav Gems Limited, the Target Company. She is also mother in law of Smt. Deepti Agrawal.

4.6.5 Smt. Sheela Agrawal, at present, holds 21,501 Equity Shares in VGL. Except for the delayed filing under Reg. 8(3) for the years 2001 & 2002, 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 has been complied with by her, including on earlier acquisitions by her. For the said non compliance, SEBI would initiate suitable action in this regard.

4.6.6 Smt. Sheela Agrawal has, 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 (Number)
Balance As on 31st March, 2002	5000	0.09		5000 and 0.09%
Sep 02 - Nov 02	(200)	0.00%	Market/Off Market	4800
06-02-2003	4,800	0.05%	Bonus	9600
Oct 03-Mar 04	(3600)	0.00%	Market/Off Market	6000
Apr04- Sep04	11,750	0.11%	Market/Off Market	17,750
Sep04-Mar05	(3553)	0.01%	Market/Off Market	14197
Apr 06- Sep06	206	0.00%	Market/Off Market	14,403
10-10-2007	50	0.00%	Market/Off Market	14,453
Apr08-Sep08	(50)	0.00%	Market/Off Market	14,403
Oct 08- Mar 09	50	0.00%	Market/Off Market	14,453
03-06-2009	500	0.00%	Open Market	14,953
03-11-2009	200	0.00%	Open Market	15,153
22-12-2009	40	0.00%	Open Market	15,193
22-04-2010	1,000	0.00%	Open Market	16,193
22-06-2010	500	0.00%	Open Market	16,693
29-06-2010	1,307	0.00%	Open Market	18,000
06-07-2010	500	0.00%	Open Market	18,500
07-07-2010	(500)	0.00%	Open Market	18,000
14-09-2010	500	0.00%	Open Market	18,500
22-09-2010	500	0.00%	Open Market	19,000
18-11-2010	500	0.00%	Open Market	19500
10-12-2010	250	0.00%	Open Market	19750
16-11-2011	1,250	0.00%	Open Market	21000
21-11-2011	500	0.00%	Open Market	21500
28-11-2011	1	0.00%	Open Market	21501

4.7 SONYMIKE'S HOLDINGS LIMITED (PAC)

4.7.1 Sonymike's Holdings Limited (Registration Number: 15642/2269) (Sonymike's) was incorporated under the Laws of Mauritius as a Private Company on 21st November, 1995.The objects of the Company are to carry out any business activities which are not prohibited under the laws of Mauritius and the laws of the countries where the Company is transacting business and to do all such things as are incidental or conducive to the attainment of the above objects. These objects will apply exclusively to Offshore Business Activities.

4.7.2 Sonymike's is presently carrying on the activity of Investments.

4.7.3 The main Objects of Sonymike's are to carry out any business activities which are not prohibited under the laws of Mauritius and the laws of the countries where the Company is transacting business and to do all such things as are incidental or conducive to the attainment of the above objects. These objects will apply exclusively to Offshore Business Activities.

4.7.4 The Registered Office of Sonymike's is located at C/o. Multiconsult Limited, Rogers House, 5, President John Kennedy Street, Port Louis, Mauritius (Tel +230 405 2000, Fax +230 212 5265, Email ID: Reena.Seegoolam@cimglobalbusiness.com)

4.7.5 Sonymike's Holdings Limited belongs to the Promoter Group of VGL and the entire Capital is held by STS Holdings Limited. The Equity Shares of Sonymike's are not listed on any Stock Exchanges in India or abroad.

4.7.6 Shri. Sunil Agrawal is connected/related with Sonymike's by virtue of his Directorship.

4.7.7 Sonymike's at present holds 8,08,600 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. For the said non compliance, SEBI would initiate suitable action in this regard.

4.7.8 Sonymike's 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 (Number)
Balance As on 31st March, 2002	4,04,300	7.65 %	Allotment/Market Acquisitions	4,04,300
30-11-2002	9950	0.19%	Market / Off Market	4,14,250
26-12-2002	(9950)	0.19%	Market / Off Market	4,04,300
06-02-2002	4,14,250	3.92%	Bonus Shares	8,18,550
10-07-2003	(9950)	0.9%	Market / Off Market	8,08,600

4.7.9 The Shareholding pattern of Sonymike's Holdings Limited is as under:

Name of theShareholder	Number of Equity Shares of USD 1 each	% age of Shareholding Promoters
STS Holdings Limited	3	100
Total	**3**	**100.00**

4.7.10 The Directors of Sonymike's are Mr. Sunil Agrawal, Ms. Madhvi Mohadeb, Mr. Shammeemkhan Abdoolakhan and Sital Tolaram. **Their details are as under:**

Name	Date of appointment	Age, Qualification	Residential Address	Designation and Experience
Mr. Sunil Agrawal	21st November, 1995	Age: 53 years Qualification: MBA from Columbia University	D-70, JLN Marg, Near Police Memorial, Jaipur - 302004	**Director** He established Vaibhav Enterprises in 1980 with the objective to trade in gemstone. He has travelled widely, and gained an immense knowledge of gemstone and jewellery. He has brought this expertise to bear on success of the Company. He has presented the Company at all major international trade shows and jewellery fairs. He is credited with the pioneering commercialization of popular gemstones like Tanzanite. He is also a Director of VGL Softech Limited (Indian Company) None of these entities are participating or interested or acting in concert in this Offer.
Mr. Shammeemkhan Abdoolakhan	7 June 2012	Age: 36 -Degree in Economics and a post graduate in Money and Banking from the University of Free State, South Africa -Members of The Society of Trust and Estate Practitioners (STEP) - Partly qualified ICSA (Institute of Chartered Secretaries and Administrators	74, Etienne Pellereau Street, Port Louis, Mauritius	**Director** More than 10 years of professional experience in the Global Business Sector
Ms. Madhvi Mohadeb	31 October 2008	Age :43 Members of the Association of Chartered Certified Accountants	6 Swallow Lane, Morcellement Beausite, Trou Aux Cerfs, Curepipe, Mauritius	**Director** 15 years experience in the Global Business Sector
Sital Tolaram	30th November, 1995	Age: 58 years SSC	Sunsheel Company Ltd, G 14, Sunsheel Shopping Centre, 165, Royal Road, Curiepipe, Mauritius	**Director** 45 years' experience in retail business in textiles

4.7.11 The Authorized Share Capital of Sonymike's is USD 10,00,000 comprising of 10,00,000 Equity shares of USD 1 each. The paid up Share Capital of the Company as on 31st March 2012 is USD 3 comprising of 3 Shares USD 1 each.

4.7.12 The Brief audited Financials of Sonymike's for last 3 years are given below :

(Rs. in Lacs)

Profit & Loss Statement	**March 31, 2009**	**March 31, 2010**	**March 31, 2011**
Other Income	NIL	NIL	NIL
Total Income	**NIL**	**NIL**	
Total Expenditure	(2.92)	(3.07)	(3.37)
Profit/(Loss) Before Depreciation Interest and Tax	(2.92)	(3.07)	(3.37)
Depreciation	NIL	NIL	NIL
Interest	NIL	NIL	NIL
Profit (LOSS) Before Tax	(2.92)	(3.07)	(3.37)
Profit After Tax/ (Loss)	(2.92)	(3.07)	(3.37)
Balance Sheet Statement	**March 31, 2009**	**March 31, 2010**	**March 31, 2011**
Sources of Funds			
Paid Up Equity Share Capital	0.002	0.002	0.002
Reserves and Surplus (Excluding Revaluation Reserves)	181.89	290.06	328.55
Net worth	**181.89**	**290.06**	**328.55**
Secured Loans	NIL	NIL	NIL
Unsecured Loans	NIL	2.89	6.29
Total Source of Funds	**181.89**	**292.95**	**334.84**
Uses of Funds			
Net Fixed Assets	0.00	0.00	0.00
Investments(At Cost)	182.69	293.85	335.66
Net Current Assets	(0.80)	(0.90)	(0.82)
Total use of funds	**181.89**	**292.95**	**334.84**
Other Financial Data	**March 31, 2009**	**March 31, 2010**	**March 31, 2011**
Dividend (%)	NIL	NIL	NIL

Note: Sonymike's is a Mauritius registered entity and draws its Accounts in UD $. The same has been converted into Indian Rupees at the Exchange Rate prevailing as on date of the respective Audited Accounts. Accordingly, the Conversion rates are (a) Rs. 50.95 as on 31st March, 2009 , (b) Rs. 45.14 for 31st March 2010 and (c) 44.65 for 31st March 2011

4.7.13 Sonymike's has no Contingent liabilities not provided for, for the Financial Year ended March 31, 2011, date when accounts were last audited.

4.7.14 The Equity Shares of Sonymike's is not listed at any Stock Exchange in India or abroad. Sonymike's has no Subsidiary Company(ies). Sonymike's has not promoted any other Company.

4.7.15 Sonymike's being a closely held Company incorporated outside India , the requirement of Compliance Officer is not applicable

4.7.16 Sonymike's has no overdue liabilities to Banks/FIs /Deposit holders as at December 31, 2011, in India or abroad. There was no default in the past. There has been no merger/demerger or spin off of activities of Sonymike's in the last three years.

4.7.17 As per Certificate dated 16-08-2012 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 Sonymike's as on December 31, 2011 is US$ 0.79 Million which is equivalent to Rs. 404.16 Lacs at Exchange rate of Rs. 51.16 per US$, being Exchange Rate as on 31st December 2011.

4.7.18 There are no pending litigations against Sonymike's in India or abroad.

4.7.19 The promoters of Sonymike's has not promoted or belongs to the Promoter Group of any other listed Company(other than the Target Company) in India and the Directors of the Sonymike's 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.

4.7.20 There are no pending litigations against the Promoters/Directors of Sonymike's or Group Companies/ Ventures with which Sonymike's is associated with.

4.7.21 Neither Sonymike's, nor any of the Companies with which Sonymike's or its promoters / Directors are associated with, are in securities related business in India and registered with SEBI as a Market Intermediary

4.8 Other Disclosures pertaining to the Acquirers/PACs

4.8.1 Shri. Sunil Agrawal and Smt. Sheela Agrawal are representing themselves and Acquirers Nos. 1 and 4 on the Board of Directors of the Target Company. Shri. Rahimullah, the Acquirer 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/PACs. Except to the extent required as Acquirers/PACs 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 and would not form part of the Committee of Independent Directors constituted in compliance with Reg. 26(6) of Takeover Regulations 2011. Further, none of the other Directors, representing the Acquirers if any, PACs 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

4.8.2 There are no pending litigations against the Acquirers, PACs, the Promoters/Directors of Shivram, one of the Acquirers, the Promoters/Directors of Sonymike's, one of the PACs or Group Companies/Ventures with which they are associated with.

4.8.3. Neither the Acquirers, PACs, nor any of the Companies with which the Acquirers/PACs or their 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 currently 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)
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, Sngram 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 PACs under this Offer. They are also 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/PACs. Except to the extent required as Acquirers/PACs 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 and would not form part of the Committee of Independent Directors constituted in compliance with Reg. 26(6) of Takeover Regulations 2011

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**	**1343.48**
Exceptional Items (Break up given separately, below)	(23152.73)	1557.60	1432.63	0.00
Profit / (Loss) After Tax after Exceptional Item	**(25418.48)**	**213.90**	**1737.01**	**1343.48**

Balance Sheet Statement				
Sources of Funds				
Paid Up Equity Share Capital	3169.85	3169.85	3169.85	3169.85
Paid up Non Convertible Preference Shares	4400.00	4400.00	4400.00	4400.00
Share Warrants	812.64	0.00	0.00	-
Reserves and Surplus (Excluding Revaluation Reserves)	59792.10	59931.82	59967.95	-
Debit balance in Profit and Loss Account	(33771.59)	(33557.69)	(31820.68)	
Net worth	**34403.00**	**33943.98**	**35717.12**	**-**
Secured Loans	17500.54	16938.42	17159.30	-
Unsecured Loans	0.00	28.00	204.00	-
Deferred Tax Liability	**0.00**	**0.00**	**0.00**	**-**
Total	**51903.54**	**50910.40**	**53080.42**	**-**
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	23243.62	22246.34	26078.56	
Total	**51903.54**	**50910.41**	**53080.42**	-

Consolidated Break Up of Exceptional Items

(Rs. in Lacs)

Particulars	**31.03.2009**	**31.03.2010**	**31.03.2011**	**December 31, 2011 (Limited review)**
Provision for doubtful debts#	(13078.99)		-----	-----
Diminution in value of Investments#	(10073.74)	-----	-----	-----
Excess provisions for doubtful loans written back	-----	-----	1000.00	-----
Excess provision for doubtful debts written back	-----	1557.60	432.63	-----
Total	**(23152.73)**	**1557.60**	**1432.63**	0.00

 # - Auditors' Notes to Accounts for the year ended 31st March 2009 - Note No. 10. – In view of Global Slowdown and recession, the Company has carried restructuring of business activities across the globe. As a part of the business restructuring, the Company has suspended /closed its business operations in Thailand, Germany, Japan, Mexico and Caribbean Islands. Due to aforesaid restructuring, provisions amounting to Rs. 100.74 Crores, Rs. 75.78 Crores and Rs. 55.01 Crores towards diminution in value if Investments , Loans and Advances and Sundry Debtors respectively has been provided for in the Books of Accounts of the Company as an exceptional item. In the view of management, the above provision is adequate. Two of the other Subsidiaries of the Company are having negative net worth, where the Company has exposure of Rs. 246.71 Crores, Rs. 45.89 Crores and Rs. 87.07 Crores in these Companies towards Investments, Loans and advances and Sundry Debtors respectively. The management of the Company does not foresee any further requirement of provision in respect of these two Subsidiaries since the investments in these Subsidiaries are long term in nature ands both the subsidiaries are having substantial carrying business value

Break up of Investments

(Rs. In Lacs)

Particulars	March 31, 2009	March 31, 2010	March 31, 2011
Trade Investments - Unquoted in Wholly Owned Subsidiaries			
1000 common stock with no par value of Jewel Gem USA	1476.67	1476.67	1476.67
34376633 Ordinary Shares of US1$ each of Genoa Jewellers Ltd	4720.65	4720.65	2830.98
200 common shares with no par value of STS Jewels Inc	19950.80	19950.79	19950.79
87,500 Ordinary Shares of HK$100 each fully paid up of STS Gems Limited., Hongkong	1575.00	1575.00	1575.00
Other Than Trade Investments - Unquoted 360000 Equity Shares of	0	0	0
VGL Softech Other than Trade Investments - Quoted 368 Equity Shares of Punjab National Bank	1.43	1.43	1.43
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

Break up of Other Income

(Rs. In Lacs)

Particulars	31.03.2009	31.03.2010	31.03.2011
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

a. the company has a present obligation as a result of a past event

b. a probable outflow of resources is expected to settle the obligation, and

c. the amount of the obligation can be reliably estimated.

Contingent Liability is disclosed in case of

a. 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

b. 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:

	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)	
Shareholders' Category	**Number**	**%**	**Number**	**%**	**Number**	**%**	**Number**	**%**
1. Promoters Group								
A. Parties to the Transaction								
Smt. Deepti Agrawal	0	0.00	0	0.00	7,92600	3.45	7,92600	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**
PACs								
Smt. Sheela Agrawal	21,501	0.08	0	0.00	0	0	21,501	0.08
Shri. Sunil Agrawal	28,140	0.12	0	0.00	0	0	28,140	0.12
Sonymike's Holdings Ltd	8,08,600	3.52	0	0.00	0	0	8,08,600	3.52
Total of PACs	**8,58,241**	**3.74**					**8,58,241**	**3.74**
B. Other Promoters	32,80,632	14.29	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:

a. In the above table, the holding percentages shown against the Acquirers, PACs, 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.

b. The GDRs shown under 3 above do not carry any voting rights at the hands of the holders of GDRs.

c. There are no partly paid Equity Shares in the Target Company.

d. 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.

e. No Equity Shares are subject to lock in

f. Face Value of Equity Shares of Target Company is Re. 10/- each.

g. The number of Equity Shareholders under Public Category, i.e. under 3 above, on the Identified Date is 4474. 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

5.1.18 Change in Promoter Group holding and position of Compliance

Please see next page.

CHANGE IN THE PRESENT PROMOTER / PROMOTER GROUP HOLDING OF VAIBHAV GEMS LIMITED

Name of the promoter / promoter group entity	Opening Balance				Transaction Details						Closing Balance					Increase/Decrease in holding of Promoters (+/-%) (in terms of %)	Applicable regulations of SEBI (SAST) Regulations
	Capital of target company		Holding of Promoter Group		Date of Transaction (allotment/ Purchase/transfer)	Shares Acquired		Shares Sold		Mode of Acquistion (Memorandum/IPO/FPO/ Market Purchase/Preferential Allotment/Rights/Bonus /Inter-se transfer)	Capital of target company		Holding of promoter group		Cumulative holding of promoter group (in terms of %)		
	Number of shares	%				Number of Shares	%	Number of Shares	%		Number of shares	%					
Sunil Agrawal	5,280,300	100	14,070	0.27									14,070	0.27			
Sheela Agrawal	5,280,300	100	5,000	0.09									5,000	0.09			
Sanjeev Agrawal	5,280,300	100	6,820	0.13									6,820	0.13			
Shefali Agrawal	5,280,300	100	700	0.01									700	0.01			
Manohar Assandas	5,280,300	100	29,000	0.55									29,000	0.55			
Jamna Punjabi	5,280,300	100	300	0.01									300	0.01			
Thanwar Das Punjabi	5,280,300	100	200	0.00									200	0.00			
Sheela Jain	5,280,300	100	3,300	0.06									3,300	0.06			
Nirmal Bardiya	5,280,300	100	223,700	4.24									223,700	4.24			
Kusum Baridya	5,280,300	100	33,000	0.62									33,000	0.62			
Rahimullah	5,280,300	100	49,800	0.94									49,800	0.94			
Ikramullah	5,280,300	100	43,900	0.83									43,900	0.83			
Brett Plastic Pvt. Ltd.	5,280,300	100	2,002,000	37.91									2,002,000	37.91			
VGL Finance Limited	5,280,300	100	51,300	0.97									51,300	0.97			
Shivram Properties Pvt. Ltd.	5,280,300	100	25,200	0.48									25,200	0.48			
STS Holding Limited	5,280,300	100	23,500	0.45									23,500	0.45			
STP Holdings Pvt. Ltd.	5,280,300	100	309,000	5.85									309,000	5.85			
Sonymike's Holding Limited	5,280,300	100	404,300	7.66									404,300	7.66			
Punag Limited	5,280,300	100	317,600	6.01									317,600	6.01			
Aggregate holding as on 31.03.2002	**5,280,300**	**100**	**3,542,690**	**67.09%**							**5,280,300**	**100.00**	**3,542,690**	**67.09%**	**67.09%**		
Rajiv Jain	5,280,300	100	3,542,690	67.09%	Apr02-Sep 02	937	0.02%	-	0.00%	Market/Off Market	5,280,300	100.00	3,543,627	67.11%	67.11%	0.02%	NA
Manohar Assandas	5,280,300	100	3,543,627	67.11%	Apr02-Sep 02	-	0.00%	11,500	0.22%	Market/Off Market	5,280,300	100.00	3,532,127	66.89%	66.89%	-0.22%	NA
Kusum Baridya	5,280,300	100	3,532,127	66.89%	24-8-2002	25,200	0.48%	-	0.00%	Market/Off Market	5,280,300	100.00	3,557,327	67.37%	67.37%	0.48%	NA
Reengus Exim(P) Limited	5,280,300	100	3,557,327	67.37%	Apr02-Sep 02	212,000	4.01%	-	0.00%	Market/Off Market	5,280,300	100.00	3,769,327	71.38%	71.38%	4.01%	7(1A)
STP Holdings Pvt .Ltd.	5,280,300	100	3,769,327	71.38%	Apr02-Sep 02	-	0.00%	23,610	0.45%	Market/Off Market	5,280,300	100.00	3,745,717	70.94%	70.94%	-0.45%	NA
STS Holding Limited	5,280,300	100	3,745,717	70.94%	Apr02-Sep 02	11,500	0.22%		0.00%	Market/Off Market	5,280,300	100.00	3,757,217	71.16%	71.16%	0.22%	NA
Sheela Agarwal	5,280,300	100	3,757,217	71.16%	Sep 02 - Nov 02	-	0.00%	200	0.00%	Market/Off Market	5,280,300	100.00	3,757,017	71.15%	71.15%	0.00%	NA
Reengus Exim(P) Limited	5,280,300	100	3,757,017	71.15%	22-11-2002	4,500	0.09%	-	0.00%	Market/Off Market	5,280,300	100.00	3,761,517	71.24%	71.24%	0.09%	NA
Reengus Exim(P) Limited	5,280,300	100	3,761,517	71.24%		500	0.01%	-	0.00%	Market/Off Market	5,280,300	100.00	3,762,017	71.25%	71.25%	0.01%	NA
Sony Mike's Holding Limited	5,280,300	100	3,762,017	71.25%	30-11-2002	9,950	0.19%	-	0.00%	Market/Off Market	5,280,300	100.00	3,771,967	71.43%	71.43%	0.19%	NA
Sony Mike's Holding Limited	5,280,300	100	3,771,967	71.43%	26-12-2002	-	0.00%	9,950	0.19%	Market/Off Market	5,280,300	100.00	3,762,017	71.25%	71.25%	-0.19%	NA
Reengus Exim(P) Limited	5,280,300	100	3,762,017	71.25%	2-12-2002	0	0.00%	15,500	0.29%	Market/Off Market	5,280,300	100.00	3,746,517	70.95%	70.95%	-0.29%	NA
Ikramullah	10,560,600	100	3,746,517	35.48%	06-02-2003	43,900	0.42%	-	0.00%	Bonus	10,560,600	100.00	3,790,417	35.89%	35.89%	-35.06%	NA
Sunil Agrawal	10,560,600	100	3,790,417	35.89%	06-02-2003	14,070	0.13%	-	0.00%	Bonus	10,560,600	100.00	3,804,487	36.03%	36.03%	0.13%	NA
Sheela Agrawal	10,560,600	100	3,804,487	36.03%	06-02-2003	4,800	0.05%	-	0.00%	Bonus	10,560,600	100.00	3,809,287	36.07%	36.07%	0.05%	NA
Sanjeev Agrawal	10,560,600	100	3,809,287	36.07%	06-02-2003	6,820	0.06%	-	0.00%	Bonus	10,560,600	100.00	3,816,107	36.14%	36.14%	0.06%	NA
Shefali Agrawal	10,560,600	100	3,816,107	36.14%	06-02-2003	700	0.01%	-	0.00%	Bonus	10,560,600	100.00	3,816,807	36.14%	36.14%	0.01%	NA
Manohar Assandas	10,560,600	100	3,816,807	36.14%	06-02-2003	17,500	0.17%	-	0.00%	Bonus	10,560,600	100.00	3,834,307	36.31%	36.31%	0.17%	NA
Thanwar Das Punjabi	10,560,600	100	3,834,307	36.31%	06-02-2003	200	0.00%	-	0.00%	Bonus	10,560,600	100.00	3,834,507	36.31%	36.31%	0.00%	NA
Jamna Punjabi	10,560,600	100	3,834,507	36.31%	06-02-2003	300	0.00%	-	0.00%	Bonus	10,560,600	100.00	3,834,807	36.31%	36.31%	0.00%	NA
Nirmal Bardiya	10,560,600	100	3,834,807	36.31%	06-02-2003	223,700	2.12%	-	0.00%	Bonus	10,560,600	100.00	4,058,507	38.43%	38.43%	2.12%	NA
Kusum Baridya	10,560,600	100	4,058,507	38.43%	06-02-2003	58,200	0.55%	-	0.00%	Bonus	10,560,600	100.00	4,116,707	38.98%	38.98%	0.55%	NA
Rahimullah	10,560,600	100	4,116,707	38.98%	06-02-2003	49,800	0.47%	-	0.00%	Bonus	10,560,600	100.00	4,166,507	39.45%	39.45%	0.47%	NA
Brett Plastic Pvt. Ltd.	10,560,600	100	4,166,507	39.45%	06-02-2003	2,002,000	18.96%	-	0.00%	Bonus	10,560,600	100.00	6,168,507	58.41%	58.41%	18.96%	
Reengus Exim(P) Limited	10,560,600	100	6,168,507	58.41%	06-02-2003	252,800	2.39%	-	0.00%	Bonus	10,560,600	100.00	6,421,307	60.80%	60.80%	2.39%	NA
Shivram Properties P Ltd	10,560,600	100	6,421,307	60.80%	06-02-2003	25,200	0.24%	-	0.00%	Bonus	10,560,600	100.00	6,446,507	61.04%	61.04%	0.24%	NA
STP Exim (P) Limited	10,560,600	100	6,446,507	61.04%	06-02-2003	285,390	2.70%	-	0.00%	Bonus	10,560,600	100.00	6,731,897	63.75%	63.75%	2.70%	NA
STS Holding Limited	10,560,600	100	6,731,897	63.75%	06-02-2003	35,000	0.33%	-	0.00%	Bonus	10,560,600	100.00	6,766,897	64.08%	64.08%	0.33%	NA
Sony Mike's Holding Limited	10,560,600	100	6,766,897	64.08%	06-02-2003	414,250	3.92%	-	0.00%	Bonus	10,560,600	100.00	7,181,147	68.00%	68.00%	3.92%	NA
Punag Limited	10,560,600	100	7,181,147	68.00%	06-02-2003	317,600	3.01%	-	0.00%	Bonus	10,560,600	100.00	7,498,747	71.01%	71.01%	3.01%	NA
Rajiv Jain	10,560,600	100	7,498,747	71.01%	06-02-2003	937	0.01%	-	0.00%	Bonus	10,560,600	100.00	7,499,684	71.02%	71.02%	0.01%	NA
Sheela Jain	10,560,600	100	7,499,684	71.02%	06-02-2003	3,300	0.03%	-	0.00%	Bonus	10,560,600	100.00	7,502,984	71.05%	71.05%	0.03%	NA
Sony Mike's Holding Limited	10,560,600	100	7,502,984	71.05%	10-07-2003	-	0.00%	9,950	0.09%	Market/Off Market	10,560,600	100.00	7,493,034	70.95%	70.95%	-0.09%	NA
Suresh Punjabi	10,560,600	100	7,493,034	70.95%	10-07-2003	9,950	0.09%	-	0.00%	Open Market	10,560,600	100.00	7,502,984	71.05%	71.05%	0.09%	NA
Suresh Punjabi	10,560,600	100	7,502,984	71.05%	12-07-2003	10,950	0.10%	-	0.00%	Open Market	10,560,600	100.00	7,513,934	71.15%	71.15%	0.10%	NA
Rajiv Jain	10,560,600	100	7,513,934	71.15%	Apr 03 - Sep03	6,973	0.07%			Market/Off Market	10,560,600	100.00	7,520,907	71.22%	71.22%	0.07%	NA
Sanjeev Agrawal	10,560,600	100	7,520,907	71.22%	06-12-2003	-	0.00%	5,320	0.05%	Market/Off Market	10,560,600	100.00	7,515,587	71.17%	71.17%	-0.05%	NA
Ikramullah	10,560,600	100	7,515,587	71.17%	06-12-2003		0.00%	43,900	0.42%	Market/Off Market	10,560,600	100.00	7,471,687	70.75%	70.75%	-0.42%	NA
Nirmal Bardiya	10,560,600	100	7,471,687	70.75%	09-12-2003		0.00%	200,000	1.89%	Market/Off Market	10,560,600	100.00	7,271,687	68.86%	68.86%	-1.89%	NA
Nirmal Bardiya	10,560,600	100	7,271,687	68.86%	15-12-2003		0.00%	142268	1.35%	Market/Off Market	10,560,600	100.00	7,129,419	67.51%	67.51%	-1.35%	NA

Kusum Baridya	10,560,600	100	7,129,419	67.51%	15-12-2003	-	0.00%	25,200	0.24%	Market/Off Market	10,560,600	100.00	7,104,219	67.27%	67.27%	-0.24%	NA
Ikramullah	10,560,600	100	7,104,219	67.27%	23-12-2003	43900	0.42%			Market/Off Market	10,560,600	100.00	7,148,119	67.69%	67.69%	0.42%	NA
Sheela Agrawal	10,560,600	100	7,148,119	67.69%	Oct 03-Mar 04	-	0.00%	3,600	0.03%	Market/Off Market	10,560,600	100.00	7,144,519	67.65%	67.65%	-0.03%	NA
Rajiv Jain	10,560,600	100	7,144,519	67.65%	Oct 03-Mar 04	-	0.00%		0.00%	Market/Off Market	10,560,600	100.00	7,144,519	67.65%	67.65%	0.00%	NA
Nirmal Bardiya	10,560,600	100	7,144,519	67.65%	29-03-2004	150,000	1.42%			Open Market	10,560,600	100.00	7,294,519	69.07%	69.07%	1.42%	NA
Rajiv Jain	10,560,600	100	7,294,519	69.07%	Oct 03-Mar 04	-	0.00%	8,847	0.08%	Market/Off Market	10,560,600	100.00	7,285,672	68.99%	68.99%	-0.08%	NA
Sheela Jain	10,560,600	100	7,285,672	68.99%	29-12-2004	-	0.00%	1,102	0.01%	Market/Off Market	10,560,600	100.00	7,284,570	68.98%	68.98%	-0.01%	NA
Sheela Agrawal	10,560,600	100	7,284,570	68.98%	Apr04- Sep04	11,750	0.11%	-	0.00%	Market/Off Market	10,560,600	100.00	7,296,320	69.09%	69.09%	0.11%	NA
Brett Plastic Pvt. Ltd.	10,560,600	100	7,296,320	69.09%	26-12-2005	43,800	0.41%		0.00%	Market/Off Market	10,560,600	100.00	7,340,120	69.50%	69.50%	0.41%	NA
Brett Plastic Pvt. Ltd.	10,560,600	100	7,340,120	69.50%	01-03-2005	15,000	0.14%	-	0.00%	Market/Off Market	10,560,600	100.00	7,355,120	69.65%	69.65%	0.14%	NA
Brett Plastic Pvt. Ltd.	10,560,600	100	7,355,120	69.65%	02-03-2005	35,351	0.33%		0.00%	Market/Off Market	10,560,600	100.00	7,390,471	69.98%	69.98%	0.33%	NA
Brett Plastic Pvt. Ltd.	10,560,600	100	7,390,471	69.98%	04-03-2005	100,004	0.95%		0.00%	Market/Off Market	10,560,600	100.00	7,490,475	70.93%	70.93%	0.95%	NA
Brett Plastic Pvt. Ltd.	10,560,600	100	7,490,475	70.93%	07-03-2005	50,500	0.48%		0.00%	Market/Off Market	10,560,600	100.00	7,540,975	71.41%	71.41%	0.48%	NA
Brett Plastic Pvt. Ltd.	10,560,600	100	7,540,975	71.41%	10-03-2005	17,132	0.16%		0.00%	Market/Off Market	10,560,600	100.00	7,558,107	71.57%	71.57%	0.16%	NA
Brett Plastic Pvt. Ltd.	10,560,600	100	7,558,107	71.57%	14-03-2005	18,900	0.18%		0.00%	Market/Off Market	10,560,600	100.00	7,577,007	71.75%	71.75%	0.18%	NA
Sheela Agrawal	10,560,600	100	7,577,007	71.75%	Sep04-Mar05	-	0.00%	3,553	0.03%	Market/Off Market	10,560,600	100.00	7,573,454	71.71%	71.71%	-0.03%	NA
Manohar Assandas	10,560,600	100	7,573,454	71.71%	Sep04-Mar05	-	0.00%	19,956	0.19%	Market/Off Market	10,560,600	100.00	7,553,498	71.53%	71.53%	-0.19%	NA
Nirmal Bardiya	10,560,600	100	7,553,498	71.53%	03-03-2005	-	0.00%	255,132	2.42%	Open Market	10,560,600	100.00	7,298,366	69.11%	69.11%	-2.42%	7(1A)
Kusum Bardiya	10,560,600	100	7,298,366	69.11%	21-02-2005	-	0.00%	25,200	0.24%	Open Market	10,560,600	100.00	7,273,166	68.87%	68.87%	-0.24%	7(1A)
Brett Plastic Pvt. Ltd.	10,560,600	100	7,273,166	68.87%	22-03-2005		0.00%	355	0.00%	Market/Off Market	10,560,600	100.00	7,272,811	68.87%	68.87%	0.00%	NA
Ikramullah	10,560,600	100	7,272,811	68.87%	11-05-2005	-	0.00%	25,000	0.24%	Market/Off Market	10,560,600	100.00	7,247,811	68.63%	68.63%	-0.24%	NA
Rahimullah	10,560,600	100	7,247,811	68.63%	11-05-2005	-	0.00%	25,000	0.24%	Open Market	10,560,600	100.00	7,222,811	68.39%	68.39%	-0.24%	NA
Brett Plastic Pvt. Ltd.	10,560,600	100	7,222,811	68.39%	13-05-2005	15000	0.14%		0.00%	Market/Off Market	10,560,600	100.00	7,237,811	68.54%	68.54%	0.14%	NA
Brett Plastic Pvt. Ltd.	10,560,600	100	7,237,811	68.54%	16-05-2005	15000	0.14%		0.00%	Market/Off Market	10,560,600	100.00	7,252,811	68.68%	68.68%	0.14%	NA
Brett Plastic Pvt. Ltd.	10,560,600	100	7,252,811	68.68%	17-05-2005	20000	0.19%		0.00%	Market/Off Market	10,560,600	100.00	7,272,811	68.87%	68.87%	0.19%	NA
Brett Plastic Pvt. Ltd.	10,560,600	100	7,272,811	68.87%	26-05-2005		0.00%	1700000	16.10%	Market/Off Market	10,560,600	100.00	5,572,811	52.77%	52.77%	-16.10%	7(1A)
Sheela Jain	10,560,600	100	5,572,811	52.77%	25-05-2005			1,200		Market/Off Market	10,560,600	100.00	5,571,611	52.76%	52.76%	-0.01%	NA
Sheela jain	10,560,600	100	5,571,611	52.76%	31-05-2005			300		Market/Off Market	10,560,600	100.00	5,571,311	52.76%	52.76%	0.00%	NA
Brett Plastic Pvt. Ltd.	10,560,600	100	5,571,311	52.76%	22-06-2005		0.00%	100000	0.95%	Market/Off Market	10,560,600	100.00	5,471,311	51.81%	51.81%	-0.95%	NA
Reengus Exim(P) Limited	10,560,600	100	5,471,311	51.81%	09-06-2005	-	0.00%	500,000	4.73%	Open Market	10,560,600	100.00	4,971,311	47.07%	47.07%	-4.73%	7(1A)
STP Exim (P) Limited	10,560,600	100	4,971,311	47.07%	09-06-2005	-	0.00%	200,000	1.89%	Open Market	10,560,600	100.00	4,771,311	45.18%	45.18%	-1.89%	7(1A)
STP Exim (P) Limited	10,560,600	100	4,771,311	45.18%	11-06-2005			175,000	1.66%	Market/Off Market	10,560,600	100.00	4,596,311	43.52%	43.52%	-1.66%	
STP Exim (P) Limited	10,560,600	100	4,596,311	43.52%	13-06-2005	-	0.00%	190,000	1.80%	Open Market	10,560,600	100.00	4,406,311	41.72%	41.72%	-1.80%	7(1A)
Brett Plastic Pvt. Ltd.	10,560,600	100	4,406,311	41.72%	05-08-2005	20000	0.19%		0.00%	Market/Off Market	10,560,600	100.00	4,426,311	41.91%	41.91%	0.19%	NA
Manohar Assandas	10,560,600	100	4,426,311	41.91%	Apr05 - Sep 05	-	0.00%	9,544	0.09%	Market/Off Market	10,560,600	100.00	4,416,767	41.82%	41.82%	-0.09%	NA
Jamna Punjabi	10,560,600	100	4,416,767	41.82%	Apr05 - Sep 05	-	0.00%	600	0.01%	Market/Off Market	10,560,600	100.00	4,416,167	41.82%	41.82%	-0.01%	NA
Thanwar Das Punjabi	10,560,600	100	4,416,167	41.82%	Apr05 - Sep 05	600	0.01%	-	0.00%	Market/Off Market	10,560,600	100.00	4,416,767	41.82%	41.82%	0.01%	NA
Kusum Bardiya	10,560,600	100	4,416,767	41.82%	15-09-2005	-	0.00%	5,000	0.05%	Market/Off Market	10,560,600	100.00	4,411,767	41.78%	41.78%	-0.05%	NA
Rahimullah	10,560,600	100	4,411,767	41.78%	01-08-2005	-	0.00%	20,000	0.19%	Open Market	10,560,600	100.00	4,391,767	41.59%	41.59%	-0.19%	NA
Kusum Bardiya	10,560,600	100	4,391,767	41.59%	16-09-2005	-	0.00%	5,000	0.05%	Market/Off Market	10,560,600	100.00	4,386,767	41.54%	41.54%	-0.05%	NA
Thanwar Das Punjabi	27,587,873	100	4,386,767	15.90%	28-12-2005	-	0.00%	1,000	0.00%	Market/Off Market	27,587,873	100.00	4,385,767	15.90%	15.90%	-25.64%	NA
Sheela Agrawal	27,587,873	100	4,385,767	15.90%	Apr 06- Sep06	206	0.00%	-	0.00%	Market/Off Market	27,587,873	100.00	4,385,973	15.90%	15.90%	0.00%	NA
Thanwar Das Punjabi	27,587,873	100	4,385,973	15.90%	12-01-2006	395	0.00%			Market/Off Market	27,587,873	100.00	4,386,368	15.90%	15.90%	0.00%	NA
Kusum Baridya	27,587,873	100	4,386,368	15.90%	19-09-2005	-	0.00%	5,000	0.02%	Market/Off Market	27,587,873	100.00	4,381,368	15.88%	15.88%	-0.02%	NA
Kusum Baridya	27,587,873	100	4,381,368	15.88%	23-09-2005			3,000	0.01%	Market/Off Market	27,587,873	100.00	4,378,368	15.87%	15.87%	-0.01%	NA
Kusum Baridya	27,587,873	100	4,378,368	15.87%	01-10-2005			2,000	0.01%	Market/Off Market	27,587,873	100.00	4,376,368	15.86%	15.86%	-0.01%	NA
Thanwar Das Punjabi	31,698,473	100	4,376,368	13.81%	12-01-2006	-	0.00%	395	0.00%	Market/Off Market	31,698,473	100.00	4,375,973	13.80%	13.80%	-2.06%	NA
Kusum Baridya	27,587,873	100	4,375,973	15.86%	01-03-2006			5,000	0.02%	Market/Off Market	27,587,873	100.00	4,370,973	15.84%	15.84%	2.04%	NA
Kusum Baridya	27,587,873	100	4,370,973	15.84%	22-03-2006			3,800	0.01%	Market/Off Market	27,587,873	100.00	4,367,173	15.83%	15.83%	-0.01%	NA
Kusum Baridya	27,587,873	100	4,367,173	15.83%	24-03-2006			5,000	0.02%	Market/Off Market	27,587,873	100.00	4,362,173	15.81%	15.81%	-0.02%	NA
Kusum Baridya	27,587,873	100	4,362,173	15.81%	06-05-2006			5,000	0.02%	Market/Off Market	27,587,873	100.00	4,357,173	15.79%	15.79%	-0.02%	NA
Kusum Baridya	27,587,873	100	4,357,173	15.79%	17-05-2006			5,000	0.02%	Market/Off Market	27,587,873	100.00	4,352,173	15.78%	15.78%	-0.02%	NA
Kusum Baridya	27,587,873	100	4,352,173	15.78%	24-05-2006			10,000	0.04%	Market/Off Market	27,587,873	100.00	4,342,173	15.74%	15.74%	-0.04%	NA
Manohar Assandas	27,587,873	100	4,342,173	15.74%	Apr 06- Sep06	-	0.00%	5,500	0.02%	Market/Off Market	27,587,873	100.00	4,336,673	15.72%	15.72%	-0.02%	NA
Sheela Jain	27,587,873	100	4,336,673	15.72%	11-11-2006			3,998	0.01%	Market/Off Market	27,587,873	100.00	4,332,675	15.70%	15.70%	-0.01%	NA
Kusum Bardiya	27,587,873	100	4,332,675	15.70%	17-11-2006	5,447	0.02%	-	0.00%	Market/Off Market	27,587,873	100.00	4,338,122	15.72%	15.72%	0.02%	NA
Manohar Assandas	27,587,873	100	4,338,122	15.72%	Sep 06- Mar 07	5,500	0.02%	-	0.00%	Market/Off Market	27,587,873	100.00	4,343,622	15.74%	15.74%	0.02%	NA
Manohar Assandas	27,587,873	100	4,343,622	15.74%	Apr07-Sep07	-	0.00%	5,500	0.02%	Market/Off Market	27,587,873	100.00	4,338,122	15.72%	15.72%	-0.02%	NA
Sheela Agrawal	31,698,473	100	4,338,122	13.69%	10-10-2007	50	0.00%	-	0.00%	Market/Off Market	31,698,473	100.00	4,338,172	13.69%	13.69%	-2.04%	NA
Sheela Agrawal	31,698,473	100	4,338,172	13.69%	Apr08-Sep08	-	0.00%	50	0.00%	Market/Off Market	31,698,473	100.00	4,338,122	13.69%	13.69%	0.00%	NA
Sheela Agrawal	31,698,473	100	4,338,122	13.69%	Oct 08- Mar 09	50	0.00%	-	0.00%	Market/Off Market	31,698,473	100.00	4,338,172	13.69%	13.69%	0.00%	NA
Sheela Agrawal	31,698,473	100	4,338,172	13.69%	03-06-2009	500	0.00%	-	0.00%	Open Market	31,698,473	100.00	4,338,672	13.69%	13.69%	0.00%	NA
Kusum Bardiya	31,698,473	100	4,338,672	13.69%	Apr09-Sep 09	-	0.00%	17,647	0.06%	Open Market	31,698,473	100.00	4,321,025	13.63%	13.63%	-0.06%	NA
Sheela Agrawal	31,698,473	100	4,321,025	13.63%	03-11-2009	200	0.00%			Open Market	31,698,473	100.00	4,321,225	13.63%	13.63%	0.00%	NA
Sheela Agrawal	31,698,473	100	4,321,225	13.63%	22-12-2009	40	0.00%	-	0.00%	Open Market	31,698,473	100.00	4,321,265	13.63%	13.63%	0.00%	NA
Ikramullah	31,698,473	100	4,300,365	13.57%	15-01-2010	-	0.00%	62,800	0.20%	Open Market	31,698,473	100.00	4,237,565	13.37%	13.37%	-0.26%	NA
Sheela Agrawal	31,698,473	100	4,237,565	13.37%	22-04-2010	1,000	0.00%	-	0.00%	Open Market	31,698,473	100.00	4,238,565	13.37%	13.37%	0.00%	NA
Sheela Agrawal	31,698,473	100	4,238,565	13.37%	22-06-2010	500	0.00%	-	0.00%	Open Market	31,698,473	100.00	4,239,065	13.37%	13.37%	0.00%	NA
Sheela Agrawal	31,698,473	100	4,239,065	13.37%	29-06-2010	1,307	0.00%	-	0.00%	Open Market	31,698,473	100.00	4,240,372	13.38%	13.38%	0.00%	NA
Sheela Agrawal	31,698,473	100	4,240,372	13.38%	06-07-2010	500	0.00%	-	0.00%	Open Market	31,698,473	100.00	4,240,872	13.38%	13.38%	0.00%	NA
Sheela Agrawal	31,698,473	100	4,240,872	13.38%	07-07-2010	-	0.00%	500	0.00%	Open Market	31,698,473	100.00	4,240,372	13.38%	13.38%	0.00%	NA
Sheela Agrawal	31,698,473	100	4,240,372	13.38%	14-09-2010	500	0.00%	-	0.00%	Open Market	31,698,473	100.00	4,240,872	13.38%	13.38%	0.00%	NA
Sheela Agrawal	31,698,473	100	4,240,872	13.38%	22-09-2010	500	0.00%	-	0.00%	Open Market	31,698,473	100.00	4,241,372	13.38%	13.38%	0.00%	NA
Sheela Agrawal	31,698,473	100	4,241,372	13.38%	18-11-2010	500	0.00%	-	0.00%	Open Market	31,698,473	100.00	4,241,872	13.38%	13.38%	0.00%	NA
Sheela Agrawal	31,698,473	100	4,241,872	13.38%	10-12-2010	250	0.00%	-	0.00%	Open Market	31,698,473	100.00	4,242,122	13.38%	13.38%	0.00%	NA
Suresh Punjabi	31,698,473	100	4,321,265	13.63%	18-02-2011	-	0.00%	20,900	0.07%	Market/Off Market	31,698,473	100.00	4,300,365	13.57%	13.57%	0.18%	NA
Sheela Agrawal	31,698,473	100	4,242,122	13.38%	16-11-2011	1,250	0.00%	-	0.00%	Open Market	31,698,473	100.00	4,243,372	13.39%	13.39%	-0.18%	NA
Sheela Agrawal	31,698,473	100	4,243,372	13.39%	21-11-2011	500	0.00%	-	0.00%	Open Market	31,698,473	100.00	4,243,872	13.39%	13.39%	0.00%	NA
Sheela Agrawal	31,698,473	100	4,243,872	13.39%	28-11-2011	1	0.00%	-	0.00%	Open Market	31,698,473	100.00	4,243,873	13.39%	13.39%	0.00%	NA

5.1.19 **Violation of Reg. 11(1) of the SEBI(Substantial Acquisition of Shares and Takeovers) Regulations 1997 by Brett Plastics Pvt. Ltd, a Promoter Group Company:** The Promoter Group was holding 69.09% as on 25-02-2005 i.e. more than 55%. Brett Plastics Pvt. Ltd, a Promoter Group entity has acquired Equity Shares (voting rights) of VGL as follows during the period mentioned hereunder which is in violation of Reg. 11(2) obtaining at that time.

Date of purchase	Number purchased	Shares Price at which Acquired (In Rs.)
26-02-2005	43,800	85.62
01-03-2005	15,000	85.85
02-03-2005	35,351	85.80
04-03-2005	4	85.80
04-03-2005	50,000	82.42
04-03-2005	50,000	79.14
07-03-2005	50,500	81.77
10-03-2005	17,132	81.84
14-03-2005	18,900	81.90
13-05-2005	15,000	172.88
16-05-2005	15,000	172.01
17-05-2005	20,000	174.39

For the above-mentioned violation of Reg. 11(1) of the SEBI (Substantial Acquisition of Shares and takeovers) Regulations 1997, SEBI would initiate suitable action against Brett Plastics Pvt. Ltd.

5.1.20. The Promoter Group Shareholders have delayed filing under Reg. 8(2) under SEBI(SAST) Regulations 1997 for the years 2001 & 2002, which includes reporting to be done as on record date for Dividend. For the said violation, SEBI may initiate suitable action against the Promoter Group Shareholders. The Target Company has in turn, delayed filing under Reg. 8(3) for the said years. This has been regularized under SEBI Regularization Scheme. The Promoter Group as well as the Target Company has been complying with the provisions of Chapter V of SEBI(SAST) Regulation 2011 in time.

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/PACs during the fifty two weeks preceding the date of Public Announcement	Rs. 28.36
c	Highest Price Paid for any Acquisition by the Acquirers/PACs in the twenty six weeks preceding the date of the Public Announcement	Rs. 28.70
d	Volume weighted average price paid by any of the Promoter Group Shareholders (other than Acquirers/PACs) during the fifty two weeks preceding the date of Public Announcement	No acquisition
e	Highest price paid by any of the Promoter Group Shareholders 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

The trading volume data in respect of BSE has been taken from the BSE's website www.bseindia.com and the trading volume date 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/PACs 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. Tuesday, August 28, 2012, (as per the 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/PACs, 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. The same is also higher than the Volume Weighted Average Price paid by Acquirers/PACs during the fifty two weeks preceding the date of Public Announcement and also higher than the Highest Price paid for any Acquisition by the Acquirers/PACs in the twenty six weeks preceding the date of the Public Announcement. There are no partly paid Shares.

6.2 Financial arrangements

6.2.1 The Acquirers/PACs 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/PACs. The source of funds are domestic resources which includes investment in Equity Shares/Optionally Fully Convertible Debentures in Shivram by Sonymike's Holdings Limited, one of the PAC, which is 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, 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 The Net worth of Smt. Sheela Agrawal, as on 31st December 2011, 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 16-08-2012 is Rs. 102.22 Lacs

6.2.8 As per Certificate dated 16-08-2012 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 Sonymike's as on December 31, 2011 is US$ 0.79 Million which is equivalent to Rs. 404.16 Lacs at Exchange rate of Rs. 51.16 per US$, being Exchange Rate as on 31st December 2011.

6.2.9 The Net worth of Shri. Sunil Agrawal as on 31st December 2011 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 16-08-2012, is US$ 66,38,500 which is equivalent to Rs. 33,96,25,660/- at an Exchange rate of Rs. 51.16 per US$.

6.2.10 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).

6.2.11 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/-

6.2.12 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.

6.2.13 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. The PACs are not acquiring any Shares in the Open Offer

6.2.14 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 Friday, August 31, 2012 and will close on Thursday, September 13, 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 the Schedule of activity is Thursday, August 16, 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, the Acquirers, PACs and persons deemed to be acting in concert with the present promoters) whose names appear in register of Target Company as on Thursday, August 16, 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 Schedule of Activity, the Letter of Offer will be sent to all Equity Shareholders of the VGL as on Thursday, August 16, 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/ PACs 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 7.3.3 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/PACs 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, Corrigendum to 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 and the Form of Acceptance from the SEBI's website for applying in 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, PACs, 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/PACs 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/ PACs 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/PACs shall be responsible to pursue all statutory approvals required in order to complete the open offer without any default, neglect or delay.

7.4.3 Barring unforeseen circumstances beyond its control, the Acquirers/PACs 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/PACs agreeing to pay interest to the Shareholders for delay beyond 10 working days from the date of closure of Offer. In case the Acquirers/PACs 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/PACs 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/PACs, 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/PACs to diligently pursue such approvals, grant extension of time for making payments subject to the Acquirers/PACs 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/PACs 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/PACs 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. Thursday, September 13, 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	KARVY STOCK BROKING LIMITED
DP ID	IN300394
Client Name	VGL OPEN OFFER ESCROW DEMAT ACCOUNT
Client Id	18428523

8.1.4 **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

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, PACs, 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/PACs 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/PACs 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.

8.8 SETTLEMENT/ PAYMENT OF CONSIDERATION

8.8.1 The Acquirers/PACs shall arrange to pay the consideration on or before Friday, September 28, 2012.

8.8.2 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 10 working 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 10 working 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.

8.8.3 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/PACs 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 Copy of Certificate of Incorporation, Memorandum and Articles of Association of Shivram Properties Private Limited, one of the Acquirers.

9.1.2 Copy of Incorporation documents of Sonymike's Holdings Limited, one of the PACs.

9.1.3 Copy of Certificate dated 30^{th} 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 30^{th} March 2012.

9.1.4 Copy of Certificate dated 30^{th} 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 30^{th} March 2012.

9.1.5 Copy of Certificate dated 30^{th} 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 30^{th} March 2012.

9.1.6 Copy of Certificate dated 30^{th} 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.

9.1.7 Copy of Certificate dated 16-08-2012 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. Sheela Agrawal, as on 31st December 2011

9.1.8 Copy of Certificate dated 16-08-2012 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 Sonymike's as on December 31, 2011

9.1.9 Copy of Certificate dated 16-08-2012 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. Sunil Agrawal as on December 31, 2011

9.1.10 Copy of Certificate dated 30^{th} 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.

9.1.11 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.

9.1.12 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)

9.1.13 Audited Annual Reports of Sonymike's Holdings Ltd, one of the PACs for the last three years i.e. years ending 31.03.2009, 31.03.2010 and 31.03.2011 .

9.1.14 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.

9.1.15 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.

9.1.16 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 101certifying opening of Escrow Accounts and noting of lien in favor of Fedex Securities Limited., Manager to the Offer.

9.1.17 Client Master Copy dated April 25, 2012 of Karvy Stock Broking Limited, DP attached with NSDL, relating to Depository Escrow Account opened by Registrars to the Offer.

9.1.18 Copy of the Public Announcement submitted to Stock Exchanges on March 28, 2012

9.1.19 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.

9.1.20 Published copy of the Detailed Public Statement, published in newspapers on behalf the Acquirers on April 04, 2012.

9.1.21 Published copy of the Corrigendum to the Detailed Public Statement, published in newspapers, on Thursday, August 23, 2012.

9.1.22 Published copy of the Opening Public Announcement made in Newspapers on Thursday, August 30 2012, made on behalf of the Acquirers/PACs.

9.1.23 Published copy of the recommendation made by Committee of the Independent Directors of the Target Company, published in Newspapers on Wednesday, August 29, 2012

9.1.24 Copy of MOU dated March 28, 2012 between the Acquirers and Manager to the Offer.

9.1.25 Copy of MOU dated April 02, 2012 between the Acquirers and the Registrar to the Offer.

9.1.26 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.

9.1.27 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.

9.1.28 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

9.1.29 Due Diligence Certificate dated April 12, 2012 submitted to SEBI by Fedex Securities Limited, Manager to the Offer

9.1.30 Undertaking dated March 30, 2012 by the Acquirers, agreeing to maintain public holding as per Clause 40A of listing agreement.

9.1.31 Undertaking dated March 30, 2012 by the Acquirers, expressing their intention not to delist the Equity Shares of VGL after the Offer.

9.1.32 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.

9.1.33 Copy of Letter dated May 4, 2012 submitted to SEBI by Fedex Securities Ltd, Manager to the Offer.

9.1.34 SEBI Observation letter No. CFD/DCR/HB/OW/18259/2012 dated August 13, 2012 on the Letter of Offer.

10. DECLARATION

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

The Acquirers/PACs

Deepti Agrawal

Smt. Deepti Agrawal

Deepti Agrawal 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

Deepti Agrawal

Director:

For Sonymike's Holdings Limited

Director Director

Sheela Agrawal

Shri. Sunil Agrawal **Smt. Sheela Agrawal**

Place: Mumbai

Date: August 24, 2012

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	Thursday, August 31, 2012
Date of expiry of tendering period	Thursday, September 13, 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

(Tear here)

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 August 24, 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.

Sl. No	DP Name.	DP ID	Client ID	Name of beneficiary	No. of Shares

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

DP Name	KARVY STOCK BROKING LIMITED
DP ID	IN300394
Client Name	VGL OPEN OFFER ESCROW DEMAT ACCOUNT
Client Id	18428523

(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 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.

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 NDSL

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 Acquirers/PACs makes payment of the purchase consideration as mentioned in the Letter of Offer. I/We also note and understand that the Acquirers/PACs 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 Acquirers/PACs 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 Acquirers/PACs 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 Acquirers, PACs 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.
1st Shareholder	
2nd Shareholder	
3rd Shareholder	
4th 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)** —

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

(Tear here)

FOR ATTENTION OF FIIs / NRIs

For FII shareholders

I/We, confirm that the income arising from the transfer of shares tendered by me/us is in the nature of *(select whichever is applicable)*

☐ Capital gains ☐ Any other income

I / We, have enclosed the following documents:

☐ Self attested copy of PAN card

☐ SEBI registration certificate for FII (including sub – account of FII)

☐ Tax Residence Certificate provided by the Income Tax Authority of foreign country of which the FII claims to be a tax resident, wherever applicable

☐ Certificate from the Income-tax Authorities under Section 195 (3) / 197 of the I-T Act, wherever applicable

For Non-resident shareholders (other than FII)

I / We, have enclosed the following documents:

☐ Self attested copy of PAN card

☐ Copy of relevant pages of Demat Account in case of Non – Resident (other than FII) if the shares are claimed to have been held for more then twelve prior to the date of acceptance, if any, of share under open offer.

☐ Copy of relevant pages of Demat Account in case of a shareholder claiming benefit of clause 1.17.2 c) above. Also Banker's Certificate related to payment for acquisition of shares in convertible foreign exchange in case shares are held in physical form.

☐ Tax Residence Certificate provided by the Income Tax Authority of foreign country of which the shareholder claims to be a tax resident, wherever applicable

☐ Certificate from the Income-tax Authorities under Section 195 (3) / 197 of the I-T Act, wherever applicable

(Tear here)

Tear Here

ACKNOWLEDGEMENT SLIP

SHARES IN DEMATERIALISED FORM

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

Received from Mr. / Ms. ____________________

I / We, holding Equity Shares in the dematerialized form, accept the Offer and enclose the photocopy of the Delivery Instruction in "Off-market" mode, duly acknowledged by the Depository Participant in respect of my shares as detailed below:

DP Name	DP ID	Client ID	Beneficiary Name	No. of Equity Shares

DP Name	KARVY STOCK BROKING LIMITED
DP ID	IN300394
Client Name	VGL OPEN OFFER ESCROW DEMAT ACCOUNT
Client Id	18428523

Authorised Signatory Stamp

Date

(Tear here)

Tear Here

Note: All future correspondence, if any, should be addressed to **Registrar to the Offer**

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

CRYSTAL +91 22 6614 0900