

# VMS INDUSTRIES LIMITED

CIN: L74140GJ1991PLC016714

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

## ENTITLEMENT LETTER FOR THE RIGHTS ISSUE

Dear Shareholder,

**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 (THE "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.**

*This letter does not constitute an offer of, or a solicitation of an offer to purchase, any securities of the Company in any jurisdiction where such offers or solicitations are not permitted by law. You are advised to read the disclaimer carefully before reading, accessing or making any other use of the documents. By accessing this letter and its enclosures, you are hereby deemed to represent that you qualify under the above criteria. This letter and its enclosures should not be reproduced, transmitted or distributed to any other person.*

You have been sent this letter (including its enclosures) to comply with the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("SEBI ICDR Regulations"), and relevant circulars issued by SEBI from time to time. This letter does not constitute an offer of, or a solicitation of an offer to purchase, any securities of the Company in any jurisdiction where offers or solicitations are not permitted by law. The information in this letter is solely intended for distribution to, and use by, Eligible Equity Shareholders as of the Record Date i.e., Thursday, April 18, 2024, who have provided an Indian address to the Company or who are located in jurisdictions where the offer and sale of the Rights Entitlement or Rights Equity Shares is permitted under laws of such jurisdiction and does not result in and may not be construed as, a public offering in such jurisdictions. By accepting this letter and its enclosures, you are hereby deemed to represent that you qualify under one of the foregoing criteria. This letter and its enclosures should not be reproduced, transmitted or distributed to any other person.

**IF YOU ARE NOT PERMITTED TO VIEW THIS LETTER OR ARE IN ANY DOUBT AS TO WHETHER YOU ARE PERMITTED TO VIEW THIS LETTER, PLEASE TREAT THIS LETTER AS SENT FOR INFORMATION PURPOSE ONLY AND SHOULD NOT BE ACTED UPON FOR SUBSCRIPTION TO THE RIGHTS EQUITY SHARES AND SHOULD NOT BE COPIED OR REDISTRIBUTED.**

With reference to above, please find below the details of Equity Shares held by you as on Record Date i.e., Thursday, April 18, 2024 along with your Rights Entitlements

Folio Number / DP or Client ID	No. of Equity Shares held by you on Record date being Thursday, April 18, 2024	No. of Rights Entitlement

Abridged Letter of Offer ("ALOF") & Application Form are enclosed herewith.

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 (in case of Eligible Equity Shareholders holding Equity Shares in physical form) 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)).

**This is to inform you that the captioned Issue opens for subscription on May 02, 2024 and closes for subscription on May 16, 2024.** Our Board or a duly authorized committee thereof will have the right to extend the Issue period as it may determine from time to time, provided that this Issue will not remain open in excess of 30 (Thirty) days from the Issue Opening Date. Further, no withdrawal of Application shall be permitted by any Applicant after the Issue Closing Date.

### Procedure for Application in the Issue

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.

### Credit of Rights Entitlements in demat accounts of Eligible Equity Shareholders

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 RIGHTS ISSUE SUSPENSE ESCROW 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.

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 renouneece 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 "process of making an application" on page 125 of this letter of offer.

**PLEASE NOTE THAT NON-RESIDENT ELIGIBLE EQUITY SHAREHOLDERS, WHO HOLD EQUITY SHARES IN PHYSICAL FORM AS ON RECORD DATE I.E. THURSDAY, APRIL 18, 2024 AND WHO HAVE NOT FURNISHED THE DETAILS OF THEIR RESPECTIVE DEMAT ACCOUNTS TO THE REGISTRAR OR OUR COMPANY AT LEAST TWO WORKING DAYS PRIOR TO THE ISSUE CLOSING DATE, SHALL NOT BE ELIGIBLE TO MAKE AN APPLICATION FOR RIGHTS EQUITY SHARES AGAINST THEIR RIGHTS ENTITLEMENTS WITH RESPECT TO THE EQUITY SHARES HELD IN PHYSICAL FORM.**

### ATTENTION FOR SHAREHOLDERS HOLDING SHARES IN PHYSICAL FORM

The Eligible Equity Shareholders shall send a letter to the Registrar containing the name(s), address, email address, contact details and the details of their demat account along with copy of self-attested PAN and self-attested client master sheet of their demat account either by email, post, speed post, courier, or hand delivery so as to reach to the Registrar no later than two working days prior to the Issue Closing Date i.e. Monday, 13<sup>th</sup> May, 2024;

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. Monday, 13<sup>th</sup> May, 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. Wednesday, 15<sup>th</sup> May, 2024.

Investors can access this Letter of Offer, the Abridged Letter of Offer and the Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe for the Rights Equity Shares under applicable securities laws) on the websites of:

- (i) Our Company at [www.vmsil.in](http://www.vmsil.in)  
(ii) The Registrar at <https://rights.cameoindia.com/vms>

#### Trading of the Rights Entitlements:

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 INE932K01015 subject to requisite approvals. Prior to the Issue Opening Date, our Company will obtain the 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. For more details, see "Procedure for Renunciation of Rights Entitlements" on page 128 of the LOF.

#### Renunciation of Rights Entitlements

This Issue includes a right exercisable by Eligible Equity Shareholders to renounce the Rights Entitlements credited to their respective demat account either in full or in part.

The renunciation from non-resident Eligible Equity Shareholder(s) to resident Indian(s) and vice versa shall be subject to provisions of FEMA Rules and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to time. However, the facility of renunciation shall not be available to or operate in favour of an Eligible Equity Shareholders being an erstwhile OCB unless the same is in compliance with the FEMA Rules and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to time. The renunciation of Rights Entitlements credited in your demat account can be made either by sale of such Rights Entitlements, using the secondary market platform of the Stock Exchanges or through an off-market transfer.

The Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have not furnished the details of their demat account to the Registrar or our Company at least two working days prior to Issue Closing Date, will not be able to renounce their Right Entitlements.

For details, please see the section entitled "Terms of the Issue- Procedure for Renunciation of Rights Entitlements" on page 128 of the LOF.

#### 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.

#### Issue Schedule

1	Last date for credit of Rights Entitlements	On or before Wednesday, May 01, 2024
2	Issue opening date	Thursday, 02 <sup>nd</sup> May, 2024
3	Last date for On Market Renunciation	Friday, 10 <sup>th</sup> May, 2024
4	Issue closing date	Thursday, 16 <sup>th</sup> May, 2024
5	Finalisation of Basis of Allotment (on or about)	On or before Thursday, 23 <sup>rd</sup> May, 2024
6	Date of Allotment (on or about)	On or before Thursday, 23 <sup>rd</sup> May, 2024
7	Date of credit (on or about)	On or before Tuesday, 28 <sup>th</sup> May, 2024
8	Date of listing / commencement of trading of Equity Shares on the Stock Exchanges (on or about)	On or before Thursday, 30 <sup>th</sup> May, 2024

*Note: The above timetable is indicative in nature and does not constitute any obligation on the Company. While the Company shall ensure that all the steps for completion of all the necessary formalities for the listing and trading of our equity shares on the main board of BSE Limited ('BSE') are taken within the prescribed timelines, the time table may change due to various factors such as extension of the issue period by the Company or any delay in receiving final listing and trading approval from the main board of BSE Limited ('BSE'). The Commencement of the trading of Equity shares will be entirely at the discretion of BSE Limited ('BSE') in accordance with the applicable laws.*

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. Investors can access the LOF, the Abridged LOF and the Application Form (provided that the Eligible Equity Shareholders are eligible to subscribe for the Equity Shares under applicable securities laws) from the website of the Company or the Registrar or the Stock Exchange. Please refer to the FAQs available on the website of the Company and the Registrar to the Issue, which may be used as guidance for making an Application in the Rights Issue.

#### NOTICE TO INVESTORS

The distribution of Letter of Offer, the Abridged Letter of Offer, Application Form and Rights Entitlement Letter and the issue of Rights Entitlements and Rights Equity Shares to persons in certain jurisdictions outside India may be restricted by legal requirements prevailing in those jurisdictions. Persons into whose possession Letter of Offer, the Abridged Letter of Offer or Application Form may come are required to inform themselves about and observe such restrictions. For details, see "NOTICE TO INVESTORS" beginning on page 15 of the LOF.

#### 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 this 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, this Letter of Offer/ Abridged Letter of Offer and the enclosed Application Form and Rights Entitlement Letters 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.

In case of any queries, you may contact the Company or Registrar to the Issue.

BANKER TO AN ISSUE	REGISTRAR TO THE ISSUE
<b>ICICI BANK LIMITED</b> Address: Capital Market Division, 5 <sup>th</sup> Floor, HT Parekh Marg, Churchgate, Mumbai-400020 Contact No.: 022-68052182 Fax No.: N.A. Contact Person: Mr. Varun Badai E-mail: <a href="mailto:ipocmg@icicibank.com">ipocmg@icicibank.com</a> <a href="http://www.icicibank.com">www.icicibank.com</a>	<b>CAMEO CORPORATE SERVICES LIMITED</b> Subramanian Building, 1 Club House Road, Chennai - 600 002 Tel : +91 - 44 4002 0700 Email: <a href="mailto:rights@cameoindia.com">rights@cameoindia.com</a> Investor Grievance Email id: <a href="mailto:investor@cameoindia.com">investor@cameoindia.com</a> Website: <a href="https://rights.cameoindia.com/vms">https://rights.cameoindia.com/vms</a> / <a href="http://www.cameoindia.com">www.cameoindia.com</a> Contact Person: Ms. K. Sreepriya SEBI Registration No: INR000003753 CIN: U67120TN1998PLC041613

Note: All capitalized terms, unless defined herein, shall have the meaning ascribed to them in the LOF.

For, VMS INDUSTRIES LIMITED

Sd/-

Mr. Hemal Panakajkumar Patel, Company Secretary and Compliance Officer