

No. CARE/ARO/GEN/2025-26/1329

**The Board of Directors
VMS TMT Limited**

Survey No. 214, Near Water Tank,
Bhayla, Ahmedabad, Bavla,
Gujarat, India- 382220

February 12, 2026

Dear Sir/Ma'am,

Monitoring Agency Report for the quarter ended December 31, 2025 - in relation to the IPO of VMS TMT Limited
("the Company")

We write in our capacity of Monitoring Agency for the Rights Issue for the amount aggregating to Rs.148.50 crore of the Company and refer to our duties cast under 41 of the Securities & Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations.

In this connection, we are enclosing the Monitoring Agency Report for the quarter ended December 31, 2025 as per aforesaid SEBI Regulations and Monitoring Agency Agreement dated August 21, 2025.

Request you to kindly take the same on records.

Thanking you,
Yours faithfully,

Sajni.shah

Sajni Shah

Assistant Director

Sajni.shah@careedge.in

Report of the Monitoring Agency

Name of the issuer: VMS TMT Limited

For quarter ended: December 31, 2025

Name of the Monitoring Agency: CARE Ratings Limited

(a) Deviation from the objects: **Yes. Utilization of Rs.2.81 crore of issue proceeds is not in line with the stated object to be monitored.**

(b) Range of Deviation: Up to 10%

Declaration:

We declare that this report provides an objective view of the utilization of the issue proceeds in relation to the objects of the issue based on the information provided by the Issuer and information obtained from sources believed by it to be accurate and reliable. The MA does not perform an audit and undertakes no independent verification of any information/certifications/ statements it receives. This Report is not intended to create any legally binding obligations on the MA which accepts no responsibility, whatsoever, for loss or damage from the use of the said information. The views and opinions expressed herein do not constitute the opinion of MA to deal in any security of the Issuer in any manner whatsoever. Nothing mentioned in this report is intended to or should be construed as creating a fiduciary relationship between the MA and any issuer or between the agency and any user of this report. The MA and its affiliates also do not act as an expert as defined under Section 2(38) of the Companies Act, 2013.

The MA or its affiliates may have credit rating or other commercial transactions with the entity to which the report pertains and may receive separate compensation for its ratings and certain credit related analyses. We confirm that there is no conflict of interest in such relationship/interest while monitoring and reporting the utilization of the issue proceeds by the issuer, or while undertaking credit rating or other commercial transactions with the entity.

We have submitted the report herewith in line with the format prescribed by SEBI, capturing our comments, where applicable. There are certain sections of the report under the title "Comments of the Board of Directors", that shall be captured by the Issuer's Management / Audit Committee of the Board of Directors subsequent to the MA submitting their report to the issuer and before dissemination of the report through stock exchanges. These sections have not been reviewed by the MA, and the MA takes no responsibility for such comments of the issuer's Management/Board.



Signature:

Name and designation of the Authorized Signatory: Sajni Shah

Designation of Authorized person/Signing Authority: Assistant Director

1) Issuer Details:

Name of the issuer : VMS TMT Limited
 Name of the promoter : Varun Manojkumar Jain, Rishabh Sunil Singhi, Manojkumar Jain, Sangeeta Jain
 Industry/sector to which it belongs : Steel/ Thermo Mechanically Treated (TMT) sector

2) Issue Details

Issue Period : September 17, 2025 to September 19, 2025
 Type of issue (public/rights) : Initial Public Offering (IPO)
 Type of specified securities : Equity Share
 IPO Grading, if any : Not applicable
 Issue size (in crore) : Rs.148.50 crore

3) Details of the arrangement made to ensure the monitoring of issue proceeds:

Particulars	Reply	Source of information / certifications considered by Monitoring Agency for preparation of report	Comments of the Monitoring Agency	Comments of the Board of Directors
Whether all utilization is as per the disclosures in the Offer Document?	No	<ul style="list-style-type: none"> Chartered Accountant certificate* Company Declaration Bank statements 	<p>The utilization under the object—repayment/prepayment of certain borrowings—is not in accordance with the prospectus.</p> <p>During the quarter, company utilized Rs.40.19 crore by transferring funds from the Monitoring Account to the Cash Credit account on October 04, 2025 with Shamrao Vithal Co-operative Bank Limited (SVC Bank), which had an outstanding balance of Rs.37.38 crore on the said date (sanction limit: Rs.37.50 crore). The excess amount of Rs.2.81 crore is utilized for working capital purposes, resulting in a deviation from the stated object.</p>	<p>On October 4, 2025, we transferred an amount of Rs.4,019.45 lakhs from the Monitoring Account to our cash credit (“CC”) account maintained with SVC Bank towards repayment of the working capital and term loan facilities availed by us. As at September 30, 2025, the aggregate outstanding amount under such facilities (comprising both the cash credit and term loan limits) was Rs.4,026.40 lakhs.</p> <p>We clarify that we were not permitted to directly remit the repayment amount to the term loan account. Accordingly, the aforesaid amount was first deposited into the CC account, pursuant to which SVC Bank was required to appropriate and transfer the requisite amount to the term loan account for closure. However, SVC Bank did not transfer the amount to the term loan account pending approval from the relevant authority of the Bank.</p> <p>Upon receipt of the requisite approval from the authority, the aforesaid facilities were fully repaid and closed on February 4, 2026. Subsequently, SVC Bank</p>

Particulars	Reply	Source of information / certifications considered by Monitoring Agency for preparation of report	Comments of the Monitoring Agency	Comments of the Board of Directors
				issued a no dues certificate in favour of our Company confirming closure of the said facilities and the same is attached for your reference.
Whether shareholder approval has been obtained in case of material deviations# from expenditures disclosed in the Offer Document?	No	<ul style="list-style-type: none"> Company Declaration Chartered Accountant Certificate* 	No approval taken	No deviation on the part of the Company.
Whether the means of finance for the disclosed objects of the issue have changed?	No	<ul style="list-style-type: none"> Company Declaration 	No change	-
Is there any major deviation observed over the earlier monitoring agency reports?	No	<ul style="list-style-type: none"> Company Declaration Earlier monitoring agency report (Dated- November 14, 2025) 	No major deviation	-
Whether all Government/statutory approvals related to the object(s) have been obtained?	Not Applicable	<ul style="list-style-type: none"> Company Declaration 	Nil	-
Whether all arrangements pertaining to technical assistance/collaboration are in operation?	Not Applicable	<ul style="list-style-type: none"> Company Declaration 	No arrangement pertaining to technical assistance/collaboration is required with reference to the objects.	-
Are there any favorable/unfavorable events affecting the viability of these object(s)?	No	<ul style="list-style-type: none"> Company Declaration 	No such favorable/ unfavorable events.	-
Is there any other relevant information that may materially affect the decision making of the investors?	Yes	<ul style="list-style-type: none"> Company Declaration Stock exchange filings 	Current share price of Rs.51.01 as on February 10, 2026 remained significantly lower as compared to issue price of Rs.99 as on September 24, 2025.	The share price movement is purely market-driven and influenced by general market conditions and investor sentiment, over which the Company and its management have no control.

* Chartered Accountant certificate is from Statutory Auditor (Peer Review Firm) Suresh Chandra & Associates dated January 23, 2026.

#Where material deviation may be defined to mean:

- Deviation in the objects or purposes for which the funds have been raised
- Deviation in the amount of funds actually utilized by more than 10% of the amount projected in the offer documents.

4) Details of objects to be monitored:

(i) Cost of objects –

Sr. No	Item Head	Source of information / certifications considered by Monitoring Agency for preparation of report	Original cost (as per the Offer Document) in Rs. Crore	Revised Cost in Rs. Crore	Comments of the Monitoring Agency	Comments of the Board of Directors		
						Reason for cost revision	Proposed financing option	Particulars of - firm arrangements made
1	Use of funds for Repayment/ prepayment, in full or part, of all or a portion of certain borrowings availed by Company	Prospectus	115.00	Not Applicable	Utilization of Rs.2.81 crore in CC account of SVC Bank is for the working capital purposes which is not the stated object as per prospectus. Further, there are numerous other debits and credits in cash credit accounts maintained with other banks resulting in the comingling of funds, and we have relied on management declarations and CA certificate to ascertain utilization of funds.	There is no revision. The only matter was that the bank account was pending for closure by SVC Bank.	-	-
2	General Corporate purpose	Prospectus	20.65	Not Applicable	Funds are utilized towards purchase of raw material, stores and spares and payment to labour payment as per the object. Further, there are numerous other debits and credits in the overdraft account resulting in the comingling of funds, and we have relied on management declarations and CA certificate to ascertain utilization of funds.	-	-	-
3	Issue related expense	Prospectus	12.85	Not Applicable	Funds have been utilized towards issue expenses payment and partially towards reimbursement to own a/c for the issue expenses incurred prior to IPO.	-	-	-
Total			148.50					

(ii) Progress in the objects –

Sr. No	Item Head	Source of information / certifications considered by Monitoring Agency for preparation of report	Amount as proposed in the Offer Document in Rs. Crore	Amount utilised in Rs. Crore			Total unutilised amount in Rs. crore	Comments of the Monitoring Agency	Comments of the Board of Directors	
				As at beginning of the quarter in Rs. Crore	During the quarter in Rs. Crore	At the end of the quarter in Rs. Crore			Reasons for idle funds	Proposed course of action
1	Use of funds for Repayment/ prepayment, in full or part, of all or a portion of certain borrowings availed by Company	<ul style="list-style-type: none"> CA certificate Company declaration Bank Statements 	115.00	-	112.19	112.19	2.81	<p>During the quarter, company utilized Rs.40.19 crore by transferring funds from the Monitoring Account to the Cash Credit account on October 04, 2025 with Shamrao Vithal Co-operative Bank Limited (SVC Bank), which had an outstanding balance of Rs.37.38 crore on the said date (sanction limit: Rs.37.50 crore). The excess amount of Rs.2.81 crore is utilized for working capital purposes.</p>	On October 4, 2025, we transferred an amount of Rs.4,019.45 lakhs from the Monitoring Account to our cash credit ("CC") account maintained with SVC Bank towards repayment of the working capital and term loan facilities availed by us. As at September 30, 2025, the aggregate outstanding amount under such facilities (comprising both the cash credit and term loan limits) was Rs.4,026.40 lakhs.	Not Required
2	Utilization towards working requirement capital	<ul style="list-style-type: none"> Bank Statements 	-	-	2.81	2.81	-2.81		<p>We clarify that we were not permitted to directly remit the repayment amount to the term loan account. Accordingly, the aforesaid amount was first deposited into the CC account, pursuant to which SVC Bank was required to appropriate and transfer the requisite amount to the term loan account for closure. However, SVC Bank did</p>	Not Required

Sr. No	Item Head	Source of information / certifications considered by Monitoring Agency for preparation of report	Amount as proposed in the Offer Document in Rs. Crore	Amount utilised in Rs. Crore			Total unutilised amount in Rs. crore	Comments of the Monitoring Agency	Comments of the Board of Directors	
				As at beginning of the quarter in Rs. Crore	During the quarter in Rs. Crore	At the end of the quarter in Rs. Crore			Reasons for idle funds	Proposed course of action
									not transfer the amount to the term loan account pending approval from the relevant authority of the Bank. Upon receipt of the requisite approval from the authority, the aforesaid facilities were fully repaid and closed on February 4, 2026. Subsequently, SVC Bank issued a no dues certificate in favour of our Company confirming closure of the said facilities and the same is attached for your reference.	
3	General Corporate purpose	<ul style="list-style-type: none"> CA certificate Company declaration Bank Statements 	20.65	18.00	2.65	20.65	-	Utilized towards the object.	-	-
4	Issue related expense	<ul style="list-style-type: none"> CA certificate Company declaration Bank Statements 	12.85	5.63	7.22	12.85	-	Funds have been utilized towards object and partially towards reimbursement to own a/c for the issue expenses incurred	-	-

Sr. No	Item Head	Source of information / certifications considered by Monitoring Agency for preparation of report	Amount as proposed in the Offer Document in Rs. Crore	Amount utilised in Rs. Crore			Total unutilised amount in Rs. crore	Comments of the Monitoring Agency	Comments of the Board of Directors	
				As at beginning of the quarter in Rs. Crore	During the quarter in Rs. Crore	At the end of the quarter in Rs. Crore			Reasons for idle funds	Proposed course of action
								prior to IPO.		
Total			148.50	23.63	124.87	148.50	-			

(iii) Deployment of unutilized proceeds:

Sr. No.	Type of instrument and name of the entity invested in	Amount invested (In crore)	Maturity date	Earning	Return on Investment (%)	Market Value as at the end of quarter
Not Applicable since entire proceeds have been utilized during the quarter						

(iv) Delay in implementation of the object(s) –

Objects	Completion Date		Delay (no. of days/ months)	Comments of the Board of Directors	
	As per the offer document	Actual		Reason of delay	Proposed course of action
Repayment/ prepayment, in full or part, of all or a portion of certain borrowings availed by our Company	Fiscal 2026	Completed	Nil	NA	NA
General corporate purposes	Fiscal 2026	Completed	Nil	NA	NA
Issue related expenses in relation to the Issue	Fiscal 2026	Completed	Nil	NA	NA

5) Details of utilization of proceeds stated as General Corporate Purpose (GCP) amount in the offer document:

Sr. No	Item Head^	Amount in Rs. Crore	Source of information / certifications considered by Monitoring Agency for preparation of report	Comments of Monitoring Agency	Comments of the Board of Directors
1	Purchase of RM	2.47	<ul style="list-style-type: none"> Chartered Accountant certificate from statutory auditor Company declaration Bank statement 	The amount is utilized towards purchase of raw materials, stores and other general corporate purposes. There are numerous other debits and credits in the account resulting in co-mingling of funds. Hence, we have relied on company declaration and CA certificate to ascertain utilization of funds.	-
2	Labour Payment	0.10			
3	Purchase of Store & Spares	0.08			
	Total	2.65			

^ Section from the offer document related to GCP:

*“The general corporate purposes for which our Company proposes to utilise Net Proceeds include meeting ongoing general corporate exigencies, expenses incurred in ordinary course of business, business development initiatives, any of the other Objects, other expenses including salaries, administration, insurance, repairs and maintenance, payment of taxes and duties and **any other purpose, as may be approved by our Board or a duly constituted committee thereof from time to time**, subject to compliance with applicable law, including provisions of the Companies Act.”*

Disclaimers to MA report:

a) This Report is prepared by CARE Ratings Ltd (hereinafter referred to as “**Monitoring Agency/MA**”). The MA has taken utmost care to ensure accuracy and objectivity while developing this Report based on the information provided by the Issuer and information obtained from sources believed by it to be accurate and reliable. The views and opinions expressed herein do not constitute the opinion of MA to deal in any security of the Issuer in any manner whatsoever.

b) This Report has to be seen in its entirety; the selective review of portions of the Report may lead to inaccurate assessments. For the purpose of this Report, MA has relied upon the information provided by the management /officials/ consultants of the Issuer and third-party sources like statutory auditor which is peer reviewed audit firm/peer reviewed audit firm appointed by the Issuer believed by it to be accurate and reliable.

c) Nothing contained in this Report is capable or intended to create any legally binding obligations on the MA which accepts no responsibility, whatsoever, for loss or damage from the use of the said information. The MA is also not responsible for any errors in transmission and specifically states that it, or its directors, employees do not have any financial liabilities whatsoever to the users of this Report.

d) The MA and its affiliates do not act as a fiduciary. The MA and its affiliates also do not act as an expert to the extent defined under Section 2(38) of the Companies Act, 2013. While the MA has obtained information from sources it believes to be reliable, it does not perform an audit and undertakes no independent verification of any information/ certifications/ statements it receives from statutory auditors which is peer reviewed audit firm/peer reviewed audit firm (or from peer reviewed CA firms), lawyers, chartered engineers or other experts, and relies on in its reports.

e) The MA or its affiliates may have other commercial transactions with the entity to which the report pertains. As an example, the MA may rate the issuer or any debt instruments / facilities issued or proposed to be issued by the issuer that is subject matter of this report. The MA may receive separate compensation for its ratings and certain credit-related analyses, normally from issuers or underwriters of the instruments, facilities, securities or from obligors.

REF: SVC/AHD/284/2025-26

To,

M/s. VMS TMT Limited

808/C, Pinnacle Business Park,
Opp. Royal Orchid, Corporate Road,
Prahladnagar, Ahmedabad – 380015.

Sub: No Due certificate for Closure of Credit facilities of M/s. VMS TMT Limited

Dear Sir / Madam,

This is to certify that the credit facilities in the name of M/s. VMS TMT Limited, is closed with interest as on 04.02.2026 and there is **NO DUE** in this account as on today.

Details of Credit Facilities are as under:

(Rs. In Lacs)

Type	Name	Account number	Sanction amount
working capital (Cash Credit)	M/s. VMS TMT Limited	114319940000011	3750.00
Term Loan	M/s. VMS TMT Limited	114318900000109	500.00
Term Loan (WCTL)	M/s. VMS TMT Limited	114318900000127	149.00

The Bank does not have any claims, right, title or interest in respect of the above facilities and the bank release of charge on Movable/Immovable securities against the above mentioned Credit Facilities.

This certificate is issued at the specific request of the customer without any risk and responsibility of the bank or any of its signing official.

Thanking You.

For, SVC Co-Operative Bank Ltd.



Satellite Road Branch

Branch Manager

