

<b>ABRIDGED LETTER OF OFFER CONTAINING SALIENT FEATURES OF THE LETTER OF OFFER</b>
<b>FOR THE ELIGIBLE EQUITY SHAREHOLDERS OF THE COMPANY ONLY</b>
This is an Abridged Letter of Offer containing salient features of the Letter of Offer dated April 20, 2024 (“Letter of Offer”), which is available on the websites of the Registrar, our Company and the Stock Exchange where the Equity Shares of our Company are listed, i.e., BSE Limited (“BSE”) (the “Stock Exchange”). You are encouraged to read details available in the Letter of Offer. Capitalized terms not specifically defined herein shall have the meaning ascribed to them in the Letter of Offer.
THIS ABRIDGED LETTER OF OFFER CONTAINS 14 PAGES. PLEASE ENSURE THAT YOU HAVE RECEIVED ALL THE PAGES.
Our Company has made available on the Registrar’s website i.e. <a href="https://rights.cameoindia.com/vms">https://rights.cameoindia.com/vms</a> , the Abridged Letter of Offer, along with the Rights Entitlement Letter and Application Form, to the Eligible Equity Shareholders. You may also download the Letter of Offer from the websites of the Company, the Stock Exchange and the Registrar, i.e. <a href="http://www.vmsil.in">www.vmsil.in</a> , <a href="https://www.bseindia.com/">https://www.bseindia.com/</a> and <a href="https://rights.cameoindia.com/vms">https://rights.cameoindia.com/vms</a> respectively, The Application Form is available on the website of our Company and the BSE Limited.

**VMS INDUSTRIES LIMITED**  
**CIN: L74140GJ1991PLC016714**

VMS Industries Limited (“Company” or “Issuer”) was originally incorporated as ‘Varun Management Services Private Limited’ on December 2, 1991 under the Companies Act, 1956 with the Registrar of Companies, Gujarat, Dadra & Nagar Haveli (“RoC”). The name of the Company was changed to ‘VMS Industries Private Limited’ pursuant to a special resolution passed by the shareholders at the EGM held on March 12, 2007 and a fresh Certificate of Incorporation issued by RoC dated May 22, 2007. Subsequently, our Company was converted into a public limited company and our name was changed to ‘VMS Industries Limited’ pursuant to a special resolution passed by the shareholders at the EGM held on December 31, 2009 and a fresh Certificate of Incorporation was issued by RoC dated January 29, 2010.

**Registered Office:** 808/C Pinnacle Business Park Corporate Road, Prahladnagar, Ahmedabad, Gujarat - 380015, India;

**Contact No.:** +91-99789 41676; **Email:** [info@vmsil.in](mailto:info@vmsil.in); **Website:** [www.vmsil.in](http://www.vmsil.in);

**Contact Person:** Mr. Hemal Panakajkumar Patel, Company Secretary and Compliance Officer

<b>PROMOTER OF OUR COMPANY ARE MANOJ KUMAR JAIN AND SANGEETA JAIN.</b>
<b>FOR PRIVATE CIRCULATION TO THE ELIGIBLE EQUITY SHAREHOLDERS OF VMS INDUSTRIES LIMITED (THE “COMPANY” OR THE “ISSUER”) ONLY</b>
<b>ISSUE AND LISTING PROCEDURE</b>
<b>ISSUE OF UPTO 80,00,000 FULLY PAID-UP EQUITY SHARES OF FACE VALUE OF ₹ 10/- EACH (“RIGHTS EQUITY SHARES”) OF OUR COMPANY FOR CASH AT A PRICE OF ₹ 35/- PER EQUITY SHARE (INCLUDING SHARE PREMIUM OF RS. 25/- PER EQUITY SHARE) (“ISSUE PRICE”), AGGREGATING UPTO ₹ 2800 LAKHS ON A RIGHTS BASIS TO THE EXISTING EQUITY SHAREHOLDERS OF OUR COMPANY IN THE RATIO OF 16 RIGHTS EQUITY SHARES FOR EVERY 33 FULLY PAID-UP EQUITY SHARES HELD BY THE EXISTING EQUITY SHAREHOLDERS ON THE RECORD DATE, THAT IS ON 18<sup>TH</sup> APRIL, 2024 (“RECORD DATE”). THE ISSUE PRICE IS 3.5 TIMES OF FACE VALUE OF THE EQUITY SHARES. FOR FURTHER DETAILS, PLEASE SEE THE CHAPTER TITLED “TERMS OF THE ISSUE” ON PAGE 116 OF THE LETTER OF OFFER.</b>
<b>ELIGIBILITY FOR THE ISSUE</b>
1. Our Company is a listed company incorporated under the Companies Act, 1956. Our Equity Shares are presently listed on BSE Limited. Our Company is eligible to offer and issue Right Shares pursuant to this Issue in terms of Chapter III and other applicable provisions of the SEBI ICDR Regulations; 2. Our Company is undertaking this Right Issue in compliance with Part B of Schedule VI of the SEBI ICDR Regulations. Our Company undertakes to make an application to BSE Limited for listing of the Right Shares to be issued pursuant to this Issue.
<b>MINIMUM SUBSCRIPTION</b>
In the event of Non-receipt of 90% minimum subscription of the offer as per Regulations 86(1) of SEBI (ICDR) Regulations, 2018 all application monies received shall be refunded to the applicant within 4 (Four) days from the closer of the issue.
<b>INDICATIVE TIMETABLE</b>

<b>Issue Opening Date</b>	Thursday, May 2, 2024	<b>Date of Allotment (on or about)</b>	Thursday, May 23, 2024
<b>Last date for on Market Renunciation*</b>	Friday, May 10, 2024	<b>Initiation of refunds (on or about)</b>	Thursday, May 23, 2024
<b>Issue Closing Date<sup>#</sup></b>	Thursday, May 16, 2024	<b>Date of credit (on or about)</b>	Tuesday, May 28, 2024
<b>Finalization the basis of allotment with the Designated Stock Exchange</b>	Thursday, May 23, 2024	<b>Date of listing (on or about)</b>	Thursday, May 30, 2024

*Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncees on or prior to the Issue Closing Date.*

*<sup>#</sup> Our Board will have the right to extend the Issue period as it may determine from time to time but not exceeding 30 (Thirty) days from the Issue Opening Date (inclusive of the Issue Opening Date). Further, no withdrawal of Application shall be permitted by any Applicant after the Issue Closing Date.*

#### **NOTICE TO INVESTORS**

Our Company is making this Issue on a rights basis to the Eligible Equity Shareholders and will dispatch through email and courier Letter of Offer/ Abridged Letter of Offer, the issue material only to Eligible Equity Shareholders who have a registered address in India or who have provided an Indian address to our Company. Further, the Letter of Offer will be provided, through email and courier, by the Registrar on behalf of our Company to the Eligible Equity Shareholders who have provided their Indian addresses to our Company or who are located in jurisdictions where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions and in each case who make a request in this regard. Investors can also access the issue material from the websites of the Registrar, our Company and the Stock Exchanges. Those overseas shareholders who do not update our records with their Indian address or the address of their duly authorized representative in India, prior to the date on which we propose to dispatch the issue materials, shall not be sent any issue materials.

#### **NO OFFER IN THE UNITED STATES**

The Rights Entitlements and the Rights Equity Shares have not been and will not be registered under the Securities Act or the securities laws of any state of the United States and may not be offered or sold in the United States of America or the territories or possessions thereof (“**United States**”), except in a transaction not subject to, or exempt from, the registration requirements of the Securities Act and applicable state securities laws. The offering to which the Letter of Offer relates is not, and under no circumstances is to be construed as, an offering of any Rights Equity Shares or Rights Entitlement for sale in the United States or as a solicitation therein of an offer to buy any of the Rights Equity Shares or Rights Entitlement. There is no intention to register any portion of the Issue or any of the securities described herein in the United States or to conduct a public offering of securities in the United States. Accordingly, the Letter of Offer / Abridged Letter of Offer and the enclosed Application Form and Rights Entitlement Letter should not be forwarded to or transmitted in or into the United States at any time. In addition, until the expiry of 40 days after the commencement of the Issue, an offer or sale of Rights Entitlements or Rights Equity Shares within the United States by a dealer (whether or not it is participating in the Issue) may violate the registration requirements of the Securities Act.

#### **GENERAL RISKS**

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in the issue unless they can afford to take the risk of losing their entire investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Issue. For taking an investment decision, investors must rely on their own examination of our company and the issue, including the risks involved. The rights equity shares in the issue have not been recommended or approved by the securities and exchange board of India (“SEBI”), nor does SEBI guarantee the accuracy or adequacy of the contents of this Letter of Offer. Specific attention of the investors is invited to the section titled “Risk Factors” on page 24.

<b>Name of Lead Managers and Contact Details</b>	<b>Not Applicable</b>
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<b>Name of the Registrar and Contact Details</b>	<b>Cameo Corporate Services Limited</b> Subramanian Building, 1 Club House Road, Chennai - 600 002, Tamil Nadu, India. <b>Telephone:</b> +91-044-4002-0700 <b>Email:</b> <a href="mailto:rights@cameoindia.com">rights@cameoindia.com</a> <b>Website:</b> <a href="https://rights.cameoindia.com/vms">https://rights.cameoindia.com/vms</a> / <a href="http://www.cameoindia.com">www.cameoindia.com</a> <b>Investor grievance e-mail:</b> <a href="mailto:investor@cameoindia.com">investor@cameoindia.com</a> <b>Contact Person:</b> Ms. K. Sreepriya <b>SEBI Registration No.:</b> INR000003753 <b>CIN:</b> U67120TN1998PLC041613		
<b>Name of the Statutory Auditor</b>	<b>M/s. S. N. Shah &amp; Associates, Chartered Accountants</b> Sapan House, 10/B, Government Servant Co. Op. Housing Society, Opposite Municipal Market, Navrangpura, Ahmedabad-380009 <b>Email:</b> <a href="mailto:snshah_asso@hotmail.com">snshah_asso@hotmail.com</a> <b>Telephone No.:</b> 9898820916 <b>Contact Person:</b> CA Firoj Bodla <b>Membership No:</b> 126770 <b>Firm Registration No:</b> 109782W <b>Peer Review Certificate No:</b> 013759		
<b>Self-Certified Syndicate Banks (“SCSBs”)</b>	The list of banks that have been notified by SEBI to act as SCSBs for the ASBA process is provided at the website of the SEBI <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes</a> and updated from time to time. For details on Designated Branches of SCSBs collecting the Application Forms, refer to the website of the SEBI <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognise=yes">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognise=yes</a> . On Allotment, the amount will be unblocked and the account will be debited only to the extent required to pay for the Rights Equity Shares Allotted.		
<b>Banker to the Issue</b>	ICICI Bank Limited		
<b>SUMMARY OF BUSINESS</b>			
Our Company is engaged in three business activities viz. Ship Recycling Activities, Trading of Various Metals and Assets Dismantling & Demolition For further details, please refer to the chapter titled “ <i>Our Business</i> ” at page 72 of the Letter of Offer.			
<b>DETAILS OF PROMOTERS</b>			
<b>Sr. No.</b>	<b>Name</b>	<b>Individual Corporate</b>	<b>Experience &amp; Educational Qualification</b>
1.	Manojkumar Jain	Individual	Manoj Kumar Jain aged sixty-two (62) years is our Promoter and the Chairman & Managing Director of our Company. He has been associated with our Company since April 1, 2008. He holds a degree in Bachelor of Commerce from Kanpur University and is also chartered accountant from the Institute of chartered accountant of India. He has twenty two twenty-two (22) years of experience in diverse sectors like ship breaking/recycling, TMT bar manufacturing, offshore activities, automobiles, finance, and other business ventures. Presently, he is also a Director in Luxierge Media Private Limited, VMS Autolink Private Limited and VMS TMT Limited. He is also a partner in Entrepot B Developers, Yohaana Enterprises and Eternal Automobiles.
2.	Sangeeta Jain	Individual	Sangeeta Jain, aged fifty- six (56) years, is our Promoter and the Whole Time Director of our Company. She has been associated with our Company since December 2, 1991. She holds a master’s degree in arts from C.S.J.M. University, Kanpur. She has more than thirty (30) years of experience in administration. Presently, she is also a Director in VMS Autolink Private Limited. She is also a partner in Entrepot Developers &

			Entrepot B Developers, Yohaan Enterprises and Eternal Automobiles.
<b>OBJECTS OF THE ISSUE</b>			

### Requirement of Funds:

The details of objects of the Issue are set forth in the following table:

( in Lakhs)

Particulars	Estimated Amount
<b>Gross Proceeds to be raised through the Issue*</b>	<b>Upto 2800.00</b>
Less: Issue related expenses	Upto 250.00
<b>Net Proceeds to be raised through the issue</b>	<b>Upto 2550.00</b>
Utilization of the net proceeds	
(a) Funding long-term working capital requirements of our Company	1850.00
(b) General Corporate Purpose**	Upto 700.00
<b>Net Proceeds</b>	<b>Upto 2550.00</b>

\*Assuming full subscription in the Issue and subject to finalization of the Basis of Allotment and to be adjusted per the Rights Entitlement ratio and subject to actual number of equity shares to be allotted under the Rights issue.

\*\*The amount utilized for general corporate purposes shall not exceed 25% of the Gross Proceeds.

### Means of finance

Sr. No.	Particulars	Amount Required (₹ in Lakhs)	From IPO Proceeds	Internal Accruals/Equity/Reserves	Balance from Long/Short Term Borrowing
1.	Funding long-term working capital requirements of our Company	22,447.39	1850.00	6,566.61	14,030.78
2.	General corporate purposes	Upto 700.00	Upto 700.00	0.00	0.00
3.	Issue Expenses	Upto 250.00	Upto 250.00	0.00	0.00
	<b>Total</b>	<b>Upto 23,397.40</b>	<b>upto 2800.00</b>	<b>6,566.61</b>	<b>14,030.78</b>

Accordingly, we confirm that we are in compliance with the requirements for firm arrangements of finance under Regulation 62(1)(c) of the SEBI ICDR Regulations through verifiable means towards 75% of the stated means of finance, excluding the amount to be raised to be issue and through existing identifiable accruals.

### Monitoring Agency

As the net proceeds of the Issue shall not exceed ₹10,000 lakhs, under the SEBI ICDR Regulations, it is not required that a monitoring agency be appointed by our Company.

For more details, please refer to the chapter titled “Objects of the Issue” on page 52 of the Letter of Offer.

### EQUITY SHAREHOLDING PATTERN OF THE COMPANY AS ON DATE OF THE LETTER OF OFFER

The statement of the shareholding pattern of our Company as on December 31, 2023, as included in the Letter of Offer is as follows:

Category of Shareholder	Pre-Issue Number of Shares Held	Total as a % of Voting Rights
(A) Promoter and Promoter Group	93,25,164	56.61
(b) Public	71,48,227	43.39
<b>Grand Total</b>	<b>1,64,73,391</b>	<b>100.00</b>

For more details, please refer to the chapter titled “Capital Structure” on page 49 of the Letter of Offer.

BOARD OF DIRECTORS			
Sr. No.	Name	Designation	Other Directorships
1.	Manojkumar Jain	Chairman and Managing Director	1. Luxierge Media Private Limited 2. VMS Autolink Private Limited 3. VMS TMT Limited
2.	Sangeeta Jain	Whole-time Director	1. VMS Autolink Private Limited
3.	Bakul Kishanlal Mehta	Non-Executive Independent Director	Nil
4.	Pranavkumar Vinaykant Parikh	Non-Executive Independent Director	Nil
5.	Murari Agarwal	Non-Executive Independent Director	1. Anupama Steel Limited

For more details, see the chapter titled “Our Management” on page 82 of the Letter of Offer.

**NEITHER OUR COMPANY OR ANY OF OUR DIRECTORS HAVE BEEN DECLARED AS A WILFUL DEFAULTER BY THE RBI OR ANY OTHER GOVERNMENT AUTHORITY**

Following are the details as per the Audited Financial Information as at and for the Financial Years ended on March 31, 2023, 2022 and 2021 and Un-audited Limited reviewed financial information for the period ended on September 30, 2023:

( in lakhs)

Sr. No.	Particulars	Latest Stub Period - September 30, 2023	March 31, 2023	March 31, 2022	March 31, 2021
1.	Total Income from Operations (net)	10,094.75	14038.87	15764.05	15,328.04
2.	Net Profit/(Loss) before Tax and extraordinary items	279.06	298.35	147.93	144.73
3.	Profit after tax	205.30	249.75	107.71	105.75
4.	Equity Share Capital	1647.34	1647.34	1647.34	1647.34
5.	Reserves and Surplus	4316.94	4121.43	3884.65	3752.49
6.	Net Worth	5964.28	5768.77	5531.99	5399.83
7.	Basic Earnings per share	1.25	1.52	1.52	0.61
8.	Diluted Earnings per share	1.25	1.52	1.52	0.61
9.	Net Asset Value per Equity Share	36.21	35.02	33.58	32.78
10.	Return on Net Worth (%)	3.55%	4.42%	2.10%	
11.	Total Borrowing	3035.96	2668.5	3164.9	2028.24

For further details, please refer the section titled “Financial Information” on 93 of the Letter of Offer.

**INTERNAL RISK FACTORS**

The below mentioned are top 5 risk factors as per the Letter of Offer:

- The Company does not own the premises/plots for ship recycling which may materially affect our operations.*
- Ship breaking is a highly polluting industry.*
- The Company is dependent on few numbers of customers for sales. The loss of any of this large customer may affect our revenues and profitability.*
- The Company is dependent on few suppliers for purchase. Loss of any of these large suppliers may affect our business operations.*
- We, as well as our Directors and Promoters are involved in certain legal and regulatory proceedings that, if decided unfavourably, may adversely affect our business, results of operations and financial condition*

For further details, see the section “Risk Factors” on page 24 of the Letter of Offer.

### SUMMARY OF OUTSTANDING LITIGATION, CLAIMS AND REGULATORY ACTION

A summary of the pending tax proceedings and other material litigations involving our Company is provided below:

<i>Name of Entity</i>	<i>Criminal Proceeding</i>	<i>Material Civil Proceedings</i>	<i>Actions taken by Statutory/Regulatory Authorities</i>	<i>Tax Proceedings</i>	<i>Aggregate amount involved (₹ in lakhs) to the extent</i>
<b>Company</b>					
Against the Company	Nil	Nil	Nil	3	123.63
By the Company	Nil	1	Nil	Nil	1.00
<b>Directors/Promoters</b>					
Against our Directors/ Promoters	Nil	Nil	Nil	2	22.50
By our Directors/ Promoters	Nil	Nil	Nil	Nil	Nil

For further details, please see the chapter titled “Outstanding Litigation and Material Developments” beginning on page 95 of the Letter of Offer.

### TERMS OF THE ISSUE

In accordance with Regulation 76 of the SEBI ICDR Regulations, the SEBI Issue Circulars and the ASBA Circulars, all Investors desiring to make an Application in this Issue are mandatorily required to use the ASBA process. Investors should carefully read the provisions applicable to such Applications before making their Application through ASBA. For details, see “Procedure for Application through the ASBA Process” on page no. 127 of the Letter of Offer.

The Application Form can be used by the Eligible Equity Shareholders as well as the Renounees, to make Applications in this Issue basis the Rights Entitlement credited in their respective demat accounts or demat suspense escrow account, as applicable. For further details on the Rights Entitlements and demat suspense escrow account, see “Terms of the Issue - Credit of Rights Entitlements in demat accounts of Eligible Equity Shareholders” on page 118 of the Letter of Offer.

The credit of Rights Entitlements and Allotment of Equity Shares shall be made in dematerialized form only. Prior to the Issue Opening Date, our Company shall credit the Rights Entitlements to (i) the demat accounts of the Eligible Equity Shareholders holding the Equity Shares in dematerialised form; and (ii) a demat suspense escrow account (namely, “**VMS INDUSTRIES RIGHT ISSUE SUSPENSE ESCROW DEMAT ACCOUNT**”) opened by our Company, for the Eligible Equity Shareholders which would comprise Rights Entitlements relating to (a) Equity Shares held in the account of the IEPF authority; or (b) the demat accounts of the Eligible Equity Shareholder which are frozen or the Equity Shares which are lying in the unclaimed suspense account (including those pursuant to Regulation 39 of the SEBI Listing Regulations) or details of which are unavailable with our Company or with the Registrar on the Record Date; or (c) Equity Shares held by Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date where details of demat accounts are not provided by Eligible Equity Shareholders to our Company or Registrar; or (d) credit of the Rights Entitlements returned/reversed/failed; or (e) the ownership of the Equity Shares currently under dispute, including any court proceedings, if any; or (f) non-institutional equity shareholders in the United States.

Eligible Equity Shareholders are requested to provide relevant details (such as copies of self-attested PAN and client master sheet of demat account etc., details/ records confirming the legal and beneficial ownership of their respective Equity Shares) to our Company or the Registrar not later than two working days prior to the Issue Closing Date, i.e., by May 13, 2024 to enable the credit of their Rights Entitlements by way of transfer from the demat suspense escrow account to their demat account at least one day before the Issue Closing Date i.e. May 15, 2024, to enable such Eligible Equity Shareholders to make an application in this Issue, and this communication shall serve as an intimation to such Eligible

Equity Shareholders in this regard. Such Eligible Equity Shareholders are also requested to ensure that their demat account, details of which have been provided to our Company or the Registrar account is active to facilitate the aforementioned transfer.

If Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date, have not provided the details of their demat accounts to our Company or to the Registrar, they are required to provide their demat account details to our Company or the Registrar not later than two working days prior to the Issue Closing Date, to enable the credit of the Rights Entitlements by way of transfer from the demat suspense escrow account to their respective demat accounts, at least one day before the Issue Closing Date. Such eligible Equity Shareholders holding shares in physical form can update the details of their respective demat accounts on the website of the Registrar (i.e., <https://rights.cameoindia.com/vms>). Such Eligible Equity Shareholders can make an application only after the Rights Entitlements is credited to their respective demat accounts.

### **Making of Application by Eligible Equity Shareholders holding Equity Shares in physical form**

The credit of Rights Entitlements and Allotment of Rights Equity Shares shall be made in dematerialised form only. Accordingly, Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date and desirous of subscribing to Rights Equity Shares in this Issue are advised to furnish the details of their demat account to the Registrar or our Company at least two working days prior to the Issue Closing Date i.e. May 13, 2024, to enable the credit of their Rights Entitlements in their respective demat accounts at least one day before the Issue Closing Date i.e. May 15, 2024.

Prior to the Issue Opening Date, the Rights Entitlements of those resident Eligible Equity Shareholders, among others, who hold Equity Shares in physical form, and whose demat account details are not available with our Company or the Registrar, shall be credited in a demat suspense escrow account opened by our Company.

To update respective email addresses/ mobile numbers in the records maintained by the Registrar or us Company, Eligible Equity Shareholders should visit <https://rights.cameoindia.com/vms>.

### **Rights Entitlement Ratio**

The Rights Equity Shares are being offered on a rights basis to the Eligible Equity Shareholders in the ratio of 16 Rights Equity Shares for every 33 Equity Shares held by the Eligible Equity Shareholders as on the Record Date.

### **The Board of Directors at its meeting held on April 20, 2024 has determined and approved the Rights Entitlement Ratio.**

### **Fractional Entitlements**

For Equity Shares being offered on a rights basis under the Issue, if the shareholding of any of the Eligible Equity Shareholders is less than 3 (Three) Equity Shares or is not in multiples of 3 (Three), the fractional entitlement of such Eligible Equity Shareholders shall be ignored for computation of the Rights Entitlement. However, Eligible Equity Shareholders whose fractional entitlements are being ignored earlier will be given preference in the Allotment of one additional Equity Share each, if such Eligible Equity Shareholders have applied for additional Equity Shares over and above their Rights Entitlement, if any.

### **Procedure for Renunciation of Rights Entitlements**

The Investors may renounce the Rights Entitlements, credited to their respective demat accounts, either in full or in part (a) by using the secondary market platform of the Stock Exchanges; or (b) through an off-market transfer, during the Renunciation Period. The Investors should have the demat Rights Entitlements credited/lying in his/her own demat account prior to the renunciation. The trades through On Market Renunciation and Off Market Renunciation will be settled by transferring the Rights Entitlements through the depository mechanism.

Investors may be subject to adverse foreign, state or local tax or legal consequences as a result of trading in the Rights Entitlements. Investors who intend to trade in the Rights Entitlements should consult their tax advisor or stock broker regarding any cost, applicable taxes, charges and expenses (including brokerage) that may be levied for trading in Rights Entitlements. **Our Company accept no responsibility to bear or pay any cost, applicable taxes, charges and expenses (including brokerage), and such costs will be incurred solely by the Investors.**

**Please note that the Rights Entitlements which are neither renounced nor subscribed by the Investors on or before the Issue Closing Date shall lapse and shall be extinguished after the Issue Closing Date.**

### **1. On Market Renunciation**

The Investors may renounce the Rights Entitlements, credited to their respective demat accounts by trading/selling them on the secondary market platform of the Stock Exchanges through a registered stock broker in the same manner as the existing Equity Shares of our Company.

In this regard, the Rights Entitlements credited to the respective demat accounts of the Eligible Equity Shareholders shall be admitted for trading on the Stock Exchanges under ISIN INE932K20015 subject to requisite approvals. Prior to the Issue Opening Date, our Company will obtain approval from the Stock Exchanges for trading of Rights Entitlements. No assurance can be given regarding the active or sustained On Market Renunciation or the price at which the Rights Entitlements will trade. The details for trading in Rights Entitlements will be as specified by the Stock Exchanges from time to time.

The Rights Entitlements are tradable in dematerialized form only. The market lot for trading of Rights Entitlements is one Rights Entitlement. The On Market Renunciation shall take place only during the Renunciation Period for On Market Renunciation, i.e., from May 2, 2024 to May 10, 2024 (both days inclusive).

The Investors holding the Rights Entitlements who desire to sell their Rights Entitlements will have to do so through their registered stock brokers by quoting the ISIN INE932K20015 and indicating the details of the Rights Entitlements they intend to trade. The Investors can place order for sale of Rights Entitlements only to the extent of Rights Entitlements available in their demat account.

The On Market Renunciation shall take place electronically on secondary market platform of BSE Limited under automatic order matching mechanism and on 'T+1 rolling settlement bases, where 'T' refers to the date of trading. The transactions will be settled on trade-for-trade basis. Upon execution of the order, the stockbroker will issue a contract note in accordance with the requirements of the Stock Exchanges.

### **2. Off Market Renunciation**

The Investors may renounce the Rights Entitlements, credited to their respective demat accounts by way of an off market transfer through a depository participant. The Rights Entitlements can be transferred in dematerialised form only.

Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renounees on or prior to the Issue Closing Date.

The Investors holding the Rights Entitlements who desire to transfer their Rights Entitlements will have to do so through their depository participant by issuing a delivery instruction slip quoting the ISIN INE932K20015, the details of the buyer and the details of the Rights Entitlements they intend to transfer. The buyer of the Rights Entitlements (unless already having given a standing receipt instruction) has to issue a receipt instruction slip to their depository participant. The Investors can transfer Rights Entitlements only to the extent of Rights Entitlements available in their demat account.

**The instructions for transfer of Rights Entitlements can be issued during the working hours of the depository participants. The detailed rules for transfer of Rights Entitlements through off-market transfer shall be as specified by the NSDL and CDSL from time to time.**

**Please note that the Rights Entitlements which are neither renounced nor subscribed by the Investors on or before the Issue Closing Date shall lapse and shall be extinguished after the Issue Closing Date.**

### **Application for Additional Equity Shares**

Investors are eligible to apply for additional Equity Shares over and above their Rights Entitlements, provided that they are eligible to apply for Equity Shares under applicable law and they have applied for all the Equity Shares forming part of their Rights Entitlements without renouncing them in whole or in part. Where the number of additional Equity Shares



applied for exceeds the number available for Allotment, the Allotment would be made as per the Basis of Allotment finalized in consultation with the Designated Stock Exchange. Applications for additional Equity Shares shall be considered and Allotment shall be made in the manner as set out in “Terms of the Issue - Basis of Allotment” beginning on page 139 of the Letter of Offer.

**Eligible Equity Shareholders who renounce their Rights Entitlements cannot apply for additional Equity Shares. Non-resident Renounees who are not Eligible Equity Shareholders cannot apply for additional Equity Shares.**

Investors to kindly note that after purchasing the Rights Entitlements through On Market Renunciation/ Off Market Renunciation, an Application has to be made for subscribing to the Rights Equity Shares. If no such Application is made by the renounee on or before Issue Closing Date, then such Rights Entitlements will get lapsed and shall be extinguished after the Issue Closing Date and no Rights Equity Shares for such lapsed Rights Entitlements will be credited. For procedure of Application by shareholders who have purchased the Right Entitlement through On Market Renunciation/ Off Market Renunciation, please refer to the heading titled “Procedure for Application through the ASBA process” on page 127 of the Letter of Offer.

#### **Intention and extent of participation by our Promoters and Promoter Group in the Issue:**

Our Promoters and Promoter Group have confirmed that they (a) will not subscribe to their Rights Entitlements in the Issue and will renounce their Rights Entitlements in part or in full, in favour of the Promoters or other members of our Promoter Group or in favour of existing shareholders of the Company or a third party; or (b) may subscribe to additional Rights Equity Shares including subscribing to any unsubscribed portion in the Issue, if any, or subscription pursuant to Rights Entitlements acquired through renunciation, either individually or jointly and/ or severally with the Promoters or any other members of the Promoter Group, subject to compliance with the Companies Act, the SEBI ICDR Regulations, the SEBI Takeover Regulations and other applicable laws/ regulations. Provided that if any of the Promoters or members of the Promoter Group renounce any Rights Entitlements in favour of any third party (not being a Promoter or a member of the Promoter Group), whether or not an existing member of the Company, (i) such renouncing Promoter or member of the Promoter Group shall not apply for subscription to additional Rights Entitlements; and (ii) in the event that minimum subscription of 90% is applicable to the Issue under Regulation 86 of the SEBI ICDR Regulations and the same is not achieved, the Promoters and the members of the Promoter Group shall subscribe to the portion of their Rights Entitlements, subject to availability of funds, such that the minimum subscription of 90% is achieved in accordance with Regulation 86 of the SEBI ICDR Regulations.

In case of (b) above, subscription to additional Rights Equity Shares shall be made to the extent that it does not result in any obligation on our Promoters and members of our Promoter Group to make an “open offer” in accordance with the SEBI Takeover Regulations and shall be in compliance with the Companies Act, the SEBI ICDR Regulations and other applicable laws. Our Company is in compliance with Regulation 38 of the SEBI LODR Regulations and will continue to comply with the minimum public shareholding requirements under applicable law, pursuant to this Issue.

The aforementioned subscription of Rights Equity Shares by our Promoter shall not result in a change of control of the management of our Company and shall not result in an obligation on our Promoter to make an open offer to the public shareholders of our Company in terms of the SEBI Takeover Regulations. Further, as on the date of the Letter of Offer, our Company is in compliance with Regulation 38 of the SEBI Listing Regulations and will continue to comply with the minimum public shareholding requirements under applicable laws, pursuant to this Issue. ~~A copy of the offer document of the immediately preceding public or rights issue is available in the manner specified in the regulations and also as a material document for inspection.~~

#### **ANY OTHER IMPORTANT INFORMATION AS PER THE COMPANY**

#### **PROCEDURE FOR APPLICATION**

In accordance with ASBA Circulars, all Investors desiring to make an Application in this Issue are mandatorily required to use the ASBA process. Investors should carefully read the provisions applicable to such Applications before making their Application through ASBA. For details, see “**Procedure for Application through the ASBA Process**” on page no. 127 of the Letter of Offer.

Our Company, its directors, its employees, affiliates, associates and their respective directors and officers and the Registrar shall not take any responsibility for acts, mistakes, errors, omissions and commissions etc., in relation to Applications

accepted by SCSBs, Applications uploaded by SCSBs, Applications accepted but not uploaded by SCSBs or Applications accepted and uploaded without blocking funds in the ASBA Accounts.

Eligible Equity Shareholders can also obtain the details of their respective Rights Entitlements from the website of the Registrar (i.e., <https://rights.cameoindia.com/vms>) by entering their DP ID and Client ID or Folio Number (for Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date) and PAN. The link for the same shall also be available on the website of our Company (i.e., [www.vmsil.in](http://www.vmsil.in)).

Please note that one single Application Form shall be used by Investors to make Applications for all Rights Entitlements available in a particular demat account or entire respective portion of the Rights Entitlements in the demat suspense escrow account in case of resident Eligible Equity Shareholders holding shares in physical form as on Record Date and applying in this Issue, as applicable. In case of Investors who have provided details of demat account, such Investors will have to apply for the Equity Shares from the same demat account in which they are holding the Rights Entitlements and in case of multiple demat accounts, the Investors are required to submit a separate Application Form for each demat account.

Investors may apply for the Equity Shares by submitting the Application Form to the Designated Branch of the SCSBs or online/electronic Application through the website of the SCSBs (if made available by such SCSBs) for authorizing such SCSBs to block Application Money payable on the Application in their respective ASBA Accounts.

Investors are also advised to ensure that the Application Form is correctly filled up stating therein, the ASBA Account (in case of Application through ASBA process) in which an amount equivalent to the amount payable on Application as stated in the Application Form will be blocked by the SCSB.

Applicants should note that they should very carefully fill-in their depository account details and PAN in the Application Form or while submitting application through online/electronic Application through the website of the SCSBs (if made available by such SCSBs). Please note that incorrect depository account details or PAN or Application Forms without depository account details shall be treated as incomplete and shall be rejected.

For details see “Terms of the Issue - Grounds for Technical Rejection” on page 135 of the Letter of Offer. Our Company, the Registrar and the SCSBs shall not be liable for any incomplete or incorrect demat details provided by the Applicants.

Additionally, Investors may choose to accept the offer to participate in this Issue by making plain paper Applications. Please note that SCSBs shall accept such applications only if all details required for making the application are specified in the plain paper application and that Eligible Equity Shareholders making an application in this Issue by way of plain paper applications shall not be permitted to renounce any portion of their Rights Entitlements. For details, see “Terms of the Issue - Making of an Application by Eligible Equity Shareholders on Plain Paper under ASBA process” beginning on page 127 of the Letter of Offer.

An Investor, wishing to participate in this Issue through the ASBA facility, is required to have an ASBA enabled bank account with an SCSB, prior to making the Application.

Applications should be submitted to the Designated Branch of the SCSBs or made online/electronic through the website of the SCSBs (if made available by such SCSBs) for authorising such SCSBs to block Application Money payable on the Application in their respective ASBA Accounts. Please note that on the Issue Closing Date, Applications through ASBA process will be uploaded until 5:00 P.M. (Indian Standard Time) or such extended time as permitted by the Stock Exchanges.

Investors should ensure that they have correctly submitted the Application Form, or have otherwise provided an authorization to the SCSBs, via the electronic mode, for blocking funds in the ASBA Account equivalent to the Application Money mentioned in the Application Form, as the case may be, at the time of submission of the Application.

### **Self-Certified Syndicate Banks**

The list of banks that have been notified by SEBI to act as SCSBs for the ASBA process is provided at the website of the SEBI <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes> and updated from time to time. For details on Designated Branches of SCSBs collecting the Application Forms, refer to the website of the SEBI <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>. On Allotment, the amount will be unblocked and the account will be debited only to the extent required to pay for the Rights Equity Shares Allotted.

***Applications submitted to anyone other than the Designated Branches of the SCSB are liable to be rejected.***

***Making an Application on Plain Paper under ASBA process***

An Eligible Equity Shareholder in India who is eligible to apply under the ASBA process may make an Application to subscribe to this Issue on plain paper in case of non-receipt of Application Form as detailed above. In such cases of non-receipt of the Application Form through e-mail or physical delivery (where applicable) and the Eligible Equity Shareholder not being in a position to obtain it from any other source may make an Application to subscribe to this Issue on plain paper with the same details as per the Application Form that is available on the website of the Registrar, Stock Exchanges. An Eligible Equity Shareholder shall submit the plain paper Application to the Designated Branch of the SCSBs for authorizing such SCSBs to block Application Money in the said bank account maintained with the same SCSBs. Applications on plain paper will not be accepted from any Eligible Equity Shareholder who has not provided an Indian address or is a U.S. Person or in the United States.

Please note that the Eligible Equity Shareholders who are making the Application on plain paper shall not be entitled to renounce their Rights Entitlements and should not utilize the Application Form for any purpose including renunciation even if it is received subsequently.

The application on plain paper, duly signed by the Eligible Equity Shareholder, including joint holders, in the same order and as per specimen recorded with his bank, must reach the office of the Designated Branch of SCSBs before the Issue Closing Date and should contain the following particulars:

1. Name of our Company, being VMS Industries Limited;
2. Name and address of the Eligible Equity Shareholder including joint holders (in the same order and as per specimen recorded with our Company or the Depository);
3. Registered Folio Number/DP and Client ID No.;
4. Number of Equity Shares held as on Record Date;
5. Allotment option – only dematerialised form;
6. Number of Rights Equity Shares entitled to;
7. Number of Rights Equity Shares applied for within the Rights Entitlements;
8. Number of additional Rights Equity Shares applied for, if any;
9. Total number of Rights Equity Shares applied for;
10. Total Application Money paid at the rate of Rs. 35.00/- per Rights Equity Share;
11. Details of the ASBA Account such as the account number, name, address and branch of the relevant SCSBs;
12. In case of non-resident Eligible Equity Shareholders making an application with an Indian address, details of the NRE/FCNR/NRO Account such as the account number, name, address and branch of the SCSBs with which the account is maintained;
13. Except for Applications on behalf of the Central or State Government, the residents of Sikkim and the officials appointed by the courts, PAN of the Eligible Equity Shareholder and for each Eligible Equity Shareholder in case of joint names, irrespective of the total value of the Rights Equity Shares applied for pursuant to this Issue;
14. Authorisation to the Designated Branch of the SCSBs to block an amount equivalent to the Application Money in the ASBA Account;
15. Signature of the Eligible Equity Shareholder (in case of joint holders, to appear in the same sequence and order as they appear in the records of the SCSBs); and
16. All such Eligible Equity Shareholders are deemed to have accepted the following:

*"I/ We understand that neither the Rights Entitlements nor the Rights Equity Shares have been, or will be, registered under the US Securities Act of 1933, as amended (the "US Securities Act"), or any United States state securities laws, and may not be offered, sold, resold or otherwise transferred within the United States or to the territories or possessions thereof (the "United States"), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act. I/ we understand the Rights Equity Shares referred to in this application are being offered and sold in offshore transactions outside the United States in compliance with Regulation S under the US Securities Act ("Regulation S") to existing shareholders located in jurisdictions where such offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions."*

*"I/ we understand that the Issue is not, and under no circumstances is to be construed as, an offering of any Rights Equity Shares or Rights Entitlements for sale in the United States, or as a solicitation therein of an offer to buy any of the said*

*Rights Equity Shares or Rights Entitlements in the United States. I/ we confirm that I am/ we are (a) not in the United States and eligible to subscribe for the Rights Equity Shares under applicable securities laws, (b) complying with laws of jurisdictions applicable to such person in connection with the Issue, and (c) understand that neither the Company, nor the Registrar or any other person acting on behalf of the Company will accept subscriptions from any person, or the agent of any person, who appears to be, or who the Company, the Registrar or any other person acting on behalf of the Company have reason to believe is in the United States or is outside of India and United States and ineligible to participate in this Issue under the securities laws of their jurisdiction.”*

*“I/ We will not offer, sell or otherwise transfer any of the Rights Equity Shares which may be acquired by us in any jurisdiction or under any circumstances in which such offer or sale is not authorized or to any person to whom it is unlawful to make such offer, sale or invitation. I/ We satisfy, and each account for which I/ we are acting satisfies, (a) all suitability standards for investors in investments of the type subscribed for herein imposed by the jurisdiction of my/our residence, and (b) is eligible to subscribe and is subscribing for the Rights Equity Shares and Rights Entitlements in compliance with applicable securities and other laws of our jurisdiction of residence.”*

*“I/we hereby make the representations, warranties, acknowledgments and agreements set forth in the section of the Letter of Offer.”*

*“I/ We understand and agree that the Rights Entitlements and Rights Equity Shares may not be reoffered, resold, pledged or otherwise transferred except in an offshore transaction in compliance with Regulation S, or otherwise pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act.”*

*“I/ We acknowledge that we, its affiliates and others will rely upon the truth and accuracy of the foregoing representations and agreements.”*

In cases where multiple Application Forms are submitted for Applications pertaining to Rights Entitlements credited to the same demat account or in demat suspense escrow account, including cases where an Investor submits Application Forms along with a plain paper Application, such Applications shall be liable to be rejected.

Investors are requested to strictly adhere to these instructions. Failure to do so could result in an application being rejected, with our Company and the Registrar not having any liability to the Investor. The plain paper Application format will be available on the website of the Registrar at <https://rights.cameoindia.com/vms>

Our Company and the Registrar shall not be responsible if the Applications are not uploaded by the SCSB or funds are not blocked in the Investors’ ASBA Accounts on or before the Issue Closing Date.

**PLEASE NOTE THAT THE RIGHTS EQUITY SHARES APPLIED FOR IN THIS ISSUE CAN BE ALLOTTED ONLY IN DEMATERIALIZED FORM AND TO THE SAME DEPOSITORY ACCOUNT IN WHICH OUR EQUITY SHARES ARE HELD BY SUCH INVESTOR ON THE RECORD DATE OR THE ISSUE CLOSING DATE, AS THE CASE MAY BE. FOR DETAILS, SEE “ALLOTMENT ADVICE OR REFUND/ UNBLOCKING OF ASBA ACCOUNTS” ON PAGE 140 OF THE LETTER OF OFFER.**

## Investor Grievances, Communication and Important Links

1. Please read the Letter of Offer carefully before taking any action. The instructions contained in the Application Form, Abridged Letter of Offer and the Rights Entitlement Letter are an integral part of the conditions of the Letter of Offer and must be carefully followed; otherwise, the Application is liable to be rejected.
2. All enquiries in connection with the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or Application Form must be addressed (quoting the Registered Folio Number or the DP ID and Client ID number, the Application Form number and the name of the first Eligible Equity Shareholder as mentioned on the Application Form and super scribed "VMS Industries Limited – Rights Issue" on the envelope and postmarked in India or in the email) to the Registrar at the following address:

### **Cameo Corporate Services Limited**

Subramanian Building, 1 Club House Road, Chennai - 600 002

Tel: +91 - 44 4002 0700

Email: [rights@cameoindia.com](mailto:rights@cameoindia.com)

Investor Grievance Email id: [investor@cameoindia.com](mailto:investor@cameoindia.com)

Website: <https://rights.cameoindia.com/vms> / [www.cameoindia.com](http://www.cameoindia.com)

Contact Person: Ms. K. Sreepriya

SEBI Registration No: INR000003753

CIN: U67120TN1998PLC041613

3. Frequently Asked Questions (FAQs) and online/ electronic dedicated investor helpdesk for guidance on the Application process and resolution of difficulties faced by the Investors will be available on the website of the Registrar <https://rights.cameoindia.com/vms> . Further, helpline number provided by the Registrar for guidance on the Application process and resolution of difficulties is +91-44 4002-0700.

This Issue will remain open for a minimum 7 days. However, our Board or duly authorized committee thereof, will have the right to extend the Issue Period as it may determine from time to time but not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Opening Date).

## DECLARATION

We hereby declare that all relevant provisions of the Companies Act 2013 and the rules, regulations and guidelines issued by the Government of India, or the rules, regulations or guidelines issued by the SEBI, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in the Letter of Offer is contrary to the provisions of the Companies Act 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contract (Regulation) Rules, 1957 and the Securities and Exchange Board of India Act, 1992, each as amended, or the rules, regulations or guidelines issued thereunder, as the case may be. We further certify that all the statements and disclosures made in the Letter of Offer are true and correct.

### SIGNED BY THE DIRECTORS OF OUR COMPANY

Sd/-

\_\_\_\_\_  
Manojkumar Jain  
Managing Director  
DIN: 02190018

Sd/-

\_\_\_\_\_  
Sangeeta Jain  
Whole-time Director  
DIN: 00125273

Sd/-

\_\_\_\_\_  
Bakul Kishanlal Mehta  
Independent Director  
DIN: 02902485

Sd/-

\_\_\_\_\_  
Pranavkumar Vinaykant Parikh  
Independent Director  
DIN: 02906210

Sd/-

\_\_\_\_\_  
Murari Agarwal  
Independent Director  
DIN: 10433524

### SIGNED BY THE COMPANY SECRETARY AND CHIEF FINANCIAL OFFICER OF OUR COMPANY:

Sd/-

\_\_\_\_\_  
Hemal Panakajkumar Patel  
Company Secretary

Sd/-

\_\_\_\_\_  
Amitbhai Pravinchandra Mandaliya  
Chief Financial Officer

**Date: 20.04.2024**

**Place: Ahmedabad**