POST OFFER PUBLIC ANNOUNCEMENT
FOR THE ATTENTION OF THE SHAREHOLDERS OF

VAIBHAV GEMS LIMITED

Registered Office: K-6B, Fateh Tiba Adarsh Nagar, Jaipur – 302 004, Rajasthan Tel: +91 (141) 2601020 Fax: +91 (141) 2603228

This public announcement is in continuation to the Public Announcement ("PA") dated February 20, 2006 issued by JM Morgan Stanley Private Limited ("Manager to the Offer") on behalf of Cortland Investment Ltd ("Cortland" or the "Acquirer"), having its registered office at 10 Frere Felix de Valois Street, Port Louis, Mauritius, in this newspaper. This public announcement should be read in conjunction with the PA, the corrigendum to the PA published on June 17, 2006 and the Letter of Offer dated June 17, 2006 ("Letter of Offer") that was posted to the Shareholders of Vaibhav Gems Limited ("Target Company" or "VGL"). The terms used but not defined in this public announcement shall have the same meanings assigned to them in the PA and the Letter of Offer.

Cortland made the PA dated February 20, 2006, to acquire up to 5,517,575 fully paid up Equity Shares of Rs.10 each representing up to 20.00% of the issued and paid up voting capital of VGL at a price of Rs. 279 per Equity Share (the "Offer Price").

As per revised schedule of activities, the Offer opened on June 26, 2006 and closed on July 15, 2006. The summary of the Offer response is as follows:

<table>
<tr><th>Sr. No.</th><th>Item</th><th colspan="4">As disclosed in the Letter of Offer[1]</th><th colspan="4">Actual[1]</th></tr>
<tr><td>1.</td><td>Offer Price per share</td><td colspan="4">Rs.279.00</td><td colspan="4">Rs.279.00</td></tr>
<tr><td></td><td></td><td colspan="2">No.</td><td colspan="2">%</td><td colspan="2">No.</td><td colspan="2">%</td></tr>
<tr><td>2.</td><td>Shareholding of the Acquirer (Number & %) before PA</td><td colspan="2">7,527,273</td><td colspan="2">27.28%</td><td colspan="2">7,527,273</td><td colspan="2">27.28%</td></tr>
<tr><td>3.</td><td>Shares acquired by way of MOU or market purchases (Number & %)</td><td colspan="4">Nil</td><td colspan="4">Nil</td></tr>
<tr><td>4.</td><td>Shares acquired by the Acquirer in the open offer (Number & %)</td><td colspan="2">5,517,575</td><td colspan="2">20.00%</td><td colspan="2">1,386,256</td><td colspan="2">5.03%</td></tr>
<tr><td>5.</td><td>Size of the open offer (Number of shares multiplied by Total Price per share)</td><td colspan="4">Rs. 1,539.40 million</td><td colspan="4">Rs. 386.77 million</td></tr>
<tr><td>6.

6.1
6.2
6.3</td><td>Shares acquired after PA but before 7 working days prior to closure date, if any (Number & %)
Price of the shares acquired
Number of shares acquired
% of shares acquired</td><td colspan="4">Nil</td><td colspan="4">Nil</td></tr>
<tr><td>7.</td><td>Post offer shareholding of the Acquirer (Number & %) (2+3+4+6)</td><td colspan="2">13,044,848</td><td colspan="2">47.28%</td><td colspan="2">8,913,529</td><td colspan="2">32.31%</td></tr>
<tr><td></td><td></td><td colspan="2">Pre-Offer</td><td colspan="2">Post-Offer</td><td colspan="2">Pre-Offer</td><td colspan="2">Post-Offer[2]</td></tr>
<tr><td>8.</td><td>Pre & Post offer shareholding of Public (other than Promoter group & the Acquirer) (Number & %)</td><td>15,688,831</td><td>56.87%</td><td>10,171,256</td><td>36.87%</td><td>15,688,831</td><td>56.87%</td><td>14,302,575</td><td>51.84%</td></tr>
</table>

(1) *Information provided in this table is based on the disclosures made in the Letter of Offer and actual response received in the Offer.*

(2) *Based on shareholding pattern dated June 30, 2006 filed by VGL with stock exchanges, post offer shareholding of Public (other than Promoter group & the Acquirer) is 14,336,375 Shares constituting 51.97% of its paid-up capital.*

The last date for payment of consideration to the shareholders of VGL who have tendered their shares in the Offer was July 31, 2006. Accordingly, all the payments were despatched by July 28, 2006. Deposit kept in the Escrow account has been released up to 90% and transferred to the special account opened for the purpose of payment of consideration. Karvy Computershare Private Limited, Registrars to the Offer has received no investor complaints and there are no pending investor complaints regarding this offer as on date.

The Board of Directors of the Acquirer accept full responsibility for the information contained in this public announcement and also for the obligations of the Acquirer under the Regulations.

Issued by : MANAGER TO THE OFFER

JM MORGAN STANLEY

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REGISTRAR TO THE OFFER

KARVY
Karvy Computershare Private Limited

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Email: vglopenoffer@karvy.com
Contact Person : Mr. Murali Krishna

for **Cortland Investment Limited**
Sd/-
Uday Kumar Gujadhur
Authorised Signatory

Place : Mumbai, India
Date : August , 2006

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