LETTER OF OFFER

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

This Letter of Offer is sent to you as a Shareholder(s) of ***VMS Industries Limited.*** If you require any clarifications about the action to be taken, you may consult your stockbroker or investment consultant or Manager or Registrar to the Offer. In case you have recently sold your Shares in the Company, please hand over this Letter of Offer and the accompanying Form of Acceptance-cum-acknowledgement, Form of Withdrawal and Transfer Deed to the Member of the Stock Exchange through whom the said sale was effected.

OPEN OFFER

Pursuant to Regulation 10 and applicable provisions of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and amendments thereto (“**the Regulations**”).

BY

BHOLEBABA SUPPLIERS PRIVATE LIMITED

(Hereinafter referred as “Acquirer” or “BSPL”)

Having the Registered Office at 13, B.B. Ganguly Street, Ground Floor, Kolkata-700012, West Bengal, Tel No (033) 32616115, Email: bholebaba09@yahoo.in .There is no Persons Acting in Concert (“PAC”) with the Acquirer for the purpose of this Offer.

TO THE SHAREHOLDERS OF VMS INDUSTRIES LIMITED

(Hereinafter referred as “VIL” or “the Target Company” or “the Company”)

Having the **Registered Office/ Corporate Office** at 808/Pinnacle Business Park, Corporate Road, Prahlad Nagar, Ahmedabad, Gujarat - 380015, India, Tel No.: +91-278-2432371 Fax No.: +91-278-2428352 and **Works/Unit** is at Plot No. 160-M, Alang-Sosita Ship Breaking Yard, Sosiya Village, Talaja Taluka, Bhavnagar Dist, Gujarat, India., Website: www.vmsil.com , Email: info@vmsil.com

TO ACQUIRE

Up to 42,83,082 Fully Paid-up Equity Shares of Rs. 10/- each, representing in aggregate 26% of the total issued, subscribed and paid up Equity Share Capital of VIL for cash, at a price of **Rs. 23/-** (**Rupees Twenty Three Only)** per Equity Share **(“Offer Price”)**.

1. This Offer is being made pursuant to the Regulation 10 of SEBI (Substantial Acquisition of Shares & Takeover) Regulations, 1997 (“SEBI (SAST) Regulations”) and subsequent amendments thereof.
2. This Offer is not conditional upon any minimum level of acceptance by the shareholders of the Target Company.
3. No Statutory approvals are required to be obtained for the purpose of this offer.
4. **This offer is not a competitive bid.**
5. **There has been no competitive bid or revision of Offer Price as on date of this Letter of Offer.**
6. **If there is a competitive bid:**
   - **The public offer under all the subsisting bids shall close on the same date.**
   - **As the Offer Price cannot be revised during seven (7) working days prior to the closing date of the offers/bids, it would be in the interest of the shareholders to wait till the commencement of that period to know the final Offer Price of each bid and tender their acceptance accordingly.**
7. **Shareholders who have accepted the Offer by tendering the requisite documents, in terms of the Public Announcement / Letter of Offer, can withdraw the same upto three working days prior to the date of closure of the Offer i.e. they can withdraw on or before Tuesday, 12th February, 2013.**
8. If there is any upward revision in the Offer Price by the Acquirer prior to or on the last date for revising the Offer Price viz., Wednesday, 6th February 2013 you will be informed by way of another Public Announcement in the same newspapers in which the Public Announcement was published. The Acquirer shall pay such revised price for all shares validly tendered any time during the Offer and accepted under the Offer or if the Offer is withdrawn pursuant to Regulation 27 of the Regulations, the same would be communicated by a Public Announcement in the same newspapers in which the Public Announcement appeared.
9. A copy of the Public Announcement and the Letter of Offer (including Forms of Acceptance-cum-Acknowledgement & Withdrawal) are also available on SEBI’s Website: www.sebi.gov.in.
10. All correspondence relating to this offer, if any, should be addressed to the Registrar to the Offer, viz Purva Sharegistry (India) Private Limited.

MANAGER TO THE OFFER		REGISTRAR TO THE OFFER	
COMFORT	**Comfort Securities Limited** SEBI Registration No. INM 00011328 A-301, Hetal Arch, S V Road, Malad (W), Mumbai - 400064. Tel. No: +91-22-28449765/28449766 Fax No. +91-22-28892527 Contact Person: Ms. Mayuri Thakkar./ Mr. Ankur Agarwal Email: mayurithakkar@comfortsecurities.co.in / ankur@comfortsecurities.co.in Website: www.comfortsecurities.co.in	U R P V A	**PURVA SHAREGISTRY (INDIA) PVT. LTD** SEBI Registration No. INR000001112 9, Shiv Shakti Industrial Estate, J.R.Boricha Marg, Opp. Kasturba Hospital, Lower Parel (E), Mumbai - 400011 Tel. No. 022 –23018261/23016761 Fax no.: 022 – 23012517 Contact Person : Mr. V B Shah Email: busicomp@vsnl.com Website : www.purvashare.com
OFFER OPENS ON: TUESDAY, JANUARY 29, 2013		**OFFER CLOSES ON: MONDAY, FEBRUARY 18, 2013**	

SCHEDULE OF THE MAJOR ACTIVITIES OF THE OFFER

Sr. No.	Activity	Revised Day and Date	Original Day and Date
1.	Date of Public Announcement	Wednesday, October 19, 2011	Wednesday, October 19, 2011
2.	Specified Date*	Friday, November 18, 2011	Friday, November 18, 2011
3.	Last Date for a Competitive Bid(s)	Wednesday, November 9, 2011	Wednesday, November 9, 2011
4.	Date by which Letter of Offer will be dispatched to the Shareholders	Thursday, January24, 2013	Friday, December 2, 2011
5.	Offer Opening Date	Tuesday, January 29, 2013	Saturday, December 10, 2011
6.	Last Date for the Revision of the Offer Price / Number of Equity Shares.	Wednesday, February 6 2013	Wednesday, December 21, 2011
7.	Last date to withdraw acceptance tendered by shareholders	Tuesday, February 12, 2013	Saturday, December 24, 2011
8.	Offer Closing Date	Monday, February 18, 2013	Thursday, December 29, 2011
9.	Date by which the acceptance / rejection would be intimated and the corresponding payment for the acquired equity shares and/or the unaccepted equity shares/share certificates will be dispatched.	Tuesday, March 5, 2013	Friday, January 13, 2012

**** "Specified Date" is only for the purpose of determining the Shareholders as on such date to whom the Letter of Offer would be mailed. It is clarified that all the Shareholders of the Target Company are eligible to participate in the Offer any time before the closing of the Offer.***

Notes:
1. Duly Signed Application and Transfer Deed(s) together with share certificate(s) should be dispatched by Registered Post / Courier or hand delivered to the Registrar to the Offer at above address to arrive not later than 5.00 p.m. on Monday, 18th February, 2013.

2. Observation letter no. CFD/DCR/TO/SD/1317/13 dated 11th January 2013 received on 15th January, 2013 on the draft Letter of Offer filed with the Securities and Exchange Board of India.

RISK FACTORS

A. RELATING TO THE OFFER

The risk factors set forth below pertain to the Offer and are not in relation to the present or future business operations of the Target Company or other related matters, and are neither exhaustive nor intended to constitute a complete analysis of the risks involved in participation or otherwise by a shareholder in the Offer. Shareholders of the Target Company are advised to consult their stockbroker or investment consultant, if any, for analyzing all the risks with respect to their participation in the Offer.

1) The Offer involves an offer to acquire up to 26% of the total issued, subscribed and paid up Equity Share Capital of VIL that will constitute the Share Capital of VIL from the Eligible Persons for the Offer. In the case of over subscription in the Offer, as per the SEBI (SAST) Regulations, acceptance would be determined on a proportionate basis and hence there is no certainty that all the shares tendered by the shareholders in the Offer will be accepted.

2) In the event that (a) a statutory and regulatory approval is not received in a timely manner, (b) there is any litigation leading to a "stay" of the Offer, or (c) SEBI instructing the Acquirer not to proceed with the Offer, and then the Offer process may be delayed beyond the schedule of activities indicated in this Letter of Offer. Consequently, the payment of consideration to the shareholders of VIL whose Shares has been accepted in the Offer as well as the return of Shares not accepted by the Acquirer may be delayed. In case of the delay, due to non-receipt of statutory approvals, as per Regulation 22(12) of the SEBI (SAST) Regulations, SEBI may, if satisfied that the non-receipt of approvals was not due to wilful default or negligence or failure to diligently pursue such approvals on the part of the Acquirer, grant an extension for the purpose of completion of the Offer subject to the Acquirer paying interest to the shareholders, as may be specified by SEBI.

3) Shareholders should note that after the last date of withdrawal i.e. Tuesday, February 12, 2013, the shareholders who have lodged the Shares would not be able to withdraw them even if the acceptance of Shares under the Offer and dispatch of consideration gets delayed. The tendered shares and documents would be held by the Registrar to the Offer, till such time as the process of acceptance of tenders and the payment of consideration is completed.

4) The Offer is subject to the receipt of statutory and regulatory approvals by the Acquirer, and wherever applicable, by the Target Company, in connection with the Offer. The Acquirer may not to be able to proceed with the Offer in the event the approvals are not received in terms of Regulation 27 of the SEBI (SAST) Regulations. Delay, if any, in the receipt of these approvals may delay completion of the Offer.

5) The Shares tendered in the Offer will be held in trust by the Registrar to the Offer until the completion of the Offer formalities. During such period, there may be fluctuations in the market price of the equity shares of VIL. Accordingly, the Acquirer makes no assurance with respect to the market price of the shares both during the Offer Period and upon the completion of the Offer,

and disclaims any responsibility with respect to any decision by any shareholder of VIL on whether to participate or not to participate in the Offer.

B. IN ASSOCIATION WITH THE ACQUIRER

The Acquirer makes no assurance with respect to the financial performance of the Target Company. They also make no assurance with respect to the market price of the Shares upon the completion of the Offer, and disclaim any responsibility with respect to any decision by the Shareholders on whether or not to participate in the Offer.

The Acquirer does not accept any responsibility for statements made otherwise than in the Letter of Offer / Public Announcement and anyone placing reliance on any other sources of information (not released by the Acquirer) would be doing so at his / her / its own risk.

C. RISK IN THE TRANSACTION

The Acquirer intends to acquire Equity Shares of the Target Company without taking control. The Control of the Target Company will continue to be with the present promoters even after the Offer.

Assuming full acceptance of this Offer, the post Offer holding of the Acquirer shall be 26.00% of the paid up and voting Capital.

The Acquirer makes no assurance with respect to the market price of the Shares both during the Offer period and upon the completion of the Offer, and disclaims any responsibility with respect to any decision by any Shareholder on whether to participate or not to participate in the Offer.

TABLE OF CONTENTS

1. DEFINITIONS

1.	Acquirer or The Acquirer	Bholebaba Suppliers Private Limited or "BSPL"
2.	AGM	Annual General Meeting of the Company
3.	B.A.	Bachelor of Arts
4.	B.Com	Bachelor of Commerce
5.	B.E	Bachelor of Engineering
6.	BSE	Bombay Stock Exchange Limited, Mumbai.
7.	C.A	Chartered Accountant
8.	C.S	Company Secretary
9.	EPS	Earnings Per Share which is Profit After Tax / No. of Equity Shares.
10.	FEMA	Foreign Exchange Management Act, 1999 including related rules and regulations
11.	Form of Acceptance or FOA	Form of Acceptance cum Acknowledgement.
12.	Form of Withdrawal or FOW	Form of Withdrawal cum Acknowledgement.
13.	HDFC	HDFC Bank Limited
14.	ICWAI	Institute of Cost and Works Accounts of India
15.	Listing Agreement	Listing agreement as entered by the Target Company with the stock exchange
16.	LOO, or Letter of Offer	This Offer Document.
17.	Manager to the Offer or, Merchant Banker	Comfort Securities Limited
18.	M.A	Master of Arts
19.	Net Asset Value/ Book Value per Share	(Equity Capital + Free Reserve excluding of Revaluation reserve – Debit balance in Profit & Loss a/c – Misc expenditure not written off) / No. of Equity Shares.
20.	Offer/Open Offer/ The Offer	Offer to acquire up to **42,83,082** Equity Shares of Rs. 10/- each representing 26.00 % of the total issued, subscribed and paid up equity share capital of the Target Company, to be acquired by the Acquirer, at a price of Rs. 23**/-** per Equity share payable in cash.
21.	Offer Price	Rs. 23/-(Rupees Twenty Three Only) per fully paid up Share of Rs.10/- each payable in cash.
22.	PAC/PACs	Person(s) Acting in Concert
23.	Persons eligible to participate in the Offer/ Shareholders	Registered shareholders of VMS Industries Limited, and unregistered shareholders who own the Shares of VMS Industries Limited any time prior to the Offer closure other than the Acquirer.
24.	Promoter/ Promoter Group	1. Mr. Ajit Kumar B Jain 2. Mr. Manoj Kumar Jain 3. Mrs. Sangeeta M Jain 4. Sushma Ajitkumar Jain 5. Varun Manoj Kumar Jain 6. Vaibhav Manoj Kumar Jain *(Source: www.bseindia.com)*
25.	POA	Power of Attorney
26.	Public Announcement or **"PA"**	Announcement of the Open Offer made by The Acquirer, which appeared in the newspapers on Thursday, 20th October 2011.
27.	Public Shareholding	The Shares held by Shareholders other than those classified as the promoters of the

		Company in the latest shareholding pattern filed with the stock exchange
28.	RBI	Reserve Bank of India.
29.	Registrar or Registrar to the Offer	Purva Sharegistry (India) Pvt. Ltd
30.	Return on Net worth	(Profit after Tax)/ (Equity Capital + Free Reserve excluding of Revaluation reserve– Debit balance in Profit & Loss a/c – Misc expenditure not written off).*100
31.	SEBI	Securities and Exchange Board of India
32.	SEBI (SAST) Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and subsequent amendments thereto.
33.	SEBI Act	Securities and Exchange Board of India Act, 1992.
34.	Shares	Equity shares of Rs. 10 /- (Rupees ten only) each of the Target Company
35.	Specified Date	Friday, 18th November 2011
36.	VIL/Target Company / [TARGET CO.]	VMS Industries Limited

CURRENCY OF PRESENTATION

In this Letter of Offer, all references to "Rs." are to the reference of Indian National Rupees ("INR"). Throughout this Letter of Offer, all figures have been expressed in "Lacs" unless otherwise specifically stated. In this Letter of Offer, any discrepancy in any table between the total and sums of the amount listed are due to rounding off.

2. DISCLAIMER CLAUSE

"IT IS TO BE DISTINCTLY UNDERSTOOD THAT FILING OF LETTER OF OFFER WITH SEBI SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED, VETTED OR APPROVED BY SEBI. THE 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 VMS INDUSTRIES LIMITED TO TAKE AN INFORMED DECISION WITH REGARD TO THE OFFER. THE SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR FINANCIAL SOUNDNESS OF THE ACQUIRER, OR THE COMPANY WHOSE SHARES/CONTROL IS 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 ACQUIRER ARE PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS LETTER OF OFFER, THE MANAGER TO THE OFFER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT ACQUIRER DULY DISCHARGES THEIR RESPONSIBILITY ADEQUATELY. IN THIS BEHALF, AND TOWARDS THIS PURPOSE, THE MANAGER TO THE OFFER, COMFORT SECURITIES LIMITED HAS SUBMITTED A DUE DILIGENCE CERTIFICATE DATED 01ST NOVEMBER 2011 TO SEBI IN ACCORDANCE WITH THE SEBI (SUBSTANTIAL ACQUISITION OF SHARES & TAKEOVERS) REGULATIONS, 1997 AND SUBSEQUENT AMENDMENT (S) THEREOF. THE FILING OF THE LETTER OF OFFER DOES NOT, HOWEVER, ABSOLVE THE ACQUIRER 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 10 of SEBI (SAST) Regulations 1997 and subsequent amendments thereof.

3.1.2 This Open Offer ("Offer") is being made by **M/s. Bholebaba Suppliers Private Limited *(" the Acquirer")*** a company incorporated and duly registered under the Companies Act, 1956 who is the sole acquirer under the offer to the equity Shareholders of **M/s. VMS Industries Limited *("VIL" or the "Target Company")*** a company incorporated and duly registered under the Companies Act, 1956, and having its Registered and Corporate Office at 808/Pinnacle Business Park, Corporate Road, Prahlad Nagar, Ahmedabad, Gujarat - 380015, India Tel.: +91-278-2432371, Fax No.: +91-278-2428352 and Works/Unit is at Plot No. 160-M, Alang-Sosita Ship Breaking Yard, Sosiya Village, Talaja Taluka, Bhavnagar Dist, Gujarat, India, Website.: www.vmsil.com , Email id: info@vmsil.com pursuant to the Regulation 10 and in compliance with the SEBI (SAST) Regulations, 1997.The Acquirer proposes to do a substantial acquisition of shares of VIL without taking control and change in management.

3.1.3 The Acquirer hereby makes this Offer to the Shareholders of the Target Company to acquire up to 42,83,082 fully paid up equity shares ("Shares") of the Target Company of Rs.10/- each, representing in aggregate 26.00% of the paid up equity share capital, at a price of Rs. 23/- (Rupees Twenty Three only) per share ("Offer Price") payable in cash subject to the terms and conditions mentioned in the PA and in this Letter of Offer

3.1.4 The acquirer does not hold any share in the Target Company i.e. VMS Industries Limited nor has acquirer entered into any Share Purchase Agreement. However as a part of its investment strategy, Acquirer proposes to have a substantial acquisition of shares of the Target Company without taking control and change in management. Hence in accordance with Regulation 10 of SEBI (SAST), Regulations, 1997 acquirer is proposing to acquire 26% through an open offer and instead of the minimum requirement of 20% because the ***Notification dated 23rd September, 2011 SEBI (Substantial Acquisition of Shares & Takeovers) Regulations, 2011*** was already under Public Domain, wherein as per Regulation 3 of SEBI (SAST) Regulations, 2011, any acquirer, who along with persons acting in concert with him, if any, acquires 25% or more shares or voting rights in Target Company, then the Open Offer will get triggered.

Keeping in view of the above, the acquirer has given Open Offer for acquisition up to 26% of the total Issued, Subscribed, Paid up and Voting Capital of the Target Company. So that if acquirer received the requisite % in the Open Offer, then there is no necessity of giving Open Offer when the acquirer would cross 25% Equity Share Capital of the Target Company.

3.1.5 There is no person acting in concert **("PAC")** with the Acquirer within the meaning of Regulation 2 (1) (e) of the SEBI (SAST) Regulations.

3.1.6 The Acquirer has not entered into any Share Purchase Agreement with any person / entity.

3.1.7 Upon completion of this Open Offer in terms of the SEBI (SAST) Regulations, the change of control of Target Company would not be effected. The Acquirer do not intend to assume control over the Target Company.

3.1.8 The Acquirer have not been prohibited by SEBI from dealing in securities, in terms of direction issued under Section 11B of the SEBI Act or under any of the Regulations made under the SEBI Act.

3.1.9 The Acquirer does not intend to make changes in the management of VIL, consequent to this Offer. The Acquirer do not intend to induct new Directors on the Board of VIL.

3.1.10 VMS Industries Limited (the target Company) and its Promoters Mr. Ajit Kumar Jain, Mr. Manoj Kumar Jain, Mrs. Sangeeta Jain, Sushma Ajitkumar Jain, Varun Manoj Kumar Jain and Vaibhav Manoj Kumar Jain have not been prohibited by SEBI from dealing in securities, in terms of directions issued under Section 11B of the SEBI Act or under any of the Regulations made under the SEBI Act.

3.1.11. Bholebaba Suppliers Private Limited is the only Acquirer in this Offer and there are no other Person acting in Concert (PAC's) with the Acquirer in respect of this Offer.

3.1.12. The Shares of the Target Company are listed only at Bombay Stock Exchange Limited (BSE).

3.1.13. The Manager to the Open Offer i.e. Comfort Securities Limited does not hold any Shares in the Target Company as on the date of appointment as Manager to the Open Offer. They declare and undertake that they shall not deal in the Shares of the Target Company during the period commencing from the date of their appointment as Manager to the Open Offer till the expiry of 15 days from the date of closure of Open Offer.

3.1.14. The Regulation 22(9) is not applicable in present offer as on date.

3.1.15. The Acquirer has nominated Mr. Arihant Jain as its duly constituted attorney in law to sign and execute any agreement, documents, papers including Escrow agreement with Bank, Escrow Agreement with Depository Participant and / or any other formalities regarding the Open offer and do all such acts, deeds & things as may be necessary for the direct or indirect work related to open offer

3.1.16. There shall be no discrimination in the acceptance of locked-in and non-locked in Shares in the Offer. The Shares to be acquired under the Offer must be free from all liens, charges and encumbrances and will be acquired together with all rights attached thereto.

3.1.17. The Acquirer does not hold any Equity Shares in the Target Company as of the date of the Public Announcement and further the Acquirer has not acquired any Equity Shares of the Target Company during the twelve (12) months period preceding the date of the Public Announcement and also after the date of Public Announcement to till date.

3.2. **Details of the Proposed Offer**

3.2.1. The Acquirer has made a Public Announcement on Thursday, 20th October 2011 and Corrigendum to the Public Announcement on 18th January, 2013 in the following newspapers in accordance with the Regulation 15 (1) and pursuant to Regulation 10 of SEBI (SAST) Regulations, 1997.

Name of the Newspaper	Language	Editions
The Financial Express	English	All Editions
Jansatta	Hindi	All Editions
Jhalawad Western Times	Gujarati	Bhavnagar

The Public Announcement and Corrigendum to the Public Announcement are also available on the SEBI website at www.sebi.gov.in.

3.2.2 The Acquirer is making this Open Offer under the SEBI (SAST) Regulations, to acquire up to 42,83,082 Shares of Rs. 10/- each representing up to 26.00 % of the total issued, subscribed and paid up equity share capital of Rs. 10/- each from the Shareholders of VIL, on the terms and subject to the conditions set out in this Letter of Offer, at a price of Rs. 23/- (Rupees Twenty Three only) payable in cash. These Shares are to be acquired by the Acquirer, free from all liens, charges and encumbrances and together with all voting rights attached thereto, including the right to all dividends, bonus and rights offer declared hereafter.

3.2.3 The total Issued, subscribed and paid-up equity share capital of the Target Company:

Paid-up Equity Shares of Target Company	No. of Shares / Voting Rights	% of Share / Voting Rights
Fully Paid-up Equity Shares	1,64,73,391	100.00
Partly Paid-up Equity Shares	NIL	NIL
Total Equity Shares	1,64,73,391	100.00
Total Voting Rights in Target Company	1,64,73,391	100.00

3.2.4 The Offer is not subject to any minimum level of acceptances from the Shareholders i.e. it is not a conditional offer.

3.2.5 The Acquirer has not acquired any Shares in the Target Company since the date of Public Announcement i.e. **19th October 2011** up to the date of Letter of Offer.

3.2.6 The Offer is subject to the terms and conditions set out herein and the Public Announcements made by the Acquirer from time to time in this regard.

3.3. **Object of the Offer:**

3.3.1. The Offer is being made pursuant to Regulation 10 of the SEBI (SAST) Regulations.

3.3.2. The object of the acquisition is substantial acquisition of shares of VIL. The acquirer intends to acquire Equity Shares of VIL without taking control.

3.3.3. The Acquirer does not intend to make changes in the management of VIL or induct new directors on the Board of VIL.

3.3.4 The Acquirer do not have any plans to dispose off or otherwise encumber any assets of VIL in the succeeding two years from the date of closure of offer.

4. BACKGROUND OF THE ACQUIRER

4.1 BSPL was originally incorporated as Bholebaba Suppliers Private Limited under the provisions of the Companies Act, 1956 on 16th March, 2009, as a Private Limited Company by Registrar of Companies, West Bengal, Kolkata. BSPL is having its present registered office at 13, B. B. Ganguly Street, Ground Floor, Kolkata, West Bengal - 700012, Tel No. 033-32616115 and the Email address of BSPL is: bholebaba09@yahoo.in

4.2 BSPL is primarily engaged in the business of deal in the merchandise and articles of all kinds including clearing agents, freight contractors, forwarding agents etc and to carry any kind of commercial business as buyer, sellers, suppliers etc and deal in any and every kind of article and produces and materials used for building.

4.3 The present promoters of the BSPL are Mr. Amit Sharma and Mr. Samir Manna further they do not have any relation amongst themselves

4.4 The Authorised Capital of BSPL as on March 31, 2012 is Rs. 4,55,00,000/- (Rupees Four Crores Fifty Lakhs Only) comprising of 45,50,000 Equity Shares of Rs. 10/- each and issued, subscribed and paid-up equity share capital of BSPL as on March 31, 2012 is Rs. 4,53,39,950/- [Rupees Four Crores Fifty Three Lakhs Thirty Nine Thousand Nine Hundred and Fifty only] comprising of 45,33,995 equity shares of Rs. 10/- each

4.5 Shareholding pattern of BSPL as on date of PA 19th October 2011 are as under: -

Sr. No.	Shareholders' Category	No. of Shares	% of Shares held
1.	Promoters/ Associates	34,18,790	100.00
2.	FII/ Mutual Funds/ FIS/ Banks	Nil	Nil
3.	Bodies Corporate	Nil	Nil
4.	Public	Nil	Nil
	Total	**34,18,790**	**100.00**

The present Shareholding Pattern of BSPL is as follows :

Sr. No.	Shareholders' Category	No. of Shares	% of Shares held
1.	Promoters/ Associates	45,33,995	100.00
2.	FII/ Mutual Funds/ FIS/ Banks	Nil	Nil
3.	Bodies Corporate	Nil	Nil
4.	Public	Nil	Nil
	Total	**45,33,995**	**100.00**

4.6 The board of directors of BSPL as on the date of P.A. date is as follows:-

Sr. No.	Name of the Director	Designation	Residential Address	Date of Appointment	DIN No.	Qualification	Experience in years and field	No of Shares Held in the company
1.	Amit Sharma	Director	95, Dr. Abani Dutta Road Sardar, Howrah-711101, West Bengal	13/10/2010	01149514	B.COM	7 years experience in Accounts and Finance	205000
2.	Samir Manna	Director	Deulti Dakshinpu, RBA Deulti Bagnan, Howrah-711303, West Bengal	13/10/2010	02698253	B.COM	5 years experience in HR	205000

4.7 None of above directors is on the board of directors of Target Company.

4.8 The Company is a Private Company and is not listed on any Stock Exchanges.

4.9 The Regulation 22(9) is not applicable to Acquirer in the present Offer as on date.

4.10 BSPL has not undergone for any merger/de-merger, spin-off during the past three years.

4.11 The brief audited financials of BSPL are as under: -

(Amount in Rupees)

Profit & Loss Statement	Year Ended 31.03.2010 (Audited)	Year Ended 31.03.2011 (Audited)	Year Ended 31.03.2012 (Audited)	Nine Months Ended 31.12.2012 (Provisional & Unaudited)
Income from Operations	-	-	-	-
Other Income	20000.00	15000.00	270991.00	1747496.00
Total Income	20000.00	15000.00	270991.00	1747496.00
Total Expenditure	18230.00	10021.46	238840.00	123096.00
Profit (Loss) before Depreciation, Interest and Tax	1770.00	4978.54	42651.00	1630700.00
Depreciation	-	-	10500.00	6300.00
Interest (Int on Other loan and Bank Loan)	-	-	-	-
Profit before Tax	1770.00	4978.54	32151.00	1624400.00
Provision for Tax	550.00	1538.37	6126.00	309529.00
Profit after Tax	1220.00	3440.17	26025.00	1314871.00

(Amount in Rupees)

Balance Sheet Statement	Year Ended 31.03.2010 (Audited)	Year Ended 31.03.2011 (Audited)	Year Ended 31.03.2012 (Audited)	Nine Months Ended 31.12.2012 (Provisional & Unaudited)
Sources of Funds				
Paid up Share Capital	771900.00	34187900.00	45339950.00	45339950.00
Reserves & Surplus (Excluding Revaluation Reserve)	32923100.00	126225900.00	672693895.00	674008765.00
Secured Loan	-	-	-	-
Unsecured Loan	-	-	-	-
Current Liabilities	2050.00	462760.17	21067715.00	15715685.00
Deferred Tax Liability	-	-	-	-
TOTAL	**33697050.00**	**160876560.17**	**739101560.00**	**735064400.00**
Uses of Funds				

Net Fixed Assets	-	-	-	-
Investments	33595000.00	160208702.80	711380401.00	690651647.00
Current Assets, Loans and Advances	67930.00	659377.54	27679159.00	44377053.00
Miscellaneous Expenses not written off/Preliminary Expenses	22200.00	-	42000.00	35700.00
Profit & Loss A/c (Dr.Bal)	11920.00	8479.83	-	-
TOTAL	**33697050.00**	**160876560.17**	**739101560.00**	**735064400.00**

Other Financial Data	**Year Ended 31.03.2010 (Audited)**	**Year Ended 31.03.2011 (Audited)**	**Year Ended 31.03.2012 (Audited)**	**Nine Months Ended 31.12.2012 (Provisional & Unaudited)**
Net Worth (Rs.)	33660880.00	160405320.17	717991845.00	719313015.00
Dividend (%)	-	-	-	-
*Earning Per Share (Rs.)	0.016	0.001	0.01	0.29
Return on Net worth (%)	0.004%	0.0021%	0.004%	0.183
Book Value Per Share	436.08	46.92	158.36	158.65

** EPS for the nine months ended 31st December, 2012 is not annualised.*

Reason for fall/rise in total income and profit after tax are as follows:

FY 2008-09 Compared to 2009-2010

The Company is incorporated on 16th March, 2009. In the fiscal 2010, Company has earned a total income of Rs. 0.20 Lacs as compared to Nil in the previous fiscal and earned the profit after tax of Rs. 0.01 Lacs as compared to loss of Rs. 0.13 Lacs in the previous fiscal as this being the first year of operations for the Company.

FY 2009-2010 Compared to 2010-2011

In the fiscal 2011, Company has earned a total income of Rs. 0.15 Lacs as compared to Rs. 0.20 Lacs in the previous fiscal and earned the profit after tax of Rs. 0.03 Lacs as compared to profit of Rs. 0.01 Lacs. The decrease in total income as compared to previous fiscal is due to adverse market conditions. However, expenses were reduced during the fiscal 2011 resulting in better profitability as compared to previous fiscal.

FY 2010-2011 Compared to 2011-2012

The company has invested surplus fund in shares, securities and given loans. They have earned income on investment in shares & securities and also in the form of Interest on loan. As a result of which Profit before Tax has increased from Rs. 4979 to Rs. 32152 and Profit after Tax from Rs. 3440 to Rs. 26025.

There are no contingent liabilities in the Company as on the date of Public Announcement.

Break up of Reserves & Surplus of acquirer company- Bholebaba Suppliers Private Limited

The build up of reserves & surplus of Acquirer Company as on Public Announcement:

Particulars	**Reserves & Surplus (Rs.)**
Reserves & Surplus as on 01.04.2009	Nil
Add: Securities Premium of 67190 Shares allotted on 31.03.2010 @ Rs. 490 Each	32923100.00
Reserves & Surplus as on 31.03.2010	**32923100.00**
Less: Securities Premium capitalized on 15.03.2011 for Bonus issue of 3087600 Shares of face value of Rs. 10 Each	(30876000.00)
Reserves & Surplus as on 15.03.2011	**2047100.00**
Add: Securities Premium of 254000 Shares allotted on 31.03.2011 @ Rs. 490 Each	124460000.00
Less: Preliminary Expenses during the year	(281200.00)
Reserves & Surplus as on 31.03.2011	126225900.00

Details of Allottees

1. Below are the details of allottees for allotment done on 31st March, 2010:

Sr.	**Name of allottees**	**Number of shares allotted**

No.		
1.	Fairdeal Vintrade Private Limited	17,800
2	Fleeting Vanijya Private Limited	23,500
3	Satvichar Dealers Private Limited	14,190
4	Swagatam Tradevin Private Limited	6,700
5	Trilochan Sales Private Limited	5,000
	Total	**67,190**

2. Below are the details of allottees for allotment done on 15th March, 2011:

Sr. No.	Name of allottees	Number of shares allotted
1.	Samir Manna	2,00,000
2	Amit Sharma	2,00,000
3	Patron Agencies Private Limited	11,80,000
4	Diagram Suppliers Private Limited	15,07,600
	Total	**30,87,600**

3. Below are the details of allottees for allotment done on 31st March, 2011:

Sr. No.	Name of allottees	Number of shares allotted
1.	Ambo Agro Private Limited	8,400
2	Appear Commodeal Private Limited	10,200
3	City Hospitalities ndia Ltd	10,000
4	East Coast Export Import Private Limited	8,000
5	Ford Dealcomm Private Limited	18,800
6	Hahnemann Cure Laboratory Private Limited	36,000
7	Heaven Sales Private Limited	11,000
8	Nirdesh Tradings Private Limited	10,000
9	Nivedan Realtors Private Limited	25,000
10	Overall Vincom Private Limited	7,600
11	Riteshwari Trading &Investment Private Limited	16,600
12	Sri Karani Export Private Limited	14,000
13	Stepan Commotrade Private Limited	45,600
14	Swagatam Tradevin Ltd	10,000
15	Vital Vintrade Private Limited	22,800
	Total	**2,54,000**

4.12 BSPL is not a sick company.

4.13 The Acquirer does not hold any Equity Shares in the Target Company as of the date of the Public Announcement and further the Acquirer has not acquired any Equity Shares of the Target Company during the twelve (12) months period preceding the date of the Public Announcement and also after the date of Public Announcement to till date.

4.14 There are no PACs with the Bholebaba Suppliers Private Limited (BSPL) except Mr. Samir Manna; the Director of the Acquirer Company is also the Director of M/s. Swagatam Tradevin Limited. However, Samir Manna is not holding shares in M/s. Swagatam Tradevin Limited as on date. Therefore, M/s. Swagatam Tradevin Limited is not forming part of PAC group.

4.15 **Significant Accounting Policies adopted by the Acquirer:**

A. Basis of preparation of financial statements

The financial statements are prepared under historical cost convention, in accordance with Indian Generally Accepted Accounting Principles ("GAAP") comprising the mandatory accounting standards issued by Institute of Chartered Accountants of India and the relevant provisions of the Companies Act, 1956, on the accrual basis, as adopted consistently by the company. For recognition of income and expenses, accrual basis of accounting is followed.

B. Revenue Recognition

Revenue is recognized when there is reasonable certainty of its ultimate realization / collection.

C. Miscellaneous Expenditure

Preliminary Expenses is amortized over a period of 5 years.

D. Contingent Liabilities

Contingent liabilities are not provided for in the accounts and are shown separately in notes on accounts.

E. Taxes on income

Current tax is determined as the amount of tax payable in respect of taxable income for the year.

4.16 **Other details about acquirer**

4.16.1 As per Regulation 28 of SEBI (SAST) Regulations, Acquirer has deposited the securities with appropriate margin in the escrow demat account opened with the Comfort Securities Limited namely Comfort Securities Limited-BSPL takeover Escrow account bearing no. 1205370000020061 and further the company also deposited *Rs*. 25,00,000/- (Rupees Twenty Five Lacs Only) more than 1% of the amount required for the Open Offer in an escrow account opened bearing no. 00600350100272 with the Escrow Agent, i.e. HDFC Bank Ltd, having address at 2nd floor, Maneckji Wadia Building, Nanik Motwani Marg, Fort, Mumbai 400 001.

4.16.2 The Acquirer has adequate resources to meet the financial requirements of the Open Offer. No funds are being borrowed from any bank or financial institution for the purpose of this Open Offer by the Acquirer. As per certificate dated 13th October 2011 from M/s. Manabedra Bhattacharyya & Co., Chartered Accountants. (Firm Regn No: - 302030E Proprietor: Mr. Amit Bhattacharjee Membership No. 050714), having office at 4, Kiran Sankar Ray Road, Ground floor, Kolkata - 700001, Mobile no. 9883270932 Email Id : bhattacharyya_manabendra@yahoo.com the Net Worth of BSPL as on 30th September 2011 is Rs. 16,04,06,746.37/- (Rupees Sixteen Crore Four Lacs Six Thousand Seven Hundred Forty Six and Thirty Seven Paise only).

The composition of Net Worth as on 30th September, 2011 is as follows:

Paid Up Equity Capital	:	Rs. 3,41,87,900.00
Add: Reserves & Surplus	:	Rs. 12,62,25,900.00
Less: Miscellaneous Exp not w/off	:	Rs. 7,053.63
Net Worth	:	**Rs. 16,04,06,746.37**

4.16.3 The Acquirer is not taking over control and as such does not have any future plans with respect to the Target Company. The Acquirer has no plans to dispose off or encumber any Assets of the Target Company.

4.16.4 Preliminary Expenses as on date of Public Announcement:

An Amount of Rs. 2,81,200 was written off as Preliminary expenses from the Reserves and Surplus account on 31.03.2011. The preliminary expenses had occurred as the Company had increased its Authorized Share Capital from Rs. 8,00,000/- to Rs. 3,50,00,000/- i.e. the Company had increased its Authorized Share Capital by Rs. 3,42,00,000/- at the time of Bonus Issue.

Calculation of Preliminary Expenses as on date of Public Announcement :

Preliminary Expenses at the time of Incorporation i.e. in 2009	Rs. 27,750
Preliminary Expenses w/off during 2009-10	(-) Rs. 5,550
Preliminary Expenses as on 31.03.2010	**Rs. 22,200**
Preliminary Expenses incurred for increasing the Authorized Share Capital at the time of Bonus Issue on 15/03/2011 (Filing of Form 5)	(+) Rs. 2,59,000
Total Preliminary Expenses w/off	**Rs. 2,81,200**

5. DISCLOSURE UNDER REGULATION 21(2)

Pursuant to this offer, the Offer will not result in public shareholding being reduced to less than a level below the limit (i.e. 25%) specified in the Listing Agreement with the Stock Exchange for the purpose of listing on continuous basis.

6. BACKGROUND OF THE TARGET COMPANY

6.1 VIL was originally incorporated as Varun Management Services Private Limited on 2nd December, 1991 under the Companies Act, 1956 vide Certificate of Incorporation issued by the Registrar of Companies, Ahmedabad, Gujarat. Subsequently, The name of the Company was changed from Varun Management Services Private Limited to VMS Industries Private Limited on 12th March, 2007 and a fresh Certificate of Incorporation was obtained from the Registrar of Companies, Ahmedabad, Gujarat on 22nd May, 2007. Subsequently the Company became a public limited company and the name was changed to VMS Industries Limited on 31st December, 2009 and a fresh certificate of incorporation was obtained from ROC on 29th January, 2010.

6.2 The Registered and Corporate office of VIL is situated at 808/Pinnacle Business Park, Corporate Road, Prahlad Nagar, Ahmedabad, Gujarat- 380015. Telephone No.: +91-278-2432371, Fax No. +91-278-2428352, Email: info@vmsil.com, Web:

www.vmsil.com and Works /Unit are at Plot No. 160-M, Alang-Sosita Ship Breaking Yard, Sosiya Village, Talaja Taluka, Bhavnagar Dist, Gujarat, India.

6.3 VIL's present business mainly consists of three business segments:
1. Ship Recycling Activities
2. Off-shore Division having one Tug
3. Partner in eternal Automobiles (Dealer of Honda Vehicles)

6.4 The authorized share capital of VIL as on the date of PA is Rs. 20,00,00,000/- (Rupees Twenty Crores only), comprising of 2,00,00,000 Equity shares bearing a face value of Rs 10/- (Rupees ten only) each. The issued, subscribed and Paid up equity share capital of VIL as on the date of PA is Rs. 16,47,33,910/- (Rupees Sixteen Crore Forty Seven Lacs Thirty Three Thousand Nine Hundred and Ten Only) comprising of 1,64,73,391 equity shares bearing a face value of Rs 10/- (Rupees Ten) each.

Paid-up Equity Shares of Target Company	**No. of Shares / Voting Rights**	**% of Share / Voting Rights**
Fully Paid-up Equity Shares	1,64,73,391	100.00
Partly Paid-up Equity Shares	NIL	NIL
Total Equity Shares	1,64,73,391	100.00
Total Voting Rights in Target Company	1,64,73,391	**100.00**

6.5 The capital structure as on the date of public announcement of the Company since inceptions are as under:

Date of allotment	**No of shares issued**	**% of shares issued**	**Cumulative paid up capital in Rs.**	**Mode of allotment**	**Identity of allottees (promoters/ ex-promoters/ others)**	**Status of compliance**
05/12/1991	20	0.00	200	Cash	Subscriber to the Memorandum	NA
10/11/1994	135700	0.82	1357200	Cash	Further Allotment to Promoters, Promoter Group and Non-Promoters	
24/12/1994	19140	0.12	1548600	Cash	Further allotment to Promoters, Promoter Group	
04/10/1995	30972	0.19	1858320	Bonus Issue	Bonus Issue in the ratio of 1:5	
31/05/2004	2500000	15.17	26858320	Cash	Further allotment to Non-Promoters	
07/06/2004	275000	1.67	29608320	Cash	Further allotment to Non-Promoters	
14/12/2004	28750	0.17	29895820	Cash	Further allotment to Non-Promoters	
28/03/2007	1673000	10.15	46625820	Cash	Further allotment to Non-Promoters	
26/12/2009	4662582	28.30	93251640	Bonus Issue	Bonus Issue in the ratio of 1:1	
30.12.2009	355000	2.15	96801640	Cash	Further allotment to Non-Promoters	
20/01/2010	355000	2.15	100351640	Bonus Issue	Bonus Issue in the ratio of 1:1	
10/06/2011	6438227	39.08	164733910	Cash	Public issue	

6.6 The Equity Shares of the VIL are listed only on BSE and are not suspended for trading by BSE.

6.7 **There are no outstanding convertible instruments / warrants.**

6.8 We had sent a letter dated _19th January, 2013 to the Promoters of the Target Company about compliances of Regulation 30 of SEBI (SAST) Regulations, 2011. However, till date we have not received the information from the Promoters of the Target Company. VMS Industries Limited has submitted a disclosure stating the acquisition of 10,00,000 Equity Shares (6.07%) of VMS Industries Limited by Mr. Man Mohan Damani on 25th July 2011 and the company has complied with Regulation 7(3) on 25th July 2011.
(Source: www.bseindia.com & ***www.vmsil.com***)

6.9 As on the date of VIL has complied with requirements of the Listing Agreement and no penal action is initiated by the BSE, where its Shares are listed.

6.10 The composition of the board of directors of VIL is as follows:

Sr. No.	Name of Director	Designation	Residential Address	Date of Appointment	Qualification	DIN No.	Experience in years and field
1	Mr. Ajit Kumar Jain	Director	Falt No.3, Sangat Apartment, Plot No.2231/A, Waghawadi Road, Bhavnagar, 364002, Gujarat.	01/10/1997	B.A	00114766	51 years of Experience in various segments of the ship related activities, Automobiles and Transport
2	Mrs. Sangeeta M Jain	Whole Time Director	103 Swapnil Flats, Phulwadi Chowk, Bhavnagar, 364002, Gujarat.	02/12/1991	M.A.	00125273	Having around 20 years of experience in the areas of administration and marketing
3	Mr. Manoj Kumar Jain	Managing Director	Plot No.2203, Hill Drive, Fulwadi Chowk, Swapnil Flats, Block No.103, Bhavnagar, 364002, Gujarat.	01/04/2008	C.A	02190018	having over 11 years of experience in various fields such as finance, taxation consultancy and ship recycling and off shore Industrial and other business activities.
4	Mr. Bakul K Mehta	Director	G/3, Samyak Flat, Diamond Chowk, Bhavnagar - 364001 Gujarat.	30/12/2009	B.Com	02902485	over 26 years of experience in the field of Marketing.
5	Mr. Pranav Kumar V Parikh	Director	Virnagar, Naranpura, Ahmedabad, 380013, Gujarat.	30/12/2009	B.E (Civil), M.I.E	02906210	He is having around 22 years of experience in the field of Consultancy and Civil Engineering
6	Mr. Hitesh Loonia	Director	AF/22, Rushika Apartment, Opp. Sujata Flats, shahibaug, Ahmedabad - 380004	30/12/2009	C.A, ICWAI and CS	02906216	He is a having around 2 year of experience in the areas of Finance, Taxation, Accounts and Auditing

(Source: www.mca.gov.in)

6.11 The Shareholding pattern of the VIL, as on the date of the Public Announcement is as follows:

SHAREHOLDER CATEGORY	NUMBER OF EQUITY SHARES OF THE TARGET COMPANY	PERCENTAGE OF EQUITY SHARE CAPITAL
Promoter	9,325,164	56.61
Public	7,148,227	43.39
Total	**1,64,73,391**	**100.00**

6.12 As on the date there has been no merger / de-merger, spin-off during the past three years in VIL.
(Source: www.bseindia.com & ***www.vmsil.com***)

6.13 As on the date of Public Announcement there are no pending litigations against VIL.

6.14 Audited financial information of VIL for the financial year ended on March 31, 2010, 2011, 2012 and Unaudited Financials for half year ended 30.09.2012 is given below:

(Amount in lacs)

Profit & Loss Statement	Year Ended 31.03.2010 (Audited)	Year Ended 31.03.2011 (Audited)	Year Ended 31.03.2012 (Audited)	Half year ended 30.09.2012 (Unaudited)

Income from Operations	2911.94	7624.94	11638.55	6766.71
Increase / (Decrease) in stock in trade	695.15	3027.16	---	---
Other Income	2.05	12.60	363.79	1.00
Total Income	3609.15	10664.70	12002.34	6767.71
Total Expenditure (excluding depreciation and interest)	3125.57	10333.56	11674.81	6650.41
Profit (Loss) before Depreciation, Interest and Tax	483.58	331.14	327.53	117.30
Depreciation	45.19	37.66	79.89	58.92
Interest	92.11	109.35	85.35	35.54
Profit before Tax	346.29	184.13	162.29	22.84
Provision for Tax	84.56	18.48	26.00	(0.09)
Prior Period Items	--	(1.53)	--	-
Deferred Tax			33.69	-
Profit after Tax	261.73	167.18	102.60	22.93

Balance Sheet Statement	**Year Ended 31.03.2010 (Audited)**	**Year Ended 31.03.2011 (Audited)**	**Year Ended 31.03.2012 (Audited)**	**Half year ended 30.09.2012 (Unaudited)**
Sources of Funds				
Paid up Share Capital	1003.52	1003.52	1647.34	1647.34
Reserves & Surplus	1045.47	1212.66	3231.18	3246.35
Secured Loan	1550.35	4753.76	119.96	
Unsecured Loan	66.07	20.31	168.38	
Total Loans	**1616.42**	**4774.07**	**288.34**	**3930.03**
Deferred Tax Liability	2.26	0.32	34.02	8.49
TOTAL	**3667.67**	**6990.57**	**5200.88**	**8832.22**
Uses of Funds				
Net Fixed Assets	667.48	741.11	1567.57	1043.25
Investments	40.12	0.24	233.27	362.20
Net Current Assets	2950.94	6226.51	3260.19	7293.60
Misc. Expenditure	9.12	22.71	139.85	133.17
TOTAL	**3667.67**	**6990.57**	**5200.88**	**8832.22**

Other Financial Data	**Year Ended 31.03.2010 (Audited)**	**Year Ended 31.03.2011 (Audited)**	**Year Ended 31.03.2012 (Audited)**	**Half year ended 30.09.2012 (Unaudited)**
Net Worth (Rs.)	2039.87	2193.47	4738.67	4760.52
Dividend (%)	--	---	---	--
Earning Per Share (Rs.)	2.61	1.67	0.62	0.14
Return on Networth (%)	12.83%	7.62%	2.165	0.48
Book Value Per Share	20.33	21.86	28.77	28.90

(Source: www.bseindia.com and www.vmsil.com)

Reason for fall/rise in total income and profit after tax are as follows:

31st March 2011 as compared to the year 31st March 2010:

Income from Operations / Other Income : The Total income from operations of Ship-Recycling and Off-Shore operations for the year ended on March 31, 2011 amounted to Rs. 7275.95 lacs and Rs. 216.49 lacs respectively in comparison to Rs. 2511.29 Lacs from Ship-Recycling and Rs. 285.07 lacs from Off-Shore operations respectively for the year ended March 31, 2010. The growth in the Total Income was due to increase in volume of ship recycling activities.

The interest income in F.Y. 2010-11 was Rs. 130.98 lacs while the same was Rs. 47.62 Lacs in F.Y 2009-10. This increase resulted into a growth of 175.05% as compared to previous year which is due to higher interest bearing advances and on fixed deposit receipt. The income from share of profit from Partnership firm in F.Y 2010-11 was Rs. 1.50 lacs against Rs. 5.12 lacs in previous year ended 31st March 2010.

Other Income amounted to Rs. 12.60 Lacs for the financial year ended 31st March 2011 as comparison to Rs. 2.05 lacs for the previous year ended 31st March 2010. The increase in other income was due to Foreign Exchange Fluctuation.

Profit After Tax decreased from Rs. 167.18 Lacs for the year ended on 31.03.2011 as against to Rs. 261.15 Lacs for the year ended on 31.03.2010 registering an decrease of 35.98% due to heavy fluctuation in the rates of old ships purchased for breaking, dollar rupee rates and also sales price of Iron and Steel products of the Company.

31st March 2010 as compared to the year 31st March 2009:

The total income from operations of Ship-Recycling and Off-Shore operations for the year ended on March 31, 2010 amounted to Rs. 2574.13 Lacs and Rs. 285.07 Lacs respectively in comparison to Rs. Nil from Ship Recycling and Rs. 131.38 Lacs from Off-Shore operations respectively for the year ended March 31, 2009. The growth in Off-Shore operations resulted increase of 116.98% for the year ended as on 31.03.2010 in comparison to previous year ended as on 31.03.2009. The increase in revenue in Off-Shore operations in the financial year 2009-10 is due full year's operations while operations of off shore division in the previous financial year i.e 2008-09 was only for 6 months period. The ship recycling activities was started in July 2009 and therefore operations of ship recycling activities was Nil in Financial year 2008-09 in comparison to turnover of Rs. 2574.13 lacs in financial year 2009-10.

The interest income in F.Y 2009-10 was Rs. 47.62 Lacs while the same was Rs. 4.95 Lacs in F.Y 2008-09. This increase resulted into a growth of 862.02% as compared to previous year which is due to higher interest bearing advances. The income from share of partnership firm in F.Y 2008-09 was Rs. 2.37 lacs which has increased to Rs. 5.12 lacs in F Y 2009-10 and the same resulted into a growth of 116.03%. This increase is due to better working achieved by partnership firm M/s. Eternal Automobiles where the company is partner

Other income amounted to Rs. 2.05 lacs for the financial year ended 31st March 2010 as comparison to Rs. 2.52 lacs for the previous year ended 31st March 2009.

Profit after tax increased from Rs. 260.72 lacs for the year ended on 31.03.2010 as against to rs. 72.44 lacs for the year ended on 31.03.2009 registering an increase of 259.91% due to performance. The increase in profit in F.Y 2009-10 in comparison to F.Y 2008-09 is due to higher revenue from business activities and this resulted in higher profits in F.Y 2009-10 in comparison to F.Y 2008-09

31st March 2009 as compared to the year 31st March 2008:

The total income from Off-shore operations for the year ended on March 31, 2009 amounted to Rs. 131.38 Lacs in comparison to Rs. Nil for the year ended March 31, 2008. The increase in revenue in F.Y 2008-09 is due to start of off shore activities which was not in existence in F Y 2007-08.

Interest income which forms a part of income from operations in F Y 2008-09 was Rs. 4.95 lacs while the same was Rs. 0.24 lacs in F Y 2007-08. This resulted into a growth of 1962.50% which is due to higher interest receipt as compared to the previous year. The income from share of partnership firm in F.Y 2008-09 was Rs. 2.37 lacs which was Rs. 5.50 Lacs in the F.Y 2007-08 and the same resulted into a decrease of 56.91%. The reason for decrease in the share of profit from partnership firm was due to higher interest paid in the F.Y 2008-09 as compared to previous year. Income from Management Services and Consultancy for the F.Y 2008-09 was Rs. 4.97 lacs as compared to 5.18 lacs in F.Y 2007-08 which resulted into a decrease of 4.05%. The marginal downward resulted due to diversification in other activities by the Company.

The other income in F.Y 2008-09 comprises of Misc. Income and Profit from sale of Investment which totals to Rs. 2.52 Lacs as compared to Rs. 2.87 Lacs for in F.Y 2007-08 which resulted into a decrease of 12.19% as compared to previous year. The said decrease was due to higher profit from sale of investment in the F.Y 2007-08 as compared to the F.Y 2008-09.

Profit after tax increased from Rs. 72.44 lacs for the year ended on 31.03.2009 as against to Rs. 3.44 lacs for the year ended on 31.03.2008 registering a increase of 2005.81% due to performance in offshore activities.

6.15 Pre- and Post-Offer shareholding pattern of the VIL is as per the following table:

Sr. No.	Shareholder category	Shareholding & voting rights prior to the acquisition and offer (A)		Shares/voting rights acquired which triggered off the Regulations (B)		Shares/Voting rights to be acquired in the open offer (assuming full acceptance) (C)		Shareholding/voting rights after the acquisition and Offer i.e. (A+B+C)	
		No.	%	No.	%	No.	%	No.	%
1.	**Promoter Group**								
	Promoters	93,25,164	56.61	Nil	Nil			1,21,90,309	74.00
2.	Public	71,48,227	43.39	Nil	Nil	(42,83,082)	(26.00)		
3.	FIs / MFs / FIIs / Banks	Nil	Nil	Nil	Nil				
4.	**Acquirer**								
	Bholebaba Suppliers Private Limited	Nil	Nil	Nil	Nil	42,83,082	26.00	42,83,082	26.00
	Total	**1,64,73,391**	**100.00**	---	---	**Nil**	**Nil**	**1,64,73,391**	**100.00**

6.16 The number of Shareholders in VIL in public category is 894 as on date of 30.09.2012 as per the BSE website including 7 NRI Shareholders.

6.17 The Company is not a sick company.

6.18 The Company was listed on BSE on 14th June 2011 and there is no change in shareholding of Promoters group from the date of listing to till the date of PA.

6.19 Status of corporate governance compliances by VIL: -

As per the Annual Report for the financial year 2010-11, the Target Company has complied with the norms of the SEBI Guidelines on Corporate Governance as enumerated in Clause 49 of the Listing agreements with stock exchanges.

The Company has filed the latest Corporate Governance report with the Stock Exchange as on 30th September 2011, the details are as follows:

Name of the Company: VMS Industries Limited
Quarter ending on : September 30, 2011

Particulars	Clause of Listing Agreement	Compliance Status Yes/No	Remarks
I Board of Directors	49 I	Yes	---
(A) Composition of Board	49(IA)	Yes	---
(B) Non-executive Directors' compensation & disclosures	49 (IB)	Yes	There is no compensation paid to Non Executive Directors
(C) Other provisions as to Board and Committees	49 (IC)	Yes	---
D) Code of Conduct	49 (ID)	Yes	---
II. Audit Committee	49 (II)	Yes	---
(A)Qualified & Independent Audit Committee	49 (IIA)	Yes	---
(B)Meeting of Audit Committee	49 (IIB)	Yes	---
(C)Powers of Audit Committee 49 (IIC)	49 (IIC)	Yes	---
(D)Role of Audit Committee	49 II(D)	Yes	---
(E)Review of Information by Audit Committee	49 (IIE)	Yes	---
III. Subsidiary Companies	49 (III)	Yes	The Company has no subsidiary company
V. Disclosures	49 (IV)	Yes	---
(A)Basis of related party transactions	49 (IV A)	Yes	---
(B)Board Disclosures	49 (IV B)	Yes	---
(C)Proceeds from public issues, rights issues, preferential issues etc.	49 (IV C)	Yes	---
(D)Remuneration of Directors	49 (IV D)	Yes	---
(E)Management	49 (IV E)	Yes	---
(G)Shareholders	49 (IV F)	Yes	---
V. CEO/CFO Certification	49 (V)	Yes	---
VI. Report on Corporate Governance	49 (VI)	Yes	---
VII. Compliance	49 (VII)	Yes	---

6.20 Mr. Hemal Patel, is the compliance officer of the Company, his address is 808/Pinnacle Business Park, Corporate Road, Prahlad Nagar, Ahmedabad, Gujarat- 380015. Tel.No. +91-278-2432371 Fax No.: +91-278-2428352, Email-id: info@vmsil.com

7 OFFER PRICE AND FINANCIAL ARRANGEMENTS

7.1 Justification of Offer Price

7.1.1 The Equity Shares of VIL are presently listed only on the Bombay Stock Exchange Limited (BSE). Based on the information available (sources: www.bseindia.com), the Shares of the Target Company, within the meaning of Explanation (i) to Regulation 20(5) of SEBI (SAST) Regulations, are frequently traded on the BSE.

7.1.2 The annualised trading

Name of the stock exchange	Total no. of equity shares traded during the 6 calendar months prior to October 2011	Total no. of equity share listed	Annualised Trading turnover (in terms of % to total listed shares
BSE	60446131*	16473391	1240.00**
As per official website of BSE, **Mumbai (www.bseindia.com)**			

Note :The company has been listed with effect from 14th June 2011
** Total No. of Equity Shares listed as on date of PA i.e.19th October 2011.*

*** % of Annualised Trading Turnover is calculated on the listed equity share capital as on 19th October 2011 i.e.16473391 Equity Shares.*

7.1.3 The shares are frequently traded as per the data available with BSE within the meaning of Explanation (i) to Regulation 20(5) of the SEBI (SAST) Regulations as mentioned in Para 7.1.2 above.

7.1.4. Following are the average of the weekly high and low of the closing prices and Volume data for 19 Week period ended on 18th October 2011 i.e. the date preceding the date of P.A. (At BSE) (Source: www.bseindia.com)

No. of Weeks	Week Ending	High	Low	Average	Volume (No of Shares)
1	14-Jun-11	28.50	28.50	58.50	38524623
2	21-Jun-11	23.25	15.05	19.15	14866101
3	28-Jun-11	16.00	13.75	14.88	1894482
4	5-Jul-11	15.50	14.25	14.88	459461
5	12-Jul-11	15.05	14.40	14.73	312249
6	19-Jul-11	15.15	13.90	14.53	401100
7	26-Jul-11	14.40	13.90	14.15	116777
8	2-Aug-11	14.40	13.26	13.83	414979
9	9-Aug-11	13.69	11.66	12.68	129824
10	16-Aug-11	12.12	10.86	11.49	187901
11	23-Aug-11	12.03	10.40	11.22	171832
12	30-Aug-11	14.94	13.18	14.06	432385
13	6-Sep-11	16.64	15.18	15.91	125559
14	13-Sep-11	18.33	16.61	17.47	173661
15	20-Sep-11	20.63	17.21	18.92	612384
16	27-Sep-11	21.75	20.00	20.88	941306
17	4-Oct-11	24.55	22.47	23.51	804694
18	11-Oct-11	23.35	20.95	22.15	432302
19	18-Oct-11	22.95	20.75	21.85	1125817
		Total		**324.76**	
		19 weeks Average		**17.09**	

7.1.5 The daily high, low and average prices and volume data for last 2 weeks on BSE period ended on 18th October 2011 i.e. the date preceding the date of P.A. (At BSE) (Sources: www. bseindia.com)

Days	Day	Daily High	Daily Low	Average	Volume (No. of Shares)
1	5-Oct-11	25.45	23.35	24.40	57540
2	7-Oct-11	23.40	22.20	22.70	59631
3	10-Oct-11	22.10	21.60	21.80	69880
4	11-Oct-11	21.00	20.55	20.78	245251
5	12-Oct-11	21.95	20.75	21.35	419528
6	13-Oct-11	21.25	20.65	20.95	359616
7	14-Oct-11	21.40	20.20	20.80	313547
8	17-Oct-11	21.90	21.05	21.48	10910
9	18-Oct-11	22.95	21.40	22.18	22216
				196.44	
2 Weeks Average				**21.83**	

7.1.6 The Offer Price of Rs. 23/- is justified in terms of Regulation 20(4) of the SEBI (SAST) Regulations and the same has been determined after considering the following facts:

(a) the annualised trading turnover of the Target Company is more than 5% (by number of equity shares) of the total number of listed equity shares (*Source*: www.bseindia.com). Accordingly, the equity shares of the Target Company are deemed to be frequently traded on the BSE.

(b) In accordance with Regulation 20 (4) of the SEBI (SAST) Regulations, 1997, the offer Price of Rs. 23/- (Rupees Twenty Three Only) per fully paid up equity share is justified in view of the following parameters:

a.	**Negotiated price under the Agreement.**	N.A
b.	Highest price paid by the Acquirer for acquisitions, if any, including by way of allotment in a public or rights or preferential issue, during the 26 weeks period prior to the date of the PA.	N.A
c.	The average of the weekly high and low of the closing prices of the equity Shares of VIL during 19 weeks period prior to the Public announcement. (On BSE where the shares are most frequently traded)	17.09*
d.	The average of the daily high and Low of the prices of the equity shares of VIL during the Two weeks prior to the Public Announcement (On BSE)	21.83

*The company has been listed with effect from 14th June 2011

In view of the parameters considered and presented in table above, in the opinion of the Acquirer and Manager to the Offer, the Offer Price of Rs. 23.00/- (Rupee Twenty Three Only) per share being the highest of the prices mentioned above is justified in terms of Regulation 20(4) & 20(11) of the Regulations.

7.1.7 If the Acquirer acquire Shares of the Target Company after the date of this Public Announcement and upto 7 working days prior to the closure of the Offer at a price higher than the Offer Price, then the highest price paid for such acquisition shall be payable for all the valid acceptances received under the Offer.

7.1.8 There is no non-compete fees payable under the Agreement.

7.1.9 The Acquirer shall not acquire any shares in VIL during the Offer Period except in compliance with the Regulations and the details of such acqusitions shall be disclosed to the Stock Exchange and to the Manager within 24 hours thereof in terms of Regulation 22(17) of the Regulations.

7.2 Financial Arrangements

7.2.1 Assuming full acceptance, the total requirement of funds for the Offer would be Rs. 9,85,10,886/- (Rupees Nine Crores Eighty Five Lacs Ten Thousand Eight Hundred and Eighty Six Only). In compliance of Regulation 28 of SEBI (SAST) Regulations, the Acquirer has deposited the securities with appropriate margin in the escrow demat account opened with the Comfort Securities Limited namely Comfort Securities Limited-BSPL takeover Escrow account bearing no. 1205370000020061 and further the company also deposited *Rs.* 25,00,000/- (Rupees Twenty Five Lacs Only) more than 1% of the amount required for the Open Offer in an escrow account opened bearing no. 00600350100272 with the Escrow Agent, i.e.HDFC Bank Ltd, having address at 2nd floor, Maneckji Wadia Building, Nanik Motwani Marg, Fort, Mumbai 400 001.

Escrow account, which consists of deposit of securities in terms of regulation 28(4)(c), the details are as follows

Sr. No.	Name of Securities	Quantity	Face Value	Market Price	Market Price as on 18th January, 2013
1	Diamant Infrastructure Ltd.	52389	2	5.21	272,946.69
2	Gateway Distributor Ltd.	30400	1	-	-
3	PFL Infotech Ltd.	141500	10	40.85	5780275.00
4	Clarus Finance and Securities Limited	185197	10	41.60	**7704195.2**
5	Steel Exchange (India) Limited	514129	10	83.5	42929771.50
	Total				**56687188.39**

Note: The total requirement of fund for the open offer would be Rs. 9,85,10,886/- (Rupees Nine Crores Eighty Five Lacs Ten Thousand Eight Hundred and Eighty Six Only) and the acquirer has deposited the securities in the escrow demat account worth of Rs. 56687188.3 as on the date of Letter of Offer which is higher than the requirement as per SEBI (SAST) Regulations, 2011

The total requirement of funds for the Offer would be Rs. 9,85,10,886/- (Rupees Nine Crores Eighty Five Lacs Ten Thousand Eight Hundred and Eighty Six Only). The Acquirer company has a total net worth of Rs. 16,04,06,746.37/-. In compliance of Regulation 28 of SEBI (SAST) Regulations, the Acquirer has deposited the securities with appropriate margin in the escrow demat account opened with the Comfort Securities Limited namely Comfort Securities Limited-BSPL takeover Escrow account bearing no. 1205370000020061 and further the company also deposited *Rs*. 25,00,000/- (Rupees Twenty Five Lacs Only) more than 1% of the amount required for the Open Offer in an escrow account opened bearing no. 00600350100272 with the Escrow Agent, i.e. HDFC Bank Ltd, having address at 2nd floor, Maneckji Wadia Building, Nanik Motwani Marg, Fort, Mumbai 400 001

The acquirer company has adequate resources to meet the financial requirements of the Open Offer. The Acquirer has made firm arrangement for the resources required to complete the Open Offer in accordance with the SEBI (SAST) Regulations, 1997. No borrowing from any Bank/ Financial Institution is being specifically made for this purpose.

7.2.2 The Acquirer has adequate resources to meet the financial requirements of the Open Offer. The Acquirer has made firm arrangement for the resources required to complete the Open Offer in accordance with the SEBI (SAST) Regulations, 1997. No borrowing from any Bank/ Financial Institution is being specifically made for this purpose.

7.2.3 The Acquirer has duly empowered M/s Comfort Securities Limited, Manager to the Offer, to realise the value of the escrow account in terms of the SEBI (SAST) Regulations, 1997.

7.2.4 The Manager to the Offer, M/s Comfort Securities Limited, hereby confirms that firm arrangements for funds and money for payment through verifiable means are in place to fulfil the Offer obligation under the SEBI (SAST) Regulations.

7.2.5 Mr. Amit Bhattacharjee (Membership No. 050714), Partner of M/s Manabedra Bhattacharyya & Co., Chartered Accountants (Firm Regn. No- 302030E), being statutory auditor having their office at 4, Kiran Sankar Ray Road, Ground floor, Kolkata - 700001, Mobile no. 9883270932 Email Id : bhattacharyya_manabendra@yahoo.com has certified vide certificate dated October 13, 2011 that the net worth of Bholebaba Suppliers Private Limited as on 30th September 2011 is Rs. 16,04,06,746.37/- and Acquirer has sufficient means to fulfil the obligations under this open offer.

8 TERMS AND CONDITIONS OF THE OFFER

8.1 Persons eligible to participate in the Offer

8.1.1 Registered Shareholders of VIL and unregistered Shareholders of who own the Equity Shares of VIL any time prior to the date of Closure of the Offer.

8.1.2 32,95,000 equity shares i.e. 20% of VIL are under lock-in requirements as per SEBI guidelines. There shall be no discrimination in the acceptance of locked-in and non-locked in shares in the Offer. Hence acquirer would accept the lock in shares as well as non lock in shares. However the shares to be acquired under the offer must be free from all liens, charges and encumbrances and will be acquired together with all rights attached thereto

8.2 Statutory Approvals

8.2.1 NRI/OCB Shareholders who wish to tender their Shares in the Offer will be required to submit all the pervious RBI approvals (Specific and general) that they would have obtained for acquiring the Shares of Target Company. In case the previous RBI approvals are not being submitted, the Acquirer reserves the right to reject the Shares tendered in the Offer.

8.2.2 No approval from any bank or financial institutions is required for the purpose of this Offer, to the best of the knowledge of the Acquirer.

8.2.3 As on the date of Public Announcement, to the best knowledge of the Acquirer, no other statutory approvals are required to be obtained for the purpose of this Offer.

8.2.4 The Open Offer would be subject to all other statutory approvals that may become applicable at a later date before the completion of the Open Offer.

8.2.5 In case of delay in receipt of any statutory approval, Regulation 22(12) of SEBI (SAST) Regulations, will be adhered to, i.e. SEBI have power to grant extension of time to Acquirer for payment of consideration to

Shareholders subject to Acquirer agreeing to pay interest for delayed period as directed by SEBI. Further in case the delay occurs on account of wilful default by the Acquirer in obtaining the approvals, Regulation 22 (13) of SEBI (SAST) Regulations, will also become applicable.

8.2.6 The Acquirer shall complete all procedures relating to the Offer within a period of 15 days from the date of closing of the Offer.

8.3 Others

8.3.1 The Acquirer has appointed Purva Sharegistry (India) Private Limited as the Registrar to the Offer.

8.3.2 All eligible Equity Shareholders of fully paid Equity Shares of VIL, registered or unregistered who wish to avail and accept the Offer will be required to communicate their acceptance along with all relevant documents in the form and manner specified in the LOO/FOA at below mentioned collection centre on or before closure of the Offer i.e. Monday, February 18, 2013. The documents shall be tendered at below mentioned collection centre on all working days i.e. from Monday to Friday between 10.30 a.m. to 5.00 p.m. and on Saturday from 10.30 a.m. to 1.30 p.m. The centre will be closed on Sundays and Public holidays.

Address of Collection Centre	Name of the Contact Person, Tel. No., Fax No. and Email	Mode of Delivery
PURVA SHAREGISTRY (INDIA) PVT. LTD SEBI Registration No. INR000001112 9, Shiv Shakti Industrial Estate, J.R.Boricha Marg, Opp. Kasturba Hospital, Lower Parel (E), Mumbai - 400011	Mr. V B Shah Email: busicomp@vsnl.com Tel. No. 022 –23018261/23016761 Fax no.: 022 – 23012517 Website : www.purvashare.com	Hand Delivery / Registered Post

Shareholders are advised to ensure that the Form of Acceptance cum Acknowledgement and other documents are complete in all respects; otherwise the same are liable to be rejected. In the case of demat shares, the shareholders are advised to ensure that their shares are credited in favour of the Special Depository Account before the closure of the Offer. The Form of Acceptance cum Acknowledgement of such demat shares, not credited in favour of the special depository account before the closure of the Offer, will be rejected.

8.3.3 Shareholders should send all the relevant documents mentioned herein.
Documents to be delivered

i. For Equity shares held in physical form:

Registered Shareholders should enclose:

- Form of Acceptance cum Acknowledgement duly completed and signed in accordance with the instructions contained therein, by all shareholders whose names appear on the share certificates.
- Original Share Certificate(s).
- Valid Share Transfer form(s) duly signed as transferors by all registered shareholders (in case of joint holdings) in the same order and as per specimen signatures registered with VIL and duly witnessed at the appropriate place. A blank Share Transfer form is enclosed along with this LOO.
- Self attested copy of the PAN card.

Unregistered owners should enclose:

- Form of Acceptance cum Acknowledgement duly completed and signed in accordance with the instructions contained therein.
- Original Share Certificate(s).
- Original Broker Contract Note.
- Valid Share Transfer form(s) as received from the market.
- Self attested copy of the PAN card of all the proposed transferees.

The details of buyer should be left blank failing which the same will be invalid under the Offer. The details of buyer will be filled upon verification of the Form of Acceptance and the same being found valid. All other requirements for valid transfer will be preconditions for valid acceptance.

ii. For Equity shares held in demat form:

Beneficial owners should enclose:

- Form of Acceptance cum Acknowledgement duly completed and signed in accordance with the instructions contained therein, as per the records of the Depository Participant (DP).
- Photocopy of the delivery instruction in “Off-market” mode or counterfoil of the delivery instruction in “Off-market” mode, duly acknowledged by the DP.
- For each Delivery Instruction, the beneficial owner should submit separate Form of Acceptance.

- The Beneficial Owners who hold shares in demat form are required to execute a trade by tendering the Delivery Instruction for debiting their Beneficiary Account with the concerned DP and crediting the Special Depository Account. The credit in the Special Depository Account should be received on or before 5.00 pm as on the date of closure of the Offer, i.e., 18th February, 2013.
- The Delivery Instructions to be given to the DP should be in "Off-Market" mode only. A special depository account has been opened, details thereof are as under:

Account Name	**"PSIPL ESCROW A/C VMS IND- OPEN OFFER"**
Depository	Central Depository Services India Limited (CDSL),
DP Name	BCB Brokerage Private Limited
DP ID Number	12010400
Client ID Number	00035682
Mode	Off Market

Shareholders having their beneficiary account with National Securities Depository Limited (NSDL), have to use inter-depository delivery instruction slip for the purpose of crediting their Equity Shares in favour of the above mentioned Special Depository Account with CDSL. In case of non-receipt of the aforesaid documents, but receipt of the shares in the Special Depository Escrow Account, the Acquirer may deem the Offer to have been accepted by the shareholder.

Applicants may send their documents only by Registered Post, at their own risk, if not hand delivered at the designated collection centre, to the Registrar at the addresses as mentioned here-in-above during business hours indicated above other than on holidays. Please note that the Share Certificates/Delivery Instruction Slip and other documents in relation to the acceptance of the Offer should not be sent to the Acquirer or the Target Company. Such documents should not be sent to the Manager to the Offer.

8.3.4 In case of non-receipt of the Letter of Offer, Shareholders may obtain a copy of the same by writing to the Registrar to the Offer at either of the collection centres mentioned at 8.3.2 marking the envelope "PSIPL ESCROW A/C VMS IND-OPEN OFFER". Alternatively, eligible Shareholders may send their acceptance to the Registrar to the Offer, on a plain paper stating their name, address, folio nos., distinctive nos. no. of Shares held, No. of Shares tendered, along with documents as mentioned at para 8.3.3 so as to reach the Registrar to the Offer on or before 5.00 p.m on the Closure of the Offer i.e. Monday, 18th February, 2013 or in case of beneficial owners they may send their application in writing to the Registrar to the Offer, on a plain paper stating acceptance of the Offer with Name; Address; Number of Shares held; Number of shares offered; DP name; DP ID; Beneficiary Account Number and a photocopy of the delivery instruction in "Off-market" mode or counterfoil of the delivery instruction in "Off-market" mode, duly acknowledged by the DP, in favour of the Special Depository Account, or the eligible persons can write to the Manager to the Offer requesting for the LOO and Form of Acceptance cum Acknowledgement and fill up the same in accordance with the instructions given therein, so as to reach the Registrar to the Offer, on or before the close of the Offer, i.e., not later than 18th February 2013**.** Unregistered owners should not sign the transfer deed and the transfer deed should be valid for transfer. Alternatively, the LoO and Form of Acceptance cum Acknowledgement will be available on SEBI's website (www.sebi.gov.in), from the date of Opening of the Offer. The eligible persons can download the Form of Acceptance cum Acknowledgement from the SEBI's website and apply using the same.

8.3.5 If the aggregate of the valid responses to the Offer exceeds 42,83,082 fully paid up Equity Shares, then the Acquirer shall accept the valid applications received on a proportionate basis in accordance with Regulation 21(6) of the Regulations in such a way that acquisition from a shareholder shall not be less than the market lot or the entire holding, if it is less than the market lot. The marketable lot of VIL is 1 **(One) Equity Share**.

8.3.6 Shareholders who have sent their shares for dematerialization need to ensure that the process of getting shares dematerialized is completed well in time so that the credit in the Special Depository Account is received on or before the date of Closure of the Offer, i.e., not later than 18th February 2013 else the application would be rejected.

8.4 Non Resident Shareholders

8.4.1 Non-Resident Shareholders may tender their Shares in accordance with the Procedure mentioned at 8.3 (as applicable) above. In case the RBI approvals are not submitted, the Acquirer reserves the right to reject such equity shares.

8.4.2 While tendering the shares under the Offer, NRIs / OCBs / foreign shareholders will be required to submit the previous RBI Approvals (specific or general) that they would have been required to submit to acquire the shares of the Target Company. In case the previous RBI approvals are not submitted, Acquirer reserves the right to reject such shares tendered.

8.4.3 While tendering shares under the Offer, NRIs / OCBs / foreign shareholders will be required to submit a Tax Clearance Certificate from the Income Tax authorities, indicating the amount of tax to be deducted by Acquirer under the Income Tax Act, 1961 (the "Income Tax Act"), before remitting the consideration. In case the aforesaid Tax Clearance certificate is not submitted, Acquirer will arrange to deduct tax at the rate as may be applicable to the category of the shareholder under the Income Tax Act, on the entire consideration amount payable to such shareholder.

8.4.4 The above documents should not be sent to the Acquirer or to VIL or to the Manager to the Offer. The same should be sent to the Registrar to the Offer only at the collection centres given above in 8.3.2.

8.5 The consideration received by the shareholders for Equity Shares accepted in the Offer will be subject to the capital gains tax / deduction of tax at source applicable as per the Income Tax Act, 1961. Further, the securities transaction tax will not be applicable on Equity Shares accepted in this Offer.

8.6 In case of delay in receipt of any statutory approval(s), SEBI has the power to grant an extension of time to Acquirer for payment of consideration to shareholders of VIL, subject to Acquirer agreeing to pay interest for the delayed period as directed by SEBI in terms of Regulation 22(12) of the SEBI (SAST) Regulations. Further, if the delay occurs on account of the willful default or neglect or inaction or non-action by the Acquirer in obtaining the requisite approval(s), the amount held in the Escrow Account shall be subject to forfeiture and be dealt with in the manner provided in Regulation 28(12) of the SEBI (SAST) Regulations.

8.7 Payment of consideration for the applications accepted in the Offer shall be made within 15 days from the date of the closure of the offer. Credit for the consideration will be given to the shareholders whose Equity Shares have been accepted in the Open Offer by ECS, or crossed account payee cheques/pay orders/demand drafts, RTGS and NEFT.

8.8 Unaccepted share certificates, transfer deeds and other documents, if any, will be returned by registered post at the shareholders' sole risk to the sole/ first shareholder. Unaccepted shares held in dematerialised form will be credited back to the beneficial owners' DP account with the respective depository participant as per the details furnished by the beneficial owner in the Form of Acceptance. It will be the responsibility of the shareholders to ensure that the unaccepted shares are accepted by their respective depository participants when transferred by the Registrar to the Offer.

8.9 The Registrar to the Offer will hold in trust the shares/share certificates, shares lying in the credit of the Special Depository Account, Form of Acceptance cum Acknowledgment, if any, and the transfer form(s) on behalf of the shareholders of the Target Company who have accepted the Offer, till the cheques/drafts for the consideration and/ or the unaccepted shares/ share certificates are despatched/ returned.

8.10 Dispatches involving payment of a value in excess of Rs. 1,500/- will be made by registered post/speed post at the shareholder's sole risk. In the case shareholders residing in any of the centers specified by the SEBI and have opted an option to get payment consideration through electronic transfer of funds by using ECS (Electronic Clearing Service), Direct Credit, RTGS (Real Time Gross Settlement) or NEFT (National Electronic Funds Transfer), as is for the time being permitted by the Reserve Bank of India should provide all the necessary Bank details including MICR code or RTGS code or IFSC code in Form of Acceptance-cum-Acknowledgement and the payment intimation will be sent to the sole / first named shareholder of VIL whose equity shares are accepted by the Acquirer at his address registered with VIL. Rejected documents will be sent by registered post/speed post. All other despatches will be made by ordinary post at the shareholder's sole risk. All cheques / demand drafts will be crossed Account Payee and will be drawn in the name of the first holder, in case of joint holder(s). In case of unregistered owners of shares, payment will be made in the name of the person stated in the contract note. It will be desirable if the shareholders provide bank account details in the Form of Acceptance-cum-Acknowledgement for incorporation in the cheque / demand draft.

8.11 Procedure for Withdrawal of Application

b. In accordance with Regulation 22(5A) of the SEBI (SAST) Regulations, shareholders shall have the option to withdraw acceptances tendered up to three working days prior to the Date of Closure of Offer.

c. Shareholders who wish to withdraw their shares from the Offer will be required to send the FOW duly completed & signed along with the requisite documents.

d. In case of non receipt of FOW, the withdrawal can be exercised by making an application on plain paper along with following details.

- In case of physical shares: by stating Name, Address, Distinctive numbers, Folio number, Number of Equity Shares tendered and to be withdrawn.

- In case of dematerialized Equity Shares: by stating Name, Address, Number of shares tendered and to be withdrawn, DP Name, DP ID, Beneficiary account number, Counterfoil/ Photocopy of the delivery instruction in "Off Market" mode duly acknowledged by the DP in favour of the special depository account.

- In either case: a copy of the acknowledgment received from the Manager to the Offer upon tendering of the Equity Shares, so as to reach the Registrar to the Offer either by hand delivery or by registered post or Courier on or before Tuesday, 12th February 2013.

8.12 General

a. The Form of Acceptance and instructions contained therein are integral part of this LOO.

b. Neither the Acquirer nor the Manager nor the Registrar nor the Target Company will be responsible for any loss in transit or delay in receipt of the completed Form of VIL.

c. The Offer Price is denominated and payable in Indian Rupees only.

d. All the communication in connection with the Form of Acceptance should be addressed to the Registrar to the Offer as mentioned above, with full name of the sole/first applicant, folio number, number of equity shares tendered, date of lodgement of the Form of Acceptance and other relevant particulars.

e. If there is any upward revision in the Offer Price (Regulation 26) by the Acquirer till the last day of revision, viz., at any time upto seven working days prior to the date of closure of the Open Offer, the same would be informed by way of Public Announcement in the same newspapers where original Public Announcement had appeared. Such revised Offer would be payable for all the shares tendered anytime during the Offer.

f. "If there is competitive bid:

- The Public Offers under all the subsisting bids shall close on the same date.
- As the Offer Price cannot be revised during 7 working days prior to the closing date of the Offers/bids, it would, therefore, be in the interest of shareholders to wait till the commencement of that period to know the final Offer Price of each bid and tender their acceptance accordingly".

9 DOCUMENTS FOR INSPECTION

The following documents are regarded as material documents and are available for inspection at the office of the Manager to the Offer at Comfort Securities Limited A-301, Hetal Arch, Opp Natraj Market, S. V. Road, Malad (West), Mumbai – 400 064 from 10.30 a.m. to 1.00 p.m. on any working day, except Saturdays, Sundays and Holidays until the closure of the Offer.

9.1 Memorandum of Association and Articles of Association of VMS Industries Limited.

9.2 Memorandum of Association and Articles of Association of Bholebaba Suppliers Private Limited.

9.3 Copy of Board Resolution of M/s. Bholebaba Suppliers Private Limited authorising Mr. Arihant Jain to sign and execute any agreement, documents, papers including Escrow agreement with Bank, Escrow Agreement with Depository Participant and / or any other formalities regarding the Open offer and do all such acts, deeds & things as may be necessary for the direct or indirect work related to open offer.

9.4 Memorandum of Understanding between Lead managers i.e. Comfort Securities Limited. & Acquirer.

9.5 Undertaking from the Acquirer, stating full responsibility for all information contained in the P.A. and the Letter of Offer.

9.6 Annual Reports of VIL for years ended on March 31, 2010, 2011 and 2012

9.7 Annual Reports of BSPL for year ended on March 31, 2010, 2011 and 2012 and provisional balance sheet for the nine months ended 31st December, 2012.

9.8 M/s. Manabedra Bhattacharyya & Co., Chartered Accountants., certifying the Net worth of BSPL as on 30/09/2011.

9.9 Certificate from Statutory Auditors for financial data audited and Unaudited for the purpose of Open Offer of BSPL, the Acquirer Company.

9.10 Certificate from HDFC Bank having office at 2nd floor, Maneckji Wadia Building, Nanik Motwani Marg, Fort, Mumbai- 400001 confirming the amount kept in Escrow Account opened as per SEBI (SAST) Regulation.

9.11 Certificate from Comfort Securities Limited having office at A-301, Hetal Arch, S V Road, Malad (W), Mumbai – 400064 confirming the securities kept in demat escrow account opened as per SEBI (SAST) Regulation

9.12 Copy of agreement with the Depository Participant Purva Sharegistry (India) Private Limited for opening of special depository account for the purpose of offer with the Registrar to Issue.

9.13 Published copy of the PA, which appeared in the newspapers on Thursday, 20th October 2011 for acquisition of 42,83,082 Equity Shares which triggered the Open Offer.

9.14 Undertaking from the Acquirer that if they acquire any shares of the target company after the date of the Public Announcement till the closure of the Offer, they shall inform Stock Exchange and the Manager within 24 hours.

9.15 Undertaking from the Acquirer for unconditional payment of the consideration within 15 days of the closure to all Shareholders of the Target Company whose applications are accepted in the Open Offer.

9.16 Undertaking from the Acquirer with regard to merger/de-merger, spin-off during the past three years.

9.17 Undertaking from the Acquirer with regard to Directors Responsibility under Regulation 21(2)of SEBI (SAST) Regulations.

9.18 Observation letter no. CFD/DCR/TO/SD/1317/13 dated 11th January 2013 received on 15th January, 2013 on the draft Letter of Offer filed with the Securities and Exchange Board of India.

10 DECLARATION BY THE ACQUIRER

10.1 The Acquirer and its Directors accept full responsibility for the information contained in this Letter of Offer and also accept responsibility for the obligations of the Acquirer laid down in the SEBI (SAST) Regulations. All the information contained in this document is as on date of the Public Announcement, unless stated otherwise.

10.2 We have made all reasonable inquiries, accept responsibility for, and confirm that this Letter of Offer contains all information with regard to the Offer, which is material in the context of the issue, that the information contained in this Letter of Offer is true and correct in all material respects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this document as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

10.3 We hereby declare and confirm that all the relevant provisions of Companies Act, 1956 and all the provisions of SEBI (SAST) Regulations, 1997 have been complied with and no statements in the Offer document is contrary to the provisions of Companies Act, 1956 and SEBI (SAST) Regulations, 1997.

For and on behalf of Board of Directors of
Bholebaba Suppliers Private Limited

Place: Mumbai
Date:19.01.2013

Arihant Jain
Authorised Signatory

ENCLOSURES:

1. Form of Acceptance cum Acknowledgement
2. Form of Withdrawal cum Acknowledgement
3. Blank Share Transfer Deed(s) in the case of shares held in physical mode.

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

(Please send this Form with enclosures to **Purva Sharegistry (India) Private Limited**, Registrar to the Offer at their address given overleaf)

FORM OF ACCEPTANCE – CUM – ACKNOWLEDGEMENT

(All terms and expressions used herein shall have the same meaning as described thereto in the Letter of Offer)

OFFER OPENS ON : Tuesday, 29th January, 2013
OFFER CLOSES ON : Monday, 18th February, 2013

FOR OFFICE USE ONLY	
Acceptance Number:	
Number of Equity Shares offered:	
Number of Equity Shares accepted:	
Purchase Consideration (Rs.):	
Cheque/ Demand Draft/Pay Order No/ECS:	

PLEASE READ THE INSTRUCTIONS OVERLEAF BEFORE FILLING-IN THIS FORM OF ACCEPTANCE

From: -

Name:

Address:

Status: Resident/ Non Resident

Folio No.:	Sr. No:	No of Shares Held:
Tel. No:	Fax No:	E-Mail:

To,
M/s. Bholebaba Suppliers Private Limited
C/o. Purva Sharegistry (India) Private Limited
9, Shiv Shakti Industrial Estate,
J.R. Boricha Marg,
Opp. Kasturba Hospital,
Lower Parel (E),
Mumbai - 400011

Dear Sir,

Sub.: Cash Offer for purchase of 42,83,082 (Forty Two Lacs Eighty Three Thousand and Eighty Two Only) Equity Shares of VMS Industries Limited at a price of Rs. 23.00 (Rupees Twenty Three Only) per Share under SEBI (SAST) Regulations.

I/We refer to the Letter of Offer dated 19.01.2013 for acquiring the Equity Shares held by me/us in VIL.

I/We, the undersigned, have read the Letter of Offer, Public Announcement and Corrigendum to the Public Announcement and understood their contents including the terms and conditions and procedure as mentioned therein.

FOR SHARES HELD IN PHYSICAL FORM

I/We, hold the following shares in physical form and accept the Offer and enclose the original Share certificate (s) and duly signed share transfer deed (s) in respect of my/our Shares as detailed below:

Sr. No.	Certificate No.	Distinctive No(s)		No. of Equity Shares
		From	To	
Total Number of Equity Shares				

(Please attach authenticates additional sheets, if required)

I/We confirm that the equity shares of VIL 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 the valid share transfer deed(s) 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.

SHARES HELD IN DEMATERIALIZED FORM

I/We hold the following shares in Demat Form and accept the Offer and enclose a photocopy of the Depository Delivery Instruction(s) in ***"Off-market"*** mode duly acknowledged by my/our Depository Participant ("DP") in respect of my/our equity shares as detailed below:

DP NAME	DP I.D.	CLIENT ID.	NAME OF THE BENEFICIARY	NO OF SHARES OFFERED

I/We have done an off market transaction for crediting the equity Shares to the special depository account in CDSL styled **"PSIPL Escrow A/C VMS IND-Open Offer"** ("Depository Escrow Account") details are as under:

Depository	Central Depository Services (India) Limited
DP Name	BCB Brokerage Private Limited
DP Number	12010400
Client ID Number	00035682

Shareholders having their beneficiary account in National Securities Depository Limited ("NSDL") have to use **inter-depository** delivery instruction slip for the purpose of crediting their equity shares in favour of the special depository account with Central Depository Services (India) Limited (CDSL).

I / We confirm that the equity shares of VIL which is being tendered herewith by me / us under the Offer are free from liens, charges and encumbrances of any kind whatsoever.

I / We authorize the Acquirer to accept the equity shares so offered or such lesser number of equity shares that the Acquirer may decide to accept in consultation with the Manager to the Offer and in terms of the said Letter of Offer and I / we further authorise the Acquirer to apply and obtain on our behalf split of share certificate(s) as may be deemed necessary by them for the said purpose. I further authorize the Acquirer to return to me / us, equity share certificate(s) in respect of which the Offer is not found / not accepted, specifying the reason thereof.

My / Our execution of this Form of Acceptance shall constitute my / our warranty that the equity shares comprised in this application are owned by me / us and are transferred by me / us free from all liens, charges, claims of third parties and encumbrances. If any claim is made by any third party in respect of the said equity shares, I / we will hold the Acquirer, harmless and indemnified against any loss they or either of them may suffer in the event of the Acquirer acquiring these equity shares. I / We agree that the Acquirer may pay the Offer Price only after due verification of the document(s) and signature(s) and on obtaining the necessary approvals as mentioned in the said Letter of Offer.

I / We also note and understand that the shares/ Original Share Certificate(s) and Transfer Deed(s) will be held by the Registrar to the Offer in trust for me / us till the date the Acquirer makes payment of consideration or the date by which Shares/ Original Share Certificate(s), Transfer Deed(s) and other documents are dispatched to the shareholders, as the case may be.

I/We note and understand that the Shares would lie in the Special Depository Account until the time the Acquirer make payment of purchase consideration as mentioned in the Letter of Offer.

I/We undertake to execute such further document(s) and give such further assurance(s) as may be required or expedient to give effect to my / our agreeing to sell the said equity shares.

I / We irrevocably authorise the Acquirer to send by Registered Post at my / our risk, the Cheque(s) / Demand Draft(s) / Pay Order(s) in settlement of consideration payable and excess share certificate(s), if any, to the Sole / First holder at the address given hereunder and if full address is not given below the same will be forwarded at the address registered with VIL/D P:

Name and complete address of the Sole/ First holder (in case of member(s), address as registered with VIL:

Name

Address

Place: ———————— Date: ————————— Tel. No(s). : ———————— Fax No.: ——————

So as to avoid fraudulent encashment in transit, the shareholder(s) are requested to kindly provide the following bank details of the first/sole shareholder and the consideration will be payable by way of ECS Mode/ cheque or demand draft will be drawn accordingly. In case of shareholders holding Shares in electronic mode, bank particulars noted with the Depository Participant (DP) and forming part of the beneficial download will be incorporated in the cheque/demand draft. In case of any change in bank particulars recorded with the DP, new bank particulars duly attested by the DP should be furnished. In order to receive payment consideration through ECS mode, the shareholders are requested to compulsorily provide their following bank details:-

Bank Account No.: ---
Type of Account: ------------------------------- (Savings / Current / Other (please specify))
Name of the Bank: ---
Name of the Branch and Address: ---

MICR Code of Bank———--   IFSC Code of Bank--

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

Enclosure (Please tick**)**

- ❖ Power of Attorney, if any person apart from the shareholder, has signed the acceptance from or transfer deed(s)
- ❖ Duly attested Death certificate/succession certificate (in case of single shareholders) in case the original shareholders in expired
- ❖ RBI approval (for NRI/OCB/Foreign shareholders)
- ❖ Corporate Authorisation in case of companies along with Board resolutions and specimen signature of authorized signatory
- ❖ No objection certificate & Tax clearance certificate under Income Tax Act, 1961 (for NRI/OCB/Foreign shareholders)
- ❖ Other (please specify)

Yours faithfully,

Signed and Delivered:

PARTICULARS	FULL NAME (S) OF THE HOLDERS	SIGNATURE (S)
First/Sole Shareholder		
Joint Holder 1		
Joint Holder 2		

Note: In case of joint holdings, all the holders must sign. In case of body corporate, stamp of the company should be affixed and necessary Board Resolution should be attached.

INSTRUCTIONS

1. Please read the enclosed Letter of Offer carefully before filling-up this Form of Acceptance.
2. The Form of Acceptance should be filled-up in English only.
3. Signature(s) other than in English, Hindi, Marathi, and thumb impressions must be attested by a Notary Public under his Official Seal.

Mode of tendering the Equity Shares Pursuant to the Offer:

I. The acceptance of the Offer made by the Acquirer is entirely at the discretion of the equity shareholder of VIL.

II. Shareholders of VIL to whom this Offer is being made, are free to offer his / her / their shareholding in VIL for sale to the Acquirer, in whole or part, while tendering his / her / their equity shares in the Offer.

Business Hours: Monday to Friday: 1030 hours to 1700 hours
Saturday: 1030 to 1330 hours
Holidays: Sundays, Public Holidays and Bank Holidays

- - - - - - - - - - - - ---- - - - - - - - - - - - - - - - - - - Tear along this line - - - - - - - -- - - ---- - - -- - - - - - - -- - - - - - - -- - - -

For Future Correspondence, if any, should be addressed to Registrar to the Offer at the following address

M/s.Bholebaba Suppliers Private Limited
C/o. Purva Sharegistry (India) Private Limited
9, Shiv Shakti Industrial Estate, J.R.Boricha Marg,Opp. Kasturba Hospital,
Lower Parel (E),Mumbai - 400011
Tel. No. 022 –23018261/23016761
Fax no.: 022 – 23012517
Contact Person : Mr. V B Shah
Email: busicomp@vsnl.com
Website : www.purvashare.com

INSTRUCTIONS

1. In the case of demat shares, the shareholders are advised to ensure that their shares are credited in favour of the special depository account, on or before 5.00 p.m. as on date of closure of the Offer (i.e. 18th February**, 2013**). The Form of Acceptance cum Acknowledgement of such demat shares not credited in favour of the special depository account, before the closure of the Offer will be rejected.
2. Shareholders should enclose the following:-.

i. For Equity shares held in demat form: -

- Form of Acceptance cum Acknowledgement duly completed and signed in accordance with the instructions contained therein, as per the records of the Depository Participant (DP).
- Photocopy of the delivery instruction in "Off-market" mode or counterfoil of the delivery instruction in "Off-market" mode, duly acknowledged by the DP.
- For each Delivery Instruction, the beneficial owner should submit separate Form of Acceptance.
- The Beneficial Owners who hold shares in demat form are required to execute a trade by tendering the Delivery Instruction for debiting their Beneficiary Account with the concerned DP and crediting the Special Depository Account. The credit in the Special Depository Account should be received on or before the date of closure of the Offer, i.e., 18th February**, 2013**.
- The Delivery Instructions to be given to the DP should be in ***"Off-Market"*** mode only.

ii. For Equity shares held in physical form: -

Registered Shareholders should enclose:

- Form of Acceptance cum Acknowledgement duly completed and signed in accordance with the instructions contained therein, by all shareholders whose names appear on the share certificates.
- Original Share Certificate(s).
- Valid Share Transfer form(s) duly signed as transferors by all registered shareholders (in case of joint holdings) in the same order and as per specimen signatures registered with VIL and duly witnessed at the appropriate place. A blank Share Transfer form is enclosed along with this LoO.
- Self attested copy of the PAN card.

Unregistered owners should enclose:

- Form of Acceptance cum Acknowledgement duly completed and signed in accordance with the instructions contained therein.
- Original Share Certificate(s).
- Original Broker Contract Note.
- Valid Share Transfer form(s) as received from the market.
- Self attested copy of the PAN card of all the proposed transferees.

3. The share certificate(s), share transfer form(s) and the Form of Acceptance should be sent only to the Registrar to the Offer and not to the Manager to the Offer or the Acquirer or VIL.
4. Shareholders having their beneficiary account in NSDL have to use "INTER DEPOSITORY DELIVERY INSTRUCTION SLIP" for the purpose of crediting their shares in the favour of the special depository account with CDSL.
5. Non resident shareholders/FII/OCB should enclose a copy of the permission received from RBI for the equity shares held by them in VIL. If, the shares are held under General Permission of RBI, the non resident shareholder should state that the shares are held under General Permission and whether on repatriable basis or non repatriable basis.
6. Non resident shareholders/FII should enclose No Objection certificate/ Tax Clearance certificate from the Income Tax Authorities under Income-Tax Act, 1961, indicating the tax to be deducted by the Acquirer before remittance of consideration otherwise tax will be deducted at marginal rate as may be applicable to the category of the shareholder on the consideration payable by the Acquirer.
7. Shareholders who wish to accept the Offer and tender their Equity Shares pursuant to this Offer will be required to communicate their acceptance along with all relevant documents in the form and manner specified in the LoO to the Registrar to the Offer on or before closure of the Offer i.e Monday**, 18th February, 2013,** The documents shall be tendered at the above below centre between **10.30 am to 5.00 pm from Monday to Friday and between 10.30 am to 1.30 pm on Saturday.** The centre will be closed on Sundays and Public holidays.
8. Applicants may send their documents only by Registered Post/Courier, at their own risk, if not hand delivered at the designated collection centre, to the Registrar during business hours indicated above other than Sunday and public holidays.

THE SHAREHOLDERS ARE REQUESTED TO NOTE THAT THE FORM OF ACCEPTANCE/SHARES ARE RECEIVED BY THE REGISTRAR TO OFFER AFTER THE CLOSURE OF THE OFFER I.E 5.00 P.M ON MONDAY, 18TH FEBRUARY, 2013 SHALL NOT BE ACCEPTED UNDER ANY CIRCUMSTANCES AND HENCE LIABLE TO BE REJECTED.

ACKNOWLEDGEMENT SLIP

VMS INDUSTRIES LIMITED - CASH OFFER

Folio No.: Serial No.

Received from Mr. / Ms. ____Address:______________________

____Form of Acceptance for ___________________________________ Shares along with a copy of ______________________

□ Depository Instruction Slip form DP ID___________________ Client ID ____

□ ________________________ Share Certificate(s) __________________ Transfer Deed folio number (s)_____________

For accepting the Offer made by the Acquirer

Signature of Official and Date of Receipt	Stamp of Registrar to the Offer	Date of Receipt

FORM OF WITHDRAWAL CUM ACKNOWLEDGEMENT

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

(All terms and expressions used herein shall have the same meaning as described thereto in the Letter of Offer)

(Please send this Form with enclosures to **Purva Sharegistry (India) Private Limited**, the Registrar to the Offer at the Collection Center mentioned in the Letter of Offer)

You have an **'OPTION TO WITHDRAW'** the acceptance tendered in response to this Offer any time upto three working days prior to the date of Closure of offer i.e. **on or before 12th February, 2013**. In case you wish to withdraw your acceptance please use this form

From:
Name:
Address:

OFFER SCHEDULE	
OFFER OPEN ON	**: Tuesday, 29th January, 2013**
LAST DATE OF WITHDRAWAL	**: Tuesday, 12th February, 2013**
OFFER CLOSE ON	**: Monday, 18th February, 2013**

Tel No.: ____________ **Fax No.:** _________________ **E-Mail:** ____________________________

To,
M/s.Bholebaba Suppliers Private Limited
C/o. Purva Sharegistry (India) Private Limited
9, Shiv Shakti Industrial Estate,
J.R.Boricha Marg,
Opp. Kasturba Hospital,
Lower Parel (E),
Mumbai - 400011

FOR OFFICE USE ONLY	
Withdrawal Number	**:**
Number of Equity Shares Offered	**:**
Number of Equity Shares Withdraw:	

Dear Sirs,

Sub.: Cash Offer for purchase of 42,83,082 (Forty Two Lacs Eighty Three Thousand and Eighty Two Only) Equity Shares of VMS Industries Limited at a price of Rs. 23.00 (Rupees Twenty Three Only) per Share under SEBI (SAST) Regulations.

I/We refer to the Letter of Offer dated 19.01.2013, for acquiring the Equity Shares held by me/us in VIL.

I/We, the undersigned have read the Letter of Offer, Public Announcement and understood their contents including the terms and conditions and procedure mentioned therein.

I/We hereby consent unconditionally and irrevocably to withdraw my/our Equity Shares from the Offer and I/We further authorise the Acquirer to return to me/us, the tendered equity share certificate(s)/ share(s) at my/our sole risk.

I/We note that upon withdrawal of my/our Shares from the Offer, no claim or liability shall lie against the Acquirer /Manager to the Offer/Registrar to the Offer.

I/We note that this Form of Withdrawal should reach the Registrar to the Offer at the collection center mentioned in the Letter of Offer as per the mode of delivery indicated therein on or before the last date of withdrawal i.e., **not later than 5.00 p.m. on 12th February, 2013**.

I/We note that the Acquirer /Manager to the Offer/Registrar to the Offer shall not be liable for any postal delay/loss in transit of the Shares held in physical form and also for the non-receipt of Shares held in the dematerialized form in the Depository account due to inaccurate/incomplete particulars/instructions.

I/We also note and understand that the Acquirer will return the original share certificate(s), share transfer deed(s)/shares in dematerialized Shares only on completion of verification of the documents, signatures and beneficiary position as available from the Depository from time to time.

FOR SHARES TENDERED IN PHYSICAL MODE

The particulars of the tendered Share(s) that I/We wish to withdraw are detailed below:

Sr. No.	Ledger Folio No.	Certificate No.	Distinctive Nos.		No. of shares
	Tendered		From	To	
Total no. of shares tendered					
	Withdrawn				
Total no. of equity shares withdrawn					

(Please attach authenticated, additional sheets, if required)

FOR SHARES TENDERED IN DEMAT FORM

I/We hold the following shares in dematerialized form and tendered the shares in the Offer and had done an off-market transaction for crediting the shares to the **"PSIPL Escrow A/C VMS IND-Open Offer"** (Special Depository Account) as per the following particulars:

Depository Participant Name	DP/ Client ID
BCB Brokerage Private Limited	**1201040000035682**

Please find enclosed a photocopy of the Depository delivery Instruction(s) duly acknowledged by DP. The particulars of the account from which my/our shares have been tendered are as detailed below:

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

I/We note that the shares will be credited back only to that Depository Account, from which the shares have been tendered and necessary standing instructions have been issued in this regard.

I/We confirm that the particulars given above are true and correct.

In case of dematerialized shares, I/We confirm that the signatures of the beneficiary holders have been verified by the DP as per records maintained at their end and the same have also been duly attested by them under their seal.

I/We confirm that the particulars given above are true and correct.

Yours faithfully,

PARTICULARS	FULL NAME (S) OF THE HOLDERS	SIGNATURE (S)
First/Sole Shareholder		
Joint Holder 1		
Joint Holder 2		

Place: _______________ Date: ___________________

Note: Incase of joint holdings, all holders must sign. In case of body corporate, stamp of the company should be affixed and necessary Board Resolutions should be attached.

- Tear here -

ACKNOWLEDGEMENT SLIP

VMS INDUSTRIES LIMITED - CASH OFFER

Folio No.__________ Sr. No.__________

Received from Mr./Ms.____

Address____Form of withdrawal for______________________ shares along with copy of

□ Depository instruction slips from DP ID______________ Client Id ___________

□ Acknowledgement slip issued when depositing dematerialized shares

□ Acknowledgement slip issued when depositing Physical Shares

For withdrawing from the offer made by the Acquirer

Stamp of Registrar		**Signature of official**		**Date of Receipt**	

INSTRUCTIONS

1. The Shareholders are advised to ensure that the Form of Withdrawal along with enclosure should reach the Registrar to the Offer at the Collection Center mentioned in the Letter of Offer as per the mode of delivery indicated therein on or before the last date of withdrawal i.e. not later than 5**.00 p.m on 12th February, 2013**.

2. Shareholders should enclose the following:

i. **For Equity Shares held in demat form:** Beneficial owners should enclose

- ❖ Duly signed and completed Form of Withdrawal.
- ❖ Acknowledgement slip in original / Copy of the submitted Form of Acceptance-cum- Acknowledgement in case delivered by Registered A.D.
- ❖ Photocopy of the delivery instruction in "Off-market" mode or counterfoil of the delivery instruction in "Off-market" mode, duly acknowledged by the DP.

ii. **For Equity Shares held in physical form:**

Registered Shareholders should enclose:

- ❖ Duly signed and completed Form of Withdrawal.
- ❖ Acknowledgement slip in original/ Copy of the submitted Form of Acceptance-cum-Acknowledgement in case delivered by Registered A.D. In case of partial withdrawal, Valid Share Transfer form(s) duly signed as transferors by all registered shareholders (in case of joint holdings) in the same order and as per specimen signatures registered with VIL and duly witnessed at the appropriate place.

Unregistered owners should enclose:

- ❖ Duly signed and completed Form of Withdrawal.
- ❖ Acknowledgement slip in original / Copy of the submitted Form of Acceptance-cum-Acknowledgement in case delivered by Registered A.D.

3. The withdrawal of Shares will be available only for the Share certificates/the Shares that have been received by the Registrar to the Offer/ special depository escrow account.

4. The intimation of returned Shares to the Shareholders will be at the address as per the records of the Target Company/Depository as the case may be.

5. The Form of Withdrawal should be sent only to the Registrar to the Offer.

6. In case of partial withdrawal of Shares tendered in physical form, if the original share certificates are required to be split, the same will be returned on receipt of share certificates from the VIL. The facility of partial withdrawal is available only to registered shareholders.

7. Shareholders holding Shares in dematerialised form are requested to issue the necessary standing instruction for receipt of the credit in their DP account.

8. The Form of Withdrawal and other related documents should be submitted at the Collection Centre of mentioned in the Letter of Offer.

9. Applicants who cannot hand deliver their documents at the collection centre, may send their documents only by Registered Post/Courier, at their own risk, to the Registrar to at the Collection Centre of mentioned in the Letter of Offer so as to reach the Registrars on or before the last date of withdrawal i.e. **12th February, 2013**.

- Tear here -

For Future Correspondence, if any, should be addressed to Registrar to the Offer at the following address

M/s.Bholebaba Suppliers Private Limited
C/o. Purva Sharegistry (India) Private Limited
9, Shiv Shakti Industrial Estate,
J.R.Boricha Marg, Opp. Kasturba Hospital,
Lower Parel (E), Mumbai - 400011
Tel. No. 022 –23018261/23016761
Fax no.: 022 – 23012517
Contact Person: Mr. V B Shah
Email: busicomp@vsnl.com
Website: www.purvashare.com