



MERCURY METALS LIMITED

Our Company was originally incorporated as “Mercury Metals Private Limited” on July 4, 1986 as a private limited company under the provisions of the Companies Act, 1956 pursuant to Certificate of Incorporation issued by Registrar of Companies, Gujarat, Dadra & Nagar Haveli. Subsequently our Company was converted into a public limited company pursuant to shareholders resolution passed at the General Meeting of our Company and the name of our Company was changed to “Mercury Capital Limited” and a Fresh Certificate of Incorporation dated February 17, 1995 was issued by the (ROC) Ahmedabad. Subsequently the name of our company was changed to Mercury Metals Limited vide fresh Certificate of Incorporation consequent to change of name dated January 10, 1997. For details of incorporation, change of name and registered office of our Company, please refer to chapter titled “General Information” beginning on page 38 of this Draft Letter of offer.

Corporate Identification Number: L27109GJ1986PLC008770
Registered Office: 367-368, GIDC, POR, VILLAGE: POR, Taluka: Vadodara, Vadodara, Gujarat - 391243
Contact Details: 8141876232; **Contact Person:** Mr. Mikil Nitinbhai Gohil;
Email-ID: info@mercurymetals.in **Website:** www.mercurymetals.in

PROMOTERS OF OUR COMPANY ARE KAVIT JAYESHBHAI THAKKAR AND ARTIBEN JAYESHBHAI THAKKAR FOR PRIVATE CIRCULATION TO THE EQUITY SHAREHOLDERS OF OUR COMPANY

RIGHTS ISSUE OF [●]* ([●]) FULLY PAID-UP EQUITY SHARES OF FACE VALUE OF ₹ 1/- (RUPEE ONE ONLY) ('EQUITY SHARES') EACH AT A PRICE OF ₹[●]/- (RUPEES [●] ONLY) PER RIGHT SHARE (INCLUDING A PREMIUM OF ₹[●]/- (RUPEES [●] ONLY) PER RIGHT SHARE) ('ISSUE PRICE') ('RIGHT SHARES') FOR AN AMOUNT UP TO ₹ 4800.00 LAKHS ON A RIGHTS ISSUE BASIS TO THE ELIGIBLE SHAREHOLDERS OF MERCURY METALS LIMITED ('COMPANY' OR 'ISSUER') IN THE RATIO OF [●] ([●]) RIGHT SHARES FOR EVERY [●] ([●]) EQUITY SHARES HELD BY SUCH ELIGIBLE SHAREHOLDERS AS ON THE RECORD DATE, [●], [●], ('ISSUE'). THE ISSUE PRICE IS [●] ([●]) TIMES THE FACE VALUE OF THE EQUITY SHARE. FOR FURTHER DETAILS, KINDLY REFER TO THE SECTION TITLED 'TERMS OF THE ISSUE' BEGINNING ON PAGE 139 OF THIS DRAFT LETTER OF OFFER.

*Assuming full subscription

WILFUL DEFAULTERS AND/ OR FRAUDULENT BORROWERS

Neither our Company, nor our Promoters, or Directors are or have been categorized as wilful defaulters or fraudulent borrowers by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines on wilful defaulters or fraudulent borrowers issued by the Reserve Bank of India.

GENERAL RISK

Investment in equity and equity related securities involves a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this Issue. For taking an investment decision, investors must rely on their own examination of our Company and this Issue including the risks involved. The Right Shares have not been recommended or approved by Securities and Exchange Board of India ('SEBI') nor does SEBI guarantee the accuracy or adequacy of this Draft Letter of Offer. Investors are advised to refer 'Risk Factors' beginning on page 21 of this Draft Letter of Offer before investing in the Issue.

ISSUER'S ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Letter of Offer contains all information with regard to our Company and the Issue, which is material in the context of the Issue, that the information contained in this Draft Letter of Offer is true and correct in all material aspects 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 Draft Letter of Offer as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

LISTING

The existing Equity Shares of our Company are listed and traded on the BSE Limited. Our Company has received in-principle approval from BSE for listing the Right Shares pursuant to letter bearing reference number '[●]' dated [●]. Our Company shall make application to BSE to obtain trading approvals for the Rights Entitlements as enshrined under the SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020. For the purposes of this Issue, the Designated Stock Exchange is BSE Limited.

MANAGER TO THE ISSUE



Kunvarji Finstock Private Limited
Address: B-Wing, Siddhivinayak Towers, Nr D.A.V School, Next to Kataria House, Off S.G. Highway Road, Makarba, Ahmedabad- 380051
CIN: U65910GJ1986PTC008979
Contact Person: Mr. Niraj Thakkar/ Mr. Prasann Bhatt
Tel No.: +91 79 6666 9000 | **F:** +91 79 2970 2196
Email ID/Investor Grievance Email: info@kunvarji.com
Website: www.kunvarji.com
SEBI Reg. No.: MB/INM000012564

REGISTRAR TO THE ISSUE



Bigshare Services Private Limited
Address: Office No S6-2, 6th floor Pinnacle Business Park, Next to Ahura Centre, Mahakali Caves Road, Andheri (East) Mumbai - 400093.
Contact Person: Mr. Vijay Surana
Tel No.: 022-62638200/22
Email: rightsissue@bigshareonline.com
Investor grievance e-mail: investor@bigshareonline.com
Website: www.bigshareonline.com
SEBI Registration No: INR000001385

ISSUE OPENING DATE

LAST DATE FOR MARKET RENUNCIATION*

ISSUE CLOSING DATE**

[●]

[●]

[●]

*Eligible Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renounees on or prior to the Issue Closing Date.
** Our Board or a duly authorized committee thereof will have the right to extend the Issue Period as it may determine from time to time, provided that this Issue will not remain open in excess of 30 (thirty) days from the Issue Opening Date. Further, no withdrawal of Application shall be permitted by any Applicant after the Issue Closing Date.



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SECTION I – GENERAL

DEFINITIONS AND ABBRIVATIONS

DEFINITIONS

This Draft Letter of Offer uses the definitions and abbreviations set forth below, which you should consider when reading the information contained herein. The following list of certain capitalized terms used in this Draft Letter of Offer is intended for the convenience of the reader/prospective Applicant only and is not exhaustive.

This Draft Letter of Offer uses the definitions and abbreviations set forth below, which, unless the context otherwise indicates or implies, or unless otherwise specified, shall have the meaning as provided below. References to any legislation, act, regulation, rules, guidelines, or policies shall be to such legislation, act, regulation, rules, guidelines, or policies as amended, supplemented, or re-enacted from time to time and any reference to a statutory provision shall include any subordinate legislation made from time to time under that provision.

In this Draft Letter of Offer, unless otherwise indicated or the context otherwise requires, all references to ‘the/our Company’, ‘we’, ‘our’, ‘us’ or similar terms are to Mercury Metals Limited as the context requires, and references to ‘you’ are to the Eligible Shareholders and/ or prospective Investors in this Right Issue of Equity Shares.

The words and expressions used in this Draft Letter of Offer, but not defined herein, shall have the same meaning (to the extent applicable) ascribed to such terms under the SEBI (ICDR) Regulations, the Companies Act, 2013, the SCRA, the Depositories Act, and the rules and regulations made thereunder. Notwithstanding the foregoing, terms used in section titled ‘**Industry Overview**’, ‘**Statement of Tax Benefits**’, ‘**Financial Information**’, ‘**Outstanding Litigations, Defaults, and Material Developments**’ and ‘**Terms of the Issue**’ on page 56, 52, 80, 126 and 137 respectively, shall have the meaning given to such terms in such sections.

COMPANY RELATED TERMS

TERM	DESCRIPTION
Mercury Metals Limited/ MML / the Company / our Company	Mercury Metals Limited, a public limited company incorporated under the provisions of the Companies Act, 1956, as amended from time to time having its Registered Office situated at 367-368, GIDC, POR, VILLAGE: POR, Taluka: Vadodara, Vadodara, Gujarat – 391243
We/ us/ our	Unless the context otherwise indicates or implies, refers to Mercury Metals Limited
AoA/ Articles of Association	The Articles of Association of Mercury Metals Limited, as amended from time to time;
Audit Committee	The committee of the Board of Directors constituted as our Company’s audit committee in accordance with the provisions of Section 177 of the Companies Act, 2013 read with Regulation 18 of the SEBI (LODR) Regulations;
Audited Financial Statements	The audited financial statements of our Company prepared under IND AS for the Financial Years ending 2022, 2021, and 2020;
Auditors/ Statutory Auditors/ Peer Review Auditor	The statutory auditors of our Company M/s. Ambalal Patel & Co., Chartered Accountants; having FRN: 100305W;
Board of Directors/ Board	Board of Directors of our Company;
Chairman & Managing Director	Mr. Kavita Thakkar
Company Secretary and Compliance Officer	The Company Secretary and Compliance Officer of our Company, being Mr. Mikil Nitinbhai Gohil
Chief Financial Officer/ CFO	The Chief Financial Officer of our Company, being Mr. Dhruv Deepak Yardi
Directors	The director(s) on the Board of our Company, unless otherwise specified;
Eligible Shareholder(s)	Eligible holder(s) of the Equity Shares of Mercury Metals Limited as on the Record Date;
Equity Shares	Equity share of the Company having face value of ₹1/- (Rupee One Only), unless otherwise specified;



Financial Information	Collectively, the Audited Consolidated Financial Statements and Limited Reviewed Unaudited Consolidated Financial Statements;
Independent Director	Independent directors on the Board and eligible to be appointed as an Independent Director under the provisions of Companies Act and SEBI (LODR) Regulations. For details of the Independent Directors, please refer to section titled ' <i>Our Management</i> ' beginning on page 74 of this Draft Letter of Offer;
ISIN	INE763M01028
Key Management Personnel/ KMP	Key management personnel of our Company in terms of Regulation 2(1) (bb) of the SEBI (ICDR) Regulations and Section 2 (51) of the Companies Act, 2013. For details, please refer to section titled ' <i>Our Management</i> ' beginning on page 74 of this Draft Letter of Offer;
MoA/ Memorandum of Association	The Memorandum of Association of Mercury Metals Limited, as amended from time to time;
Nomination and Remuneration Committee	The committee of the Board of directors reconstituted as our Company's Nomination and Remuneration Committee in accordance with Section 178 of the Companies Act, 2013 read with Regulation 19 of the SEBI (LODR) Regulations.
Promoters & Promoter Group	Mr. Kavith Jayeshbhai Thakkar and Artiben Jayeshbhai Thakkar the Promoters of our Company and individually referred to as "Promoter". Raghuvir International Private Limited and Shree Saibaba Exim Private Limited the Promoter Group of our Company and referred as "Promoter Group"
Registered Office	The registered office of our Company located at 367-368, GIDC, POR, VILLAGE: POR, Taluka: Vadodara, Vadodara, Gujarat - 391243
Registrar of Companies/ RoC	Registrar of Companies, Ahmedabad, Gujarat, situated at ROC Bhavan , Opp Rupal Park Society, Behind Ankur Bus Stop, Naranpura, Ahmedabad-380013;
Shareholders	The equity shareholders of our Company, from time to time, unless otherwise specified in the context thereof.
Stakeholders' Relationship Committee	The committee of the Board of Directors constituted as our Company's Stakeholders' Relationship Committee in accordance with Section 178 of the Companies Act, 2013;

ISSUE RELATED TERMS

TERM	DESCRIPTION
Abridged Letter of Offer	Abridged Letter of Offer to be sent to the Eligible Shareholders with respect to the Issue in accordance with the provisions of the SEBI (ICDR) Regulations and the Companies Act;
Additional Right Shares	The Right Shares applied or allotted under this Issue in addition to the Rights Entitlement;
Allot/ Allotment/ Allotted	Unless the context requires, the allotment of Right Shares pursuant to this Issue;
Allotment Account	The account opened with the Banker to the Issue, into which the Application Money lying to the credit of the escrow account(s) and Application amounts by ASBA blocked in the ASBA Account, with respect to successful Investors will be transferred on the Transfer Date in accordance with Section 40 (3) of the Companies Act;
Allotment Advice	Note, advice, or intimation of Allotment sent to each successful Applicant who has been or is to be Allotted the Right Shares pursuant to this Issue;
Allotment Date	Date on which the Allotment is made pursuant to this Issue;
Allottees	Persons to whom Rights Equity Shares are issued pursuant to the Issue;
Applicant(s)/ Investor(s)	Eligible Shareholder(s) and/or Renouncee(s) who make an application for the Right Shares pursuant to this Issue in terms of the Letter of Offer, including an ASBA Investor;
Application	Application made through (i) submission of the Application Form or plain paper Application to the Designated Branch(es) of the SCSBs or online/ electronic application through the website of the SCSBs (if made available by such SCSBs) under the ASBA process, or (ii) filling the online Application Form available on R-WAP (instituted only for resident Investors, in the event the Investors are not able to utilize the ASBA facility for making an Application despite their best efforts), to subscribe to the Equity Shares at the Issue Price;



Application Form	Unless the context otherwise requires, an application form (including online application form available for submission of application using the R-WAP or through the website of the SCSBs (if made available by such SCSBs) under the ASBA process) used by an Investor to make an application for the Allotment of Equity Shares in the Issue;
Application Money	Aggregate amount payable in respect of the Rights Equity Shares applied for in the Issue at the Issue Price.
Application Supported by Blocked amount or ASBA	Application (whether physical or electronic) used by ASBA Investors to make an application authorizing the SCSB to block the Application Money in the ASBA Account maintained with such SCSB;
ASBA Account	Account maintained with a SCSB and specified in the Application Form or plain paper application, as the case may be, for blocking the amount mentioned in the Application Form or the plain paper application, in case of Eligible Shareholders, as the case may be;
ASBA Applicant /ASBA Investor	As per the SEBI Circular SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020, all investors (including Renounees) shall make an application for an Issue only through ASBA facility;
ASBA Bid	Bid made by an ASBA Bidder including all revisions and modifications thereto as permitted under the SEBI (ICDR) Regulations;
ASBA Circulars	Collectively, the SEBI circulars bearing reference numbers 'SEBI/CFD/DIL/ASBA/1/2009/30/12 dated December 30, 2009', 'CIR/CFD/DIL/1/2011 dated April 29, 2011', and 'SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020';
Bankers to the Issue/ Refund Bank	Collectively, the Escrow Collection Bank and the Refund Bank to the Issue, in this case being Axis Bank Limited;
Bankers to the Issue Agreement	Agreement dated [●], entered into by and amongst our Company, the Lead Manager and the Registrar to the Issue, and the Bankers to the Issue for collection of the Application Money from Investors making an application through the R-WAP facility, transfer of funds to the Allotment Account from the Escrow Account and SCSBs, release of funds from Allotment Account to our Company and other persons and where applicable, refunds of the amounts collected from Investors and providing such other facilities and services as specified in the agreement;
Basis of Allotment	The basis on which the Right Shares will be Allotted to successful Applicants in the Issue, and which is described in the section titled ' Terms of the Issue ' beginning on page 137 of this Draft Letter of Offer;
Controlling Branches / Controlling Branches of the SCSBs	Such branches of the SCSBs which co-ordinate with the Lead Manager, the Registrar to the Issue and the Stock Exchange, a list of which is available on https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes ;
Demographic Details	Details of Investors including the Investor's address, name of the Investor's father/husband, investor status, occupation and bank account details, where applicable;
Designated SCSB Branches	Such branches of the SCSBs which shall collect the ASBA Forms submitted by ASBA Bidders, a list of which is available on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35 , updated from time to time, or at such other website as may be prescribed by SEBI from time to time;
Designated Stock Exchange	BSE Limited.
Depository(ies)	NSDL and CDSL or any other depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 as amended from time to time read with the Depositories Act, 1996;
Draft Letter of Offer/ DLoF	This Draft Letter of Offer dated July 01, 2022, filed with BSE Limited, in accordance with the SEBI (ICDR) Regulations, for their observations and in-principle approval;
Escrow Account(s)	One or more no-lien and non-interest bearing accounts with the Escrow Collection Bank(s) for the purposes of collecting the Application Money from resident Investors making an Application through the R-WAP facility;
Escrow Collection Bank	Banks which are clearing members and registered with SEBI as bankers to an issue and with whom Escrow Account(s) will be opened, in this case being Axis Bank Limited;



Eligible Equity Shareholders	Existing Equity Shareholders as on the Record Date i.e., [●]. Please note that the investors eligible to participate in the Issue exclude certain overseas shareholders;
Issue/ Rights Issue	Rights Issue of up to [●] ([●]) Equity Shares of our Company for cash at a price of ₹[●]/- (Rupees [●] Only) per Rights Equity not exceeding ₹ 4800.00 Lakhs on a rights basis to the Eligible Shareholders of our Company in the ratio of [●] ([●]) Right Shares for every [●] ([●]) Equity Shares held by the Eligible Equity Shareholders of our Company on the Record Date i.e. [●];
Issue Agreement	Issue agreement dated June 25, 2022 between our Company and the Lead Manager, pursuant to which certain arrangements are agreed to in relation to the Issue;
Issue Closing Date	[●]
Issue Opening Date	[●]
Issue Period	The period between the Issue Opening Date and the Issue Closing Date, inclusive of both days, during which Applicants/ Investors can submit their Applications, in accordance with the SEBI (ICDR) Regulations;
Issue Price	₹[●]/- (Rupees [●] Only) per Right Share issued in [●] (Rupees [●]) Rights Entitlement, including a premium of ₹[●]/- (Rupees [●] only) per Rights Share;
Issue Proceeds	The proceeds of the Issue that are available to our Company;
Issue Size	Amount aggregating up to ₹ 4800.00 Lakhs;
Lead Manager to the Issue	Kunvarji Finstock Private Limited;
Letter of Offer/ LoF	The final letter of offer dated [●], filed with the BSE Limited after incorporating the observations received from the BSE Limited on the Draft Letter of Offer;
Multiple Application Forms	Multiple application forms submitted by an Eligible Equity Shareholder/Renouncee in respect of the Rights Entitlement available in their demat account. However supplementary applications in relation to further Equity Shares with/without using additional Rights Entitlements will not be treated as multiple application;
Net Proceeds	Issue Proceeds less the Issue related expenses. For further details, please refer to the section titled ' Objects of the Issue ' beginning on page 46 of this Draft Letter of Offer;
Non-ASBA Investor/ Non-ASBA Applicant	Investors other than ASBA Investors who apply in the Issue otherwise than through the ASBA process comprising Eligible Shareholders holding Equity Shares in physical form or who intend to renounce their Rights Entitlement in part or full and Renouncees;
Non-Institutional Investors/ NIIs	An Investor other than a Retail Individual Investor or Qualified Institutional Buyer as defined under Regulation 2(1)(jj) of the SEBI (ICDR) Regulations;
Offer Documents	The Draft Letter of Offer, Letter of Offer, Abridged Letter of Offer including any notices, corrigendum thereto;
Off Market Renunciation	The renunciation of Rights Entitlements undertaken by the Investor by transferring them through off market transfer through a depository participant in accordance with the SEBI Rights Issue Circulars and the circulars issued by the Depositories, from time to time, and other applicable laws;
On Market Renunciation	The renunciation of Rights Entitlements undertaken by the Investor by trading them over the secondary market platform of the Stock Exchange through a registered stockbroker in accordance with the SEBI Rights Issue Circulars and the circulars issued by the Stock Exchange, from time to time, and other applicable laws, on or before [●] (Mention Renunciation date – Close date);
QIBs or Qualified Institutional Buyers	Qualified institutional buyers as defined under Regulation 2(1)(ss) of the SEBI (ICDR) Regulations;
R-WAP	Registrar's web-based application platform accessible at www.bigshareonline.com , instituted as an optional mechanism in accordance with the R-WAP Circulars. This platform is instituted only for resident Investors, in the event such Investors are not able to utilize the ASBA facility for making an application despite their best efforts;
R-WAP Circulars	SEBI circulars bearing reference numbers 'SEBI/HO/CFD/DIL2/CIR/P/2020/78 dated May 06, 2020', read with 'SEBI/HO/CFD/DIL1/CIR/P/2020/136 dated July 24, 2020', 'SEBI/HO/CFD/DIL1/CIR/P/2021/13 dated January 19, 2021', and 'SEBI/HO/CFD/DIL2/CIR/P/2021/552 dated April 22, 2021' and 'SEBI/HO/CFD/DIL2/CIR/P/2021/633 dated October 01, 2021';
Record Date	Designated date for the purpose of determining the Equity Shareholders eligible to apply for Right Shares, being [●] Day, [●] Date;



Refund through electronic transfer of Funds	Refunds through NECS, Direct Credit, RTGS, NEFT or ASBA process, as applicable;
Registrar to the Issue	Bigshare Services Private Limited;
Registrar Agreement	Agreement dated June 23, 2022, entered into between our Company and the Registrar in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to this Issue, including in relation to the R-WAP facility;
Renouncees	Any persons who has/have acquired Rights Entitlements from the Equity Shareholders through renunciation;
Renunciation Period	The period during which the Investors can renounce or transfer their Rights Entitlements which shall commence from the Issue Opening Date i.e. [●]. Such period shall close on [●] in case of On Market Renunciation. Eligible Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncee on or prior to the Issue Closing Date i.e. [●];
Retail Individual Investors/ RIIs	An individual Investor (including an HUF applying through karta) who has applied for Rights Shares and whose Application Money is not more than ₹2,00,000/- (Rupees Two Lakhs Only) in the Issue as defined under Regulation 2(1)(vv) of the SEBI (ICDR) Regulations;
Rights Entitlement (s)/ REs	The number of Right Shares that an Investor is entitled to in proportion to the number of Equity Shares held by the Investor on the Record Date, in this case being [●] ([●]) Equity Shares for every [●] ([●]) Equity Shares held by an Eligible Equity Shareholder; The Rights Entitlements with a separate ISIN '[●]' will be credited to your demat account before the date of opening of the Issue, against the Equity Shares held by the Equity Shareholders as on the Record Date, pursuant to the provisions of the SEBI (ICDR) Regulations and the SEBI Rights Issue Circular, the Rights Entitlements shall be credited in dematerialized form in respective demat accounts of the Eligible Equity Shareholders before the Issue Opening Date;
Rights Entitlement Letter	Letter including details of Rights Entitlements of the Eligible Shareholders. The Rights Entitlements are also accessible through the R-WAP and the link for the same will be available on the website of our Company;
Right Shares	Equity Shares of our Company to be Allotted pursuant to this Issue, on fully paid-up basis on Allotment;;
R-WAP	Registrar's web-based application platform accessible at www.bigshareonline.com , instituted as an optional mechanism in accordance with the R-WAP Circulars. This platform is instituted only for resident investors - original shareholders as on record date, in the event such Investors are not able to utilize the ASBA facility for making an application despite their best efforts;
SEBI Rights Issue Circulars	Collectively, SEBI circulars bearing reference number 'SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020', 'SEBI/HO/CFD/CIR/CFD/DIL/67/2020 dated April 21, 2020', 'SEBI/HO/CFD/DIL2/CIR/P/2020/78 dated May 6, 2020', 'SEBI/HO/CFD/DIL1/CIR/P/2020/136 dated July 24, 2020' and 'SEBI/HO/CFD/DIL1/CIR/P/2021/13 dated January 19, 2021';
Self-Certified Syndicate Banks/ SCSB(s)	The banks registered with SEBI, offering services (i) in relation to ASBA (other than through UPI mechanism), a list of which is available on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34 or https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35 , as applicable, or such other website as updated from time to time, and (ii) in relation to ASBA (through UPI mechanism), a list of which is available on the website of SEBI at https://sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40 or such other website as updated from time to time;
Transfer Date	The date on which the amount held in the escrow account(s) and the amount blocked in the ASBA Account will be transferred to the Allotment Account, upon finalization of the Basis of Allotment, in consultation with the Designated Stock Exchange;



Wilful Defaulter	A Company or person, as the case may be, categorized as a wilful defaulter by any bank or financial institution or consortium thereof, in terms of Regulation 2(1)(III) of SEBI (ICDR) Regulations and in accordance with the guidelines on wilful defaulters or a fraudulent borrowers issued by the RBI, including any Company whose director or promoter is categorized as such;
Working Day(s)	In terms of Regulation 2(1)(mmm) of SEBI (ICDR) Regulations, Working day means all days on which commercial banks in Gujarat are open for business. Further, in respect of Issue Period, working day means all days, excluding Saturdays, Sundays, and public holidays, on which commercial banks in Mumbai are open for business. Furthermore, the time period between the Issue Closing Date and the listing of the Right Shares on the Stock Exchange, working day means all trading days of the Stock Exchange, excluding Sundays and bank holidays, as per circulars issued by SEBI;

BUSINESS AND INDUSTRY RELATED TERMS

TERM	DESCRIPTION
CAGR	Compounded Annual Growth Rate
B2B	Business to Business
2W, 3W & 4W	2, 3 & 4 Wheeler
EV	Electric Vehicle
BU	Business Unit
FAME Vehicle	Faster Adoption and Manufacturing of Electric Vehicle
ICAT	International Centre for Automotive Technology
ICE	Internal Combustion Engine Vehicles
HS	High Speed
HSE	Health, Safety and Environment
IIP	Index of Industrial Production
GDP	Gross Domestic Product
GVA	GVA Gross Value Added
LS	Low Speed
OEM	Original Equipment Manufacturers
FDI	Foreign Direct Investment;
FICCI	Federation of Indian Chambers of Commerce and Industry;
FIPB	Foreign Investment Promotion Board;
FY	Financial Year;
GST	Goods and Services Tax;
MNC	Multi National Company;
MOUs	Memorandum of Understanding;
NOC	No Objection Certificate;

TERM	DESCRIPTION
One Billion	Ten Thousand Lakhs;
One million	Ten Lakhs;
One Trillion	One Crore Lakhs;
Sq. ft.	Square Foot;
USA	United States of America;
USD	United States Dollar;
WEO	World Economic Outlook;

ABBREVIATIONS

TERM	DESCRIPTION
₹/Rs. /Rupees /INR	Indian Rupees;
AGM	Annual General Meeting;
AIF	Alternative Investment Fund as defined and registered with SEBI under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012;
AS	Accounting Standards issued by the Institute of Chartered Accountants of India;
AY	Assessment Year;



BSE	BSE Limited;
CAF	Common Application Form;
CDSL	Central Depository Services (India) Limited;
CFO	Chief Financial Officer;
CIN	Corporate Identification Number;
CIT	Commissioner of Income Tax;
CLRA	Contract Labour (Regulation and Abolition) Act, 1970;
Companies Act, 2013	Companies Act, 2013 along with rules made thereunder;
Companies Act, 1956	Companies Act, 1956, and the rules thereunder (without reference to the provisions thereof that have ceased to have effect upon the notification of the Notified Sections);
COVID-19	A public health emergency of international concern as declared by the World Health Organization on January 30, 2020 and a pandemic on March 11, 2020
CSR	Corporate Social Responsibility;
Depository	A depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participant) Regulations, 2018
Depositories Act	The Depositories Act, 1996;
DP/ Depository Participant	Depository Participant as defined under the Depositories Act;
DIN	Director Identification Number;
DP	Depository Participant;
DP-ID	Depository Participant's Identification;
DR	Depository Receipts;
EBITDA	Profit/(loss) after tax for the year adjusted for income tax expense, finance costs, depreciation, and amortization expense, as presented in the statement of profit and loss
EGM	Extraordinary General Meeting;
EPS	Earning per Equity Share;
FCNR Account	Foreign Currency Non-Resident (Bank) account established in accordance with the FEMA;
FDI	Foreign Direct Investment;
FEMA	Foreign Exchange Management Act, 1999 read with rules and regulations made thereunder;
FEMA Rules	Foreign Exchange Management (Non-debt Instruments) Rules, 2019;
FII(s)	Foreign Institutional Investors registered with SEBI under applicable laws;
FIPB	Foreign Investment Promotion Board;
FPIs	A foreign portfolio investor who has been registered pursuant to the SEBI FPI Regulations, provided that any FII who holds a valid certificate of registration shall be deemed to be an FPI until the expiry of the block of three years for which fees have been paid as per the SEBI FPI Regulations
Fugitive Economic Offender	An individual who is declared a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018;
FVCI	Foreign Venture Capital Investors (as defined under the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000) registered with SEBI;
FY	Period of 12 months ended March 31 of that particular year, unless otherwise stated;
GAAP	Generally Accepted Accounting Principles;
GDP	Gross Domestic Product;
GoI / Government	The Government of India;
GST	Goods and Services Tax;
HUF	Hindu Undivided Family;
Ind AS	Indian Accounting Standards;
ICAI	The Institute of Chartered Accountants of India;
ICSI	The Institute of Company Secretaries of India;
IFRS	International Financial Reporting Standards;
Income Tax Act/ IT Act	The Income Tax Act, 1961 and amendments thereto;
Insider Trading Regulations	Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
Insolvency Code	Insolvency and Bankruptcy Code, 2016, as amended;



INR / ₹ / Rs./ Indian Rupees	Indian Rupee, the official currency of the Republic of India;
IT	Information Technology;
MCA	The Ministry of Corporate Affairs, GoI;
MN / Mn	Million;
Mutual Funds	Mutual funds registered with the SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996;
N.A. or NA	Not Applicable;
NAV	Net Asset Value;
NEFT	National Electronic Fund Transfer;
Notified Sections	The sections of the Companies Act, 2013 that have been notified by the MCA and are currently in effect;
NR/ Non-Resident	A person resident outside India, as defined under the FEMA and includes an NRI, FPIs registered with SEBI and FVCIs registered with SEBI;
NRE	Account Non-resident external account;
NRI	Non-resident Indian;
NSDL	National Securities Depository Limited;
NSE	National Stock Exchange of India Limited;
OCB	Overseas Corporate Body;
p.a.	Per annum;
P/E Ratio	Price/Earnings Ratio;
PAN	Permanent account number;
PAT	Profit after Tax;
RBI	Reserve Bank of India;
RBI Act	Reserve Bank of India Act, 1934;
RoNW	Return on Net Worth;
SCORES	SEBI Complaints Redress System;
SCRA	Securities Contracts (Regulation) Act, 1956;
SCRR	Securities Contracts (Regulation) Rules, 1957;
SEBI	Securities and Exchange Board of India;
SEBI Act	Securities and Exchange Board of India Act, 1992;
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012;
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019;
SEBI (LODR) Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time;
SEBI (ICDR) Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and amendments thereto;
SEBI (SAST) Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and amendments thereto;
Securities Act	United States Securities Act of 1933, as amended;
STT	Securities transaction tax;
Trade Mark Act	Trade Marks Act, 1999 and the rules thereunder, including subsequent amendments thereto;
TDS	Tax deducted at source;
VCF	Venture capital fund as defined and registered with SEBI under the Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996 or the SEBI AIF Regulations, as the case may be;



NOTICE TO INVESTORS

The distribution of this Draft Letter of Offer, Letter of Offer, the Abridged Letter of Offer, Application Form and Rights Entitlement Letter and the issue of Rights Entitlement and Rights Equity Shares to persons in certain jurisdictions outside India may be restricted by legal requirements prevailing in those jurisdictions. Persons into whose possession the Draft Letter of Offer, Letter of Offer the Abridged Letter of Offer or CAFs may come are required to inform themselves about and observe such restrictions.

Our Company is making this Issue on a rights basis to the Eligible Equity Shareholders and will electronically dispatch through email and physical dispatch through speed post the Letter of Offer / Abridged Letter of Offer and Application Form and Rights Entitlement Letter only to Eligible Equity Shareholders who have a registered address in India or who have provided an Indian address to our Company. Further, the Letter of Offer will be provided, through email and speed post, by the Registrar on behalf of our Company to the Eligible Equity Shareholders who have provided their Indian addresses to our Company or who are located in jurisdictions where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions and in each case who make a request in this regard. Investors can also access this, Letter of Offer, the Abridged Letter of Offer and the Application Form from the websites of the Registrar, our Company, the Lead Manager, SEBI, the Stock Exchange, and on R-WAP.

No action has been or will be taken to permit this Issue in any jurisdiction where action would be required for that purpose, except that the Letter of Offer has been filed with BSE Limited for observations. Accordingly, the Right Entitlements and Right Shares may not be offered or sold, directly or indirectly, and the Issue Materials may not be distributed in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Receipt of the Issue Materials will not constitute an offer in those jurisdictions in which it would be illegal to make such an offer, and, under such circumstances, Issue Material must be treated as sent for information purpose only and should not be acted upon for subscription to Rights Entitlement and Right Shares and should not be copied or redistributed. Accordingly, persons receiving a copy of Issue Material should not, in connection with this Issue of the Right Shares or Rights Entitlements, distribute or send the same in or into any jurisdiction where to do so would or might contravene local securities laws or regulations. If Issue Material is received by any person in any such jurisdiction, or by their agent or nominee, they must not seek to subscribe to the Right Shares, or the Rights Entitlements referred to in the Issue Material.

Any person who makes an application to acquire Equity Shares offered in this Issue will be deemed to have declared, represented, warranted and agreed that she/he is authorized to acquire the Rights Equity Shares in compliance with all applicable laws and regulations prevailing in her/his jurisdiction. Our Company, the Registrar to the Issue or any other person acting on behalf of us reserve the right to treat any CAF as invalid where we believe that CAF is incomplete or acceptance of such CAF may infringe applicable legal or regulatory requirements and we shall not be bound to allot or issue any Rights Equity Shares or Rights Entitlement in respect of any such CAF. Neither the delivery of Letter of Offer, Abridged Letter of Offer and CAFs nor any sale hereunder, shall under any circumstances create any implication that there has been no change in our Company's affairs from the date hereof or that the information contained herein is correct as at any time subsequent to the date of the Letter of Offer.

Neither the delivery of this Draft Letter of Offer, Letter of Offer, the Abridged Letter of Offer, Application Form and Rights Entitlement Letter nor any sale hereunder, shall, under any circumstances, create any implication that there has been no change in our Company's affairs from the date hereof or the date of such information or that the information contained herein is correct as at any time subsequent to the date of this Draft Letter of Offer, Letter of Offer and the Abridged Letter of Offer and the Application Form and Rights Entitlement Letter or the date of such information.

THE CONTENTS OF THIS DRAFT LETTER OF OFFER, LETTER OF OFFER SHOULD NOT BE CONSTRUED AS LEGAL, TAX OR INVESTMENT ADVICE. PROSPECTIVE INVESTORS MAY BE SUBJECT TO ADVERSE FOREIGN, STATE OR LOCAL TAX OR LEGAL CONSEQUENCES AS A RESULT OF THE OFFER RIGHTS OF EQUITY SHARES OR RIGHTS ENTITLEMENTS. ACCORDINGLY, EACH INVESTOR SHOULD CONSULT ITS OWN COUNSEL, BUSINESS ADVISOR AND TAX ADVISOR AS TO THE LEGAL, BUSINESS, TAX AND RELATED MATTERS CONCERNING THE OFFER OF EQUITY SHARES. IN ADDITION, NEITHER OUR COMPANY NOR THE LEAD MANAGER IS MAKING ANY REPRESENTATION TO ANY OFFEREE OR PURCHASER OF THE EQUITY SHARES REGARDING THE LEGALITY OF AN INVESTMENT IN THE EQUITY SHARES BY SUCH OFFEREE OR PURCHASER UNDER ANY APPLICABLE LAWS OR REGULATIONS.



NO OFFER IN THE UNITED STATES

The Rights Entitlement and the Right Shares of our Company have not been and will not be registered under the Securities Act, or any U.S. state securities laws and may not be offered, sold, resold, or otherwise transferred within the United States of America or the territories or possessions thereof, except in a transaction exempt from the registration requirements of the Securities Act. The rights referred to in the Letter of Offer are being offered in India, but not in the United States. The offering to which the Letter of Offer relates is not, and under no circumstances is to be construed as, an offering of any Equity Shares or rights for sale in the United States or as a solicitation therein of an offer to buy any of the said Equity Shares or rights. Accordingly, the Issue Materials should not be forwarded to or transmitted in or into the United States at any time.

Neither our Company nor any person acting on behalf of our Company will accept subscriptions or renunciation from any person, or the agent of any person, who appears to be, or who our Company or any person acting on behalf of our Company has reason to believe is in the United States when the buy order is made. Envelopes containing an Application Form and Rights Entitlement Letter should not be postmarked in the United States or otherwise dispatched from the United States or any other jurisdiction where it would be illegal to make an offer, and all persons subscribing for the Equity Shares and wishing to hold such Equity Shares in registered form must provide an address for registration of the Equity Shares in India. Our Company is making the Right Shares to Eligible Shareholders of our Company on the Record Date and issue materials will be dispatched only to Equity Shareholders who have an Indian address. Any person who acquires rights and the Right Shares will be deemed to have declared, represented, warranted, and agreed, that:

1. It is not and that at the time of subscribing for the Right Shares or the Rights Entitlements, it will not be, in the United States when the buy order is made,
2. It does not have a registered address (and is not otherwise located) in the United States, and
3. It is authorized to acquire the rights and the Equity Shares in compliance with all applicable laws and regulations.
4. Our Company believes that Application Form is incomplete, or acceptance of such Application Form may infringe applicable legal or regulatory requirements; and
5. Our Company shall not be bound to allot or issue any Rights Shares or Rights Entitlement in respect of any such Application Form.

Our Company reserves the right to treat as invalid any Application form which:

1. Appears to our Company or its agents to have been executed in or dispatched from the United States;
2. Where a registered Indian address is not provided; or
3. Where our Company believes that Application Form is incomplete, or acceptance of such Application Form may infringe applicable legal or regulatory requirements; and our Company shall not be bound to allot or issue any Equity Shares or Rights Entitlement in respect of any such Application Form.

Rights Entitlements may not be transferred or sold to any person in the United States.

The Rights Entitlements and the Equity Shares have not been approved or disapproved by the US Securities and Exchange Commission (the "US SEC"), any state securities commission in the United States or any other US regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the offering of the Rights Entitlements, the Equity Shares or the accuracy or adequacy of this Draft Letter of Offer, Letter of Offer. Any representation to the contrary is a criminal offence in the United States.

The above information is given for the benefit of the Applicants / Investors. Our Company and the Lead Manager are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Letter of Offer, Letter of Offer. Investors are advised to make their independent investigations and ensure that the number of Rights Equity Shares applied for do not exceed the applicable limits under laws or regulations.

THIS DOCUMENT IS SOLELY FOR THE USE OF THE PERSON WHO RECEIVED IT FROM OUR COMPANY OR FROM LEAD MANAGER OR FROM THE REGISTRAR. THIS DOCUMENT IS NOT TO BE REPRODUCED OR DISTRIBUTED TO ANY OTHER PERSON.



CERTAIN CONVENTIONS, USE OF FINANCIAL INFORMATION AND USE OF CURRENCY OF PRESENTATION

CERTAIN CONVENTIONS

Unless otherwise specified or the context otherwise requires, all references to “India” contained in this Draft Letter of Offer are to the Republic of India and the “Government” or “GoI” or the “Central Government” or the “State Government” are to the Government of India, Central or State, as applicable.

Unless otherwise specified or the context otherwise requires, all references in this Letter of Offer to the ‘US’ or ‘U.S.’ or the ‘United States’ are to the United States of America and its territories and possessions.

Unless otherwise specified, all references in this Draft Letter of Offer are in Indian Standard Time. Unless indicated otherwise, all references to a year in this Draft Letter of Offer are to a calendar year.

Unless stated otherwise, all references to page numbers in this Draft Letter of Offer are to the page numbers of this Draft Letter of Offer.

In this Draft Letter of Offer, unless otherwise indicated or the context otherwise requires, all references to the/our ‘Company’, ‘we’, ‘our’, ‘us’ or similar terms are to Mercury Metals Limited or, as the context requires, and references to ‘you’ are to the Equity Shareholders and/or prospective Investors in the Equity Shares.

FINANCIAL DATA

Unless stated otherwise, the financial data in this Draft Letter of Offer is derived from the audited Financial Statements for the year ended 31st March, 2022, 31st March, 2021 and 31st March, 2020 of our Company prepared in accordance with Ind AS, Accounting Standards, Companies Act, 2013. For further details, please refer to the section titled ‘**Financial Information**’ beginning on page 80 of this Draft Letter of Offer. The financial year of our Company commences on April 1 and ends on March 31.

The GoI has adopted the Indian Accounting Standards (“Ind AS”), which are converged with the International Financial Reporting Standards of the International Accounting Standards Board (“IFRS”) and notified under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015, as amended (the “Ind AS Rules”). The Consolidated Financial Statements of our Company for the Financial Years ended March 2021 and March 2022 have been prepared in accordance with Ind AS as prescribed under Section 133 of Companies Act, 2013 read with the Ind AS Rules and other the relevant provisions of the Companies Act, 2013 and restated in accordance with the SEBI ICDR Regulations and the Guidance Note on Reports in Company Prospect uses (revised), 2019, issued by the ICAI. Our Company publishes its financial statements in Indian Rupees.

There are significant differences between Ind AS, US GAAP and IFRS. We have not provided a reconciliation of the financial information to IFRS or US GAAP. Our Company has not attempted to also explain those differences or quantify their impact on the financial data included in this Draft Letter of Offer, and you are urged to consult your own advisors regarding such differences and their impact on our financial data. Accordingly, the degree to which the financial information included in this Letter of Offer will provide meaningful information is entirely dependent on the reader’s level of familiarity with Indian accounting policies and practices, Ind AS, the Companies Act and the SEBI ICDR Regulations. Any reliance by persons not familiar with these accounting principles and regulations on our financial disclosures presented in this Draft Letter of Offer should accordingly be limited. For further information, see “**Financial Information**” on page 80 of this Draft Letter of Offer.

In this Draft Letter of Offer, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding-off, and unless otherwise specified, all financial numbers in parenthesis represent negative figures.



CURRENCY OF PRESENTATION

All references in this Draft Letter of Offer to 'Rupees', 'Rs.', '₹', 'Indian Rupees' and 'INR' are to Rupees, the official currency of the Republic of India.

All references to 'U.S. \$', 'U.S. Dollar', 'USD' or '\$' are to United States Dollars, the official currency of the United States of America.

Please Note:

One million is equal to 1,000,000/10 lakhs;

One billion is equal to 1,000 million/100 crores;

One lakh is equal to 100 thousand;

One crore is equal to 10 million/100 lakhs;

INDUSTRY AND MARKET DATA

Unless stated otherwise, industry and market data used in this Letter of Offer has been obtained or derived from publicly available information as well as industry publications and sources.

Industry publications generally state that the information contained in such publications has been obtained from publicly available documents from various sources believed to be reliable, but their accuracy and completeness are not guaranteed, and their reliability cannot be assured. Although we believe the industry and market data used in this Letter of Offer is reliable, it has not been independently verified by us. The data used in these sources may have been reclassified by us for the purposes of presentation. Data from these sources may also not be comparable. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in "***Risk Factors***" on page 21 of this Draft Letter of Offer. Accordingly, investment decisions should not be based solely on such information.

The extent to which the market and industry data used in this Letter of Offer is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which the business of our Company is conducted, and methodologies and assumptions may vary widely among different industry sources.



FORWARD LOOKING STATEMENTS

Our Company has included statements in this Draft Letter of Offer which contain words or phrases such as ‘will’, ‘may’, ‘aim’, ‘is likely to result’, ‘believe’, ‘expect’, ‘continue’, ‘anticipate’, ‘estimate’, ‘intend’, ‘plan’, ‘contemplate’, ‘seek to’, ‘future’, ‘objective’, ‘goal’, ‘project’, ‘should’, ‘pursue’ and similar expressions or variations of such expressions, that are ‘forward looking statements’.

Further, actual results may differ materially from those suggested by the forward-looking statements due to risks or uncertainties or assumptions associated with the expectations with respect to, but not limited to, regulatory changes pertaining to the industry in which our Company operates and our ability to respond to them, our ability to successfully implement our strategy, our growth and expansion, technological changes, our exposure to market risks, general economic and political conditions which have an impact on our business activities or investments, the monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in domestic laws, regulations and taxes, changes in competition in its industry and incidents of any natural calamities and/or acts of violence. Important factors that could cause actual results to differ materially from our Company’s expectations include, but are not limited to, the following:

- Uncertainty of the continuing impact of the COVID-19 pandemic on our business and operations;
- General economic and business conditions in India and in the markets in which we operate and in the local, regional, and national economies;
- Changes in laws and regulations relating to the sectors and industry in which we operate;
- changes in technology and our ability to manage any disruption or failure of our technology systems;
- our ability to:
 - ✓ manage our operating costs and impact on the financial results;
 - ✓ successfully implement our business strategies and expansion plans;
- Any cyclic change in the demand and supply of direct or indirect raw material supplies.
- Failure of our R&D efforts to yield returns or benefits, inability to successfully offer our customers new solutions and products and maintain our competitiveness; and
- Failure to effectively implement our production schedules, or prevent unanticipated or prolonged interruptions at our manufacturing operations.
- Changes in general, political, social and economic conditions in India and elsewhere;

For a further discussion of factors that could cause the actual results to differ, please refer to the section titled ‘**Risk Factors**’ beginning on page 21 of this Draft Letter of Offer. By their nature, certain market risk disclosures are only estimates and could materially be different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated and are not a guarantee of future performance. Our Company or advisors does not have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with SEBI and BSE Limited’s requirements, our Company shall ensure that Investors in India are informed of material developments until the time of the grant of listing and trading permission by the BSE Limited.



SECTION II – SUMMARY OF THE LETTER OF OFFER

The following is a general summary of certain disclosures included in this Draft Letter of Offer and is neither exhaustive, nor does it purport to contain a summary of all the disclosures in this Draft Letter of Offer or all details relevant to prospective Investors. This summary should be read in conjunction with and is qualified by, the more detailed information appearing in this Draft Letter of Offer, including the sections titled ***‘Risk Factors’***, ***‘Objects of the Issue’***, ***‘Business Overview’*** and ***‘Outstanding Litigations, Defaults and Material Developments’*** beginning on page 21, 46, 66 and 126 of this Draft Letter of Offer, respectively.

SUMMARY OF INDUSTRY

India’s annual production of automobiles in FY 21 was 22.65 million vehicles, and 13 million vehicles were produced between April-October 2021. The Indian automotive industry is expected to reach US \$ 300 billion by 2026. The two wheelers segment dominate the market in terms of volume owing to a growing middle class and a young population. Moreover, the growing interest of the companies in exploring the rural markets further aided the growth of the sector. The industry also provides great opportunities for investment and direct and indirect employment to skilled and unskilled labour. India is also a prominent auto exporter and has strong export growth expectations for the near future. In addition, several initiatives by the Government of India and major automobile players in the Indian market is expected to make India a leader in the two-wheeler and four-wheeler market in the world. India’s EV space is at a nascent stage. However, looking at it differently – India offers the world’s largest untapped market, especially in the two-wheeler segment. The central and state governments have launched schemes and incentives to promote electric mobility in the country, one of them being 100% foreign direct investment being allowed in this sector under the automatic route.

For further details, please refer, one of them to the chapter titled **“Industry Overview”** at page 56 of this Draft Letter of Offer.

SUMMARY OF OUR BUSINESS

Our Company to commence the manufacturing of Electric Vehicles (EVs), Spare parts and other related services. Our primary business activity includes content production for EVs. We have through our flagship brand “Thunderbolt” Two wheelers introduced our first e-scooter in the year 2022. We introduced low-speed and high-speed electric scooters in the year 2022. Mercury Metal Limited, a BSE listed company went through the process of change of Promoters and Change of Management pursuant to applicable Regulations of the Securities and Exchange Board of India (Substantial Acquisitions of Share and Takeover) Regulations, 2011 and as amended. Earlier, the core business of the company was in the Metal segment. Then after the Company changed its business from Metal to Electric Vehicle with the shareholders approval at extra ordinary general meeting held on 30th May, 2022. The Company has started Research and Development (R&D) for product development and propose to commence Manufacturing of Two wheelers (2W). The company has planned to enter into 3Wheeler passenger and loader vehicles. In the segment of 4W, the company has started development of industrial purpose buses for internal use purposes. Apart from this company has also planned to develop special modified vehicles based on the customer requirement.

For further details, please refer to the section titled ***‘Business Overview’*** on page no. 66 of this Draft Letter of Offer.

OUR PROMOTERS AND PROMOTER GROUP

The Promoters of our Company are Mr. Kavita Jayeshbhai Thakkar and Artiben Jayeshbhai Thakkar the Promoters of our Company and individually referred to as “Promoter”.

Raghuvir International Private Limited and Shree Saibaba Exim Private Limited the Promoter Group of our Company and referred as “Promoter Group”.



OBJECTS OF THE ISSUE

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

	(₹ in lakhs)
Gross Proceeds from the Issue#	4800.00
Less: Estimated Issue related Expenses	[•]
Net Proceeds from the Issue	[•]

#Assuming full subscription and receipt of all Call Monies with respect to Rights Shares.

*The Issue size will not exceed ₹ 4800.00/- Lakhs.

The intended use of the Net Proceeds of the Issue by our Company is set forth in the following table:

		(₹ in lakhs)
Sr. No.	Particulars	Amount
1.	Repayment of Unsecured Loan*	2000.00
2.	Adjustment of unsecured loans**	2300.00
3.	General Corporate Purposes#	[•]
	Total Net Proceeds@	[•]
4.	To meet the expenses of the Issue	[•]
	Gross Proceeds from the Issue	[•]

*Till the date of this Draft Letter of Offer, the Company has availed unsecured loan of Rs.3784.50Lacs from the Promoter Group Company i.e. Raghuvir International Private Limited and Shree Saibaba Exim Private Limited of Rs. 1549.00 Lakhs and Rs. 2235.50 Lakhs respectively, to finance the acquisition of factory land & building for the manufacturing facility of EV (Electric Vehicle), acquisition of Plant & Machinery and to fund alteration, modification and addition in factory building. The Company has firm arrangement pursuant to Loan Agreement dated June 21, 2022, to avail the Unsecured Loan facility of upto Rs. 5000.00 Lakhs from promoter group companies.

**Pursuant to the Loan Agreement dated June 21, 2022, our Promoter Group, has advanced a sum of Rs. 3784.50 lakhs as unsecured loan at 8% interest per annum to our Company. The major part of aforesaid loan has been utilised to finance the acquisition of land & building situated at R.S. No. 28, National Highway No. 8, Por, Vadodara, Gujarat for the manufacturing facility of EV (Electric Vehicle). The Company has advanced a sum of Rs. 2861.00 Lakhs to it's Wholly Owned Subsidiary Company namely "i.e. EV Nest Private Limited" to make the payment of sale consideration for factory land and building. The said Wholly Owned Subsidiary Company has already completed the full amount of sale consideration i.e. Rs. 2861.00 Lakhs to seller of the said property and executed Sale Dee-d on 25.06.2022, which got Registered With the Office of the Sub-Registrar on 29.06.2022 vide Registration No.1928. Till the date of this Draft Letter of Offer, our Promoter Group i.e. Raghuvir International Private Limited and Shree Saibaba Exim Private Limited have given unsecured loan of Rs. 1549.00 Lakhs and Rs. 2235.50 Lakhs respectively aggregating to Rs. 3784.50 Lakhs and vide letter dated June 29, 2022 Raghuvir International Private Limited and Shree Saibaba Exim Private Limited requested the Board of Directors of the Company to adjust the unsecured loan of Rs. 11.50 Crores (Rupees Eleven crores and Fifty Thousands Only) and Rs. 11.50 Crores (Rupees Eleven crores and Fifty Thousands Only) respectively, aggregating to Rs. 23.00 Crores (Rupees Twenty Three crores Only) already brought in towards their entitlement for the proposed Rights Issue including subscription to additional equity shares and equity shares which may be renounced in their favour, if any.

#In an event of any under-utilization of funds from the aforesaid stated objects of the Issue, the Company shall have the liberty to utilize the said balance fund for General Corporate Purpose, which shall not in any event exceed 25.00% (Twenty-Five Percent) of the Gross Proceeds (inclusive of the aforementioned fund requirement for General Corporate Purpose);

@Assuming full subscription in this Issue, subject to finalization of the Basis of Allotment and to be adjusted per the Rights Entitlement ratio.

For further details, please refer to the section titled 'Objects of the Issue' beginning on page 46 of this Draft Letter of Offer.



SUBSCRIPTION TO THE ISSUE BY PROMOTER AND PROMOTER GROUP

The Promoters and Promoter Group of our Company through their letter dated June 29, 2022, have confirmed that they intend to subscribe to full extent of its Rights Entitlement in this Issue and to the extent of unsubscribed portion (if any) of this Issue and that they shall not renounce their Rights Entitlements except within the Promoter Group, in accordance with the provisions of Regulation 86 of the SEBI (ICDR) Regulations.

Our Promoter and certain members of our Promoter Group have also confirmed that they intend to apply for and subscribe to additional Right Shares and any Equity Shares offered in the Issue that remain unsubscribed, subject to compliance with the minimum public shareholding requirements, as prescribed under the SCRR and the SEBI (LODR) Regulations.

Any such subscription for Right Shares over and above their Rights Entitlement, if allotted, may result in an increase in their percentage shareholding in the Company. The allotment of Equity Shares of the Company subscribed by the Promoter and other members of the Promoter Group in this Issue shall be eligible for exemption from open offer requirements in terms of Regulation 10(4)(a) and 10(4)(b) of the SEBI (SAST) Regulations. The Issue shall not result in a change of control of the management of our Company in accordance with the provisions of SEBI (SAST) Regulations. Our Company is in compliance with Regulation 38 of the SEBI (LODR) Regulations and will continue to comply with the minimum public shareholding requirements under applicable law, pursuant to this Issue.

FINANCIAL INFORMATION

The following table sets forth the summary financial information derived from the Audited Financial Statements, prepared in accordance with Ind AS and the Companies Act, 2013, for the Financial Year ending March 31, 2022, March 31, 2021, and March 31, 2020.

(₹ In Lakhs)

Particulars	Audited Financial Statements for the Financial Year ending		
	March 31, 2022	March 31, 2021	March 31, 2020
Equity Share Capital	69.53	69.53	69.53
Net Worth	135.27	111.98	120.68
Total Income	122.18	118.05	0.62
Profit / (loss) after tax	23.09	(8.70)	(13.66)
Basic and diluted EPS (in ₹)	0.33	(0.13)	(0.19)
Net asset value per Equity Share (in ₹)	1.95	1.61	1.74
Total borrowings	0.00	0.00	0.00

AUDITOR QUALIFICATIONS

For further details on auditor qualifications, please refer to section titled '*Financial Statements*' beginning on page 80 of this Draft Letter of Offer.

OUTSTANDING LITIGATIONS

Nature of cases	Number of Cases	Amount Involved
Litigations involving our Company		
Litigation Involving Actions by Statutory/Regulatory Authorities	Nil	Nil
Litigation involving Tax Liabilities	Nil	Nil
Proceedings involving issues of moral turpitude or criminal liability on the part of our Company	Nil	Nil
Proceedings involving Material Violations of Statutory Regulations by our Company	Nil	Nil
Matters involving economic offences where proceedings have been initiated against our Company	Nil	Nil
Other proceedings involving our Company which involve an amount exceeding the Materiality Threshold or are otherwise material in terms of the Materiality Policy, and other pending matters which, if they result in an adverse outcome would materially and adversely affect the operations or the financial position of our Company	Nil	Nil



Litigation involving our Directors, Promoters and Promoter Group	Nil	Nil
Litigation involving our Group Companies	Nil	Nil

**There is an outstanding liability of Rs. 1092/- for payment of Interest on TDS, which is being negligible, the same is not mentioned under demands raised.*

For further details, please refer to section titled '**Outstanding Litigations, Defaults and Material Developments**' beginning on page 126 of this Draft Letter of Offer.

RISK FACTORS

For details of potential risks associated with our ongoing business activities and industry, investment in Equity Shares, material litigations which impact the business of the Company and other economic factors, please refer to the section titled '**Risk Factors**' beginning on page 21 of this Draft Letter of Offer.

CONTINGENT LIABILITIES

For details of the contingent liabilities, as reported in the Financial Statements, please refer to the section titled '**Financial Statements**' beginning on page 80 of this Draft Letter of Offer.

RELATED PARTY TRANSACTIONS

For details of the related party transactions, as reported in the Financial Statements, please refer to the section titled '**Financial Statements**' beginning on page 80 of this Draft Letter of Offer.

FINANCING ARRANGEMENTS

There have been no financing arrangements whereby our Directors and their relatives have financed the purchase, by any other person of Equity Shares other than in the normal course of the business of the financing entity during the period of 6 (Six) months immediately preceding the date of this Draft Letter of Offer.

ISSUE OF EQUITY SHARES FOR CONSIDERATION OTHER THAN CASH IN THE LAST ONE YEAR

Our Company has not issued any Equity Shares for consideration other than cash during the last 1 (One) year immediately preceding the date of filing this Draft Letter of Offer.



SECTION III – RISK FACTORS

An investment in our Equity Shares involves a high degree of risk. You should carefully consider each of the following risk factors and all other information set forth in this Draft Letter of Offer, including in 'Business Overview', 'Industry Overview', and 'Financial Statements' beginning on page 66, 56 and 80 respectively in this Draft Letter of Offer, before making an investment in our Equity Shares.

The risks and uncertainties described below are not the only risks that we currently face; additional risks and uncertainties not presently known to us or that we currently believe to be immaterial may also adversely affect our business, financial condition, results of operations, and cash flows. If any or some combination of the following risks, or other risks that are not currently known or believed to be adverse, actually occur, our business, financial condition, and results of operations could suffer, the trading price and the value of your investment in, our Equity Shares could decline, and you may lose all or part of your investment. To the extent the COVID-19 pandemic has adversely affected and may affect our business and financial results, it may also have the effect of increasing many of the other risks described in this section, such as those relating to non-payment or default by borrowers. In making an investment decision with respect to this Issue, you must rely on your own examination of our Company and the terms of this Issue, including the merits and risks involved. You should consult your tax, financial, and legal advisors about the consequences of an investment in our Equity Shares and its impact on you.

This Draft Letter of Offer also contains forward-looking statements that involve risks and uncertainties. Our results could differ materially from such forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Draft Letter of Offer.

Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify the financial or other implications of any of the risks described in this section. Unless the context otherwise requires, in this section, reference to 'we', 'us', 'our' refers to our Company.

INTERNAL RISK FACTORS

1. We focus primarily on the automobile and auto-components industry.

Our business is focused primarily on the automobile and auto components industry and therefore, our business is dependent upon continued demand for our products in the automobile industry. The automobile industry is cyclical in nature. Our business is further linked mainly with the two, three and Four-wheeler segment of the automobile Industry. The auto-component industry is sensitive to changes in economic conditions and unforeseen events, including political instability, recession, inflation or other adverse occurrences. Any event that results in decreased demand in automobile industry, or increased pressure on automobile manufacturers to develop, implement and maintain in-house auto-component facilities, could have an adverse effect on our business, financial condition and results of operations.

2. The automobile sector requires continuous up-gradation.

The automobile sector is characterized by continuous up-gradation in terms of technology, manufacturing process and design capability. Consequently, the Company has to meet with the aforesaid demands and invest continuously to upgrade technology, manufacturing process and designs and keep abreast with the latest innovations in the automobile industry. In case the Company is unable to keep pace with the growth rate of technology advancements or process change or design changes, it may be unable to meet customer expectations which would adversely affect the revenues of our Company.

3. The limited range of products to choose from poses a challenge for the growth in demand for Electric Vehicles.

We are operating in the electric vehicle industry which is still a budding industry in India. Hence the customers have a very limited range of products to choose from, as against the vehicles from the traditional automotive industry. This may prompt the customers to choose a traditional ICE vehicle over an Electric Vehicle and this in turn could affect our sales, revenues and profitability.



4. The higher cost of EVs and the low mileage of EVs versus the Internal Combustion Engine (ICE) vehicles is likely to discourage a customer from choosing our products.

Along with limited number of variants available to choose from, the customer also has to pay a higher price in comparison to the ICE's. This is mainly due to the battery cost accounting for between 30% to 50% of the total vehicle price, which is then passed on to the end consumer. Further the low mileage given by an EV as compared to the traditional ICE makes our products less cost effective / competitive to an average customer. Hence this may reduce the demand for our products which in turn could affect our turnover, revenues and profitability.

5. The dependence on imports for raw materials could increase our cost. Further any curbs imposed by other countries on the export of these materials or import curbs imposed by our Country on the import of these raw material could affect the availability of raw materials.

We rely on imports of raw materials as well as other components which adds to the cost of EVs. Further the absence of adequate reserves of key raw materials in India and in turn our Company depend on other countries for its supply. They may also be subject to curbs on export or import. A failure to maintain a continuous supply of raw materials may result in disruption of production and delay in the delivery of our products to our customers in a timely, efficient and reliable manner which may adversely affect our business, results of operations and financial condition.

6. The demand for electricity required to charge an EV which could discourage a customer from purchasing an Electric Vehicle over a traditional ICE Vehicle.

According to Brookings India, projections for 2030 show that even with a fair penetration of EVs, the increase in demand for electricity is likely to be about 100 TWH (Tera Watt-Hours) or about four percent of the total power generation capacity. So, increasing methods of power generation are necessary to meet that growth in demand. In case the electricity generation in our Country does not keep pace with the demand from the EV Industry, the demand for these vehicles may decline and consequently this could affect our sales, revenues and profitability.

7. Our Company has experienced negative cash flow in the past and may continue to do so in the future, which could have a material adverse effect on our business, prospects, financial condition, cash flows and results of operations.

Our Company has experienced negative net cash flow in operating and financing activities in the past, the details of which are provided below:

(₹ in lakhs)

Particulars	March 31, 2022	March 31, 2021	March 31, 2020
Net Cash Flow from Operating Activities	(35.93)	103.46	(2.01)
Net Cash Flow used in Investing Activities	4.01	0.00	0.00
Net Cash used in Financing Activities	0.00	0.00	0.00

Cash flow of the Company is a key indicator to show the extent of cash generated from operations to meet capital expenditure, pay dividends, repay loans and make new investments without raising finance from external resources. If we are not able to generate sufficient cash flows in future, it may adversely affect our business and financial operations.

8. Our Company requires significant amount of working capital for a continuing growth. Our inability to meet our working capital requirements may adversely affect our results of operations.

Our business requires a significant amount of working capital. Any delay in the receipt of payments from our customers may increase our working capital requirement. Further, if a customer defaults in making payment for the goods and services provided by us, on which we have devoted significant resources, it could affect our profitability and liquidity and decrease the capital reserves that are otherwise available for other uses. In general, we take provisions for bad debts, including those arising from such defaults based primarily on ageing and other factors such as special circumstances relating to special customers. There can be no assurance that such payments will be remitted by our clients to us on a timely basis. All of these factors may result, or have resulted, in increase in the amount of receivables. Continued increase in working capital requirements may adversely affect our financial condition and results of operations.



9. *Our Promoter and members of the Promoter Group have significant control over the Company and have the ability to direct our business and affairs; their interests may conflict with your interests as a shareholder.*

Our Promoter and the members of the Promoter Group currently hold approximately 65.10% of the paid-up equity share capital of our Company and may continue to have a substantial holding after the completion of the issue, assuming full subscription to the Rights Entitlement in the Issue. So long as the Promoters have a majority holding, they will be able to elect the entire Board and control most matters affecting us, including the appointment and removal of the officers of our Company, our business strategy and policies and financing. Further, the extent of the Promoter's shareholding in our Company may result in the delay or prevention of a change of management or control of our Company, even if such a transaction may be beneficial to the other shareholders of our Company.

10. *We have in past entered into related party transactions and we may continue to do so in the future.*

We have entered into several related party transactions with our Promoter, individuals and entities forming a part of our promoter group, our directors and entities which are our associates. In addition, we have in the past also entered into transactions with other related parties. Our Company has entered into related party transactions for the Fiscal ended March 31, 2022. For further details, please refer to the chapter titled – "**Financial Information- Notes to Financial Statements**" at page 80 of this Letter of Offer. While we believe that all our related party transactions have been conducted on an arm's length basis, we cannot assure you that we may not have achieved more favorable terms had such transactions been entered into with unrelated parties. There can be no assurance that such transactions, individually or taken together, will not have an adverse effect on our business, prospects, results of operations and financial condition, including because of potential conflicts of interest or otherwise. In addition, our business and growth prospects may decline if we cannot benefit from our relationships with them in the future.

11. *Delay in establishment of manufacturing facility may cause loss of business opportunity.*

The Company is under process to acquire the factory land and building. On completion of acquisition process of land the Company will initiate the process of alteration, modification and addition to the existing factory shed/building according to the factory plan/lay out and installation of plant and machinery thereafter. Any delay in such process may cause delay in establishment of manufacturing facility and delay in operation and commencement of manufacturing facility which may cause delay in introduction of Electric Vehicle (EV) by the Company and will result in loss of business opportunity. The EV Segment in India is working hard and many new players are coming into this segment along with the increase in capacity by existing players, therefore, any delay in implementation of manufacturing facility by the company will cause loss of business opportunity.

12. *Delay in establishment may cause cost overrun on Plant and Machinery.*

The Company is under process to place the order for procurement of plant and machinery. The company will place firm order for major part of this procurement but any delay in establishment of factory may cause delay in procurement of plant and such delay may cause cost overrun.

13. *The Company may be involved in legal proceedings in the future, which if decided against us may have an adverse impact on our business and results of operations.*

As on the date of this Letter of Offer, our Company is not involved in any legal proceedings. We cannot however assure you that it may not be involved in any legal proceedings in the future, which may be decided against our Company, or that no further liability will arise out of these proceedings. We may incur significant expenses in such legal proceedings and we may have to make provisions in our financial statements, which could increase our expenses and liabilities. Any adverse decision may also adversely affect our business, results of operations and financial condition. There are no pending litigations against our Promoters and our Directors as on date of this Letter of Offer, However, Outstanding liability of Rs. 1092/- for payment of interest on TDS, against Mercury Metals Ltd.

14. *We require certain approvals or licenses in the ordinary course of business and the failure to obtain or retain them in a timely manner, or at all, may adversely affect our operations.*

We require certain statutory and regulatory permits, licenses and approvals to carry out our business operations and applications for their renewal need to be made within certain timeframes. Further, we may also be required to obtain new licenses, registrations and approvals for any proposed operations, including any expansion of existing operations. There can be no assurance that the relevant authorities will renew such licenses, registrations and



approvals in a timely manner or at all. For some of the approvals which may have expired, we may have either made or are in the process of making an application for obtaining the approval or its renewal. We have also made applications for obtaining certain fresh approvals.

We cannot assure you that we will receive these approvals and registrations in a timely manner or at all. We cannot assure that the approvals, licenses, registrations and permits issued to us would not be suspended or revoked in the event of non-compliance or alleged non-compliance with any terms or conditions thereof, or pursuant to any regulatory action. Further, if we are unable to renew or obtain necessary permits, licenses and approvals on acceptable terms, in a timely manner or at all, our business, financial conditions and operations may be adversely affected. For further details on the pending licenses for which applications have been made, please see the chapter titled “Government and Other Statutory Approvals” beginning on page 128 of this Draft Letter of Offer.

15. *Our Company has applied for various trademarks for our business purpose which is under the process of registration. If we fail to obtain trademark registration, our products branding efforts may be hampered which might lead to adverse effect on our business.*

We have made applications for registration of various trademarks under the Trademarks Act, 1999 and are in the process of getting the same registered. If our Company is unable to obtain registration of those trademarks, it may not be able to successfully enforce or protect our intellectual property rights and obtain statutory protections available under the Trademarks Act, 1999, as otherwise available for registered trademarks and in future could have a material adverse effect on our business, which in turn could adversely affect our results of operations.

For further details please refer to section titled Government & Other Approvals on page 128 of this Draft Letter of offer.

16. *As the securities of our Company are listed on Stock Exchange in India, our Company is subject to certain obligations and reporting requirements under the SEBI Listing Regulations. Any non-compliances/delay in complying with such obligations and reporting requirements may render us liable to prosecution and/or penalties.*

The Equity Shares of our Company are listed on BSE and therefore we are subject to the obligations and reporting requirements prescribed under the SEBI Listing Regulations. Our Company endeavors to comply with all such obligations/reporting requirements, there may be nondisclosures/ delayed/erroneous disclosures and/or any other violations which might have been committed by us, and the same may result into Stock Exchanges and/or SEBI imposing penalties, issuing warnings and show cause notices against us and/or taking actions as provided under the SEBI Act and Rules and Regulations made there under and applicable SEBI Circulars. Any such adverse regulatory action or development could affect our business reputation, divert management attention, and result in a material adverse effect on our business prospects and financial performance and on the trading price of the Equity Shares.

17. *We are dependent on technology in carrying out our business activities and it forms an integral part of our business. Further, if we are unable to adapt to latest and updated technological changes and successfully implement new technologies or if we face failure of our robotic technology systems, we may not be able to compete effectively which may result in higher costs and would adversely affect our business and results of operations.*

We are dependent on technology system in connection with carrying out our business activities and such systems form an integral part of our business. Any failure of our technology systems could result in business interruptions, including the loss of our customers, loss of reputation and weakening of our competitive position, and could have a material adverse effect on our business, financial condition and results of operations. Our future success depends in part of our ability to respond to technological advancements and emerging standards and practices on a cost-effective and a timely basis. Our failure to successfully adopt such technologies in a cost-effective manner could increase our costs thereby compelling us to bid at lower margins which might lead to loss of bidding opportunities vis-à-vis such competitors. Additionally, the government authorities may require adherence with certain technologies and we cannot assure you that we would be able to implement such technologies in a timely manner or at all. The cost of upgrading or implementing new technologies or upgrading our existing equipment or expanding our capacity could be significant, less cost effective and therefore could negatively impact our profitability, results of operations, financial condition as well as our future prospects.



18. Our success largely depends upon the knowledge and experience of our Promoter, Directors and our Key Managerial Personnel. Loss of any of our directors and key managerial personnel or our ability to attract and retain them could adversely affect our business, operations and financial condition.

Our Company depends on the management skills and guidance of our Promoter and Directors for development of new designs, business strategies, monitoring its successful implementation and meeting future challenges. Further, we also significantly depend on the expertise, experience and continued efforts of our Key Managerial Personnel. Our future performance will depend largely on our ability to retain the continued service of our management team. If one or more of our directors or Key Managerial Personnel are unable or unwilling to continue in his/ her present position, it could be difficult for us to find a suitable or timely replacement and our business could be adversely affected. There is significant demand for management and other skilled personnel in the industry in which we operate, and it may be difficult to attract and retain the personnel we require in future. There can be no assurance that our competitors will not offer better compensation packages and incentives to such Key Managerial Personnel. In the event we are not able to attract and retain talented employees, as required for conducting our business, or we experience high attrition levels which are largely out of our control, or if we are unable to motivate and retain existing employees, our business, financial condition and operations may be adversely affected. For further details on our Directors and Key Managerial Personnel, please refer to the chapter titled – “Our Management” on page 74 of this Draft Letter of Offer.

19. Our Company has availed unsecured loans which may be recalled at any time.

Our Company has not availed unsecured loans from our promoter group and from any other company as on March 31, 2022. However, the company has availed unsecured loan from the promoter group companies during the current financial year. The Company has agreed to avail unsecured loan amount of upto Rs.5000.00 Lakhs from promoter group companies at the rate of Interest of 8% p.a. The Company has already taken unsecured loan of Rs.3784.50 Lakhs from promoter group companies till the date of this draft letter of offer and our Promoter Group i.e. Raghuvir International Private Limited and Shree Saibaba Exim Private Limited have vide letter dated June 29, 2022 requested the Board of Directors of the Company to adjust the unsecured loan of Rs.11.50 Crores (Rupees Eleven crores and Fifty Thousands Only) and Rs.11.50Crores (Rupees Eleven crores and Fifty Thousands Only) respectively, aggregating to Rs.23.00 Crores (Rupees Twenty Three crores Only) already brought in towards their entitlement for the proposed Rights Issue including subscription to additional equity shares and equity shares which may be renounced in their favour, if any. Further, our Company is also proposing to repay the unsecured loan of Rs.2000.00 Lakhs out of the proceeds of this Right Issue. In the event our Company is unable to repay these loans on time, the same may be recalled by the lenders immediately which may affect our business, liquidity condition and cash flows. For further details in relation to the unsecured loans, please refer the chapter “Financial Statements” beginning on page 80 of this Draft Letter of Offer.

20. Our inability to procure and/or maintain adequate insurance cover in connection with our business may adversely affect our operations and profitability.

Our operations are subject to inherent risks and hazards which may adversely impact our profitability, such as fire, riots, third party liability claims, loss-in-transit and natural disasters. Presently, we have obtained certain policies such as standard fire and special perils policy. These policies insure our building, furniture, fittings, electrical installation, office equipment, stationery, meter wires, cables, godowns, meeting rooms, building superstructure, any other office contents from earthquake, fire, shock, terrorism, etc. There are many events that could cause significant damages to our operations, or expose us to third party liabilities, whether or not known to us, for which we may not be insured or adequately insured, which in turn may expose us to certain risks and liabilities. There can be no assurance that our insurance policies will be adequate to cover the losses in respect of which the insurance had been availed. Further, there can be no assurance that any claim under the insurance policies maintained by us will be honored fully, in part, or on time. If we were to incur a significant liability for which we were not fully insured, it could adversely affect our results of operations and financial position.

21. We are subject to risks associated with product liability, warranty and recall.

We are subject to risks and costs associated with product liability, warranties and recalls, relating to defective products, parts, or related after-sales services, including by generating negative publicity, which may have a material adverse effect on our business, financial condition and results of operations. These events could also require us to expend considerable resources in correcting these problems and could significantly reduce demand for our products.



We may also be subject to class actions or other large scale product liability or other lawsuits in various jurisdictions where we have a significant presence.

22. *We could be adversely affected by employee misconduct or errors that are difficult to detect and any such incidences could adversely impact our financial condition, results of operations and reputation.*

Employee misconduct or errors could expose us to business risks or losses, including regulatory sanctions and cause serious harm to our reputation. There can be no assurance that we will be able to detect or deter such misconduct. Moreover, the precautions we take to prevent and detect such activity may not be effective in all cases. Our employees and agents may also commit errors that could subject us to claims and proceedings for alleged negligence, as well as regulatory actions on account of which our business, financial condition, results of operations and goodwill could be adversely affected.

23. *Our ability to pay dividends in the future may be affected by any material adverse effect on our future earnings, financial condition or cash flows.*

Our ability to pay dividends in future will depend on our earnings, financial condition and capital requirements. We may be unable to pay dividends in the near or medium term, and our future dividend policy will depend on our capital requirements and financing arrangements in respect of our operations, financial condition and results of operations.

24. *Any failure in our quality control processes may adversely affect our business, results of operations and financial condition. We may face product liability claims and legal proceedings if the quality of our products does not meet our customers' expectations.*

While we ensure that our Electric Vehicles are put through the best quality control checks, they might have certain quality issues or undetected errors, due to defects in manufacture of parts which are used in the products. We have implemented quality control processes for our raw materials and finished goods Page on the basis of our internal quality standards and policies. However, we cannot assure you that our quality control processes will not fail, or the quality tests and inspections conducted by us will be accurate at all times. Any shortcoming in the spare parts used in the products or any shortcoming in the production of our products due to failure of our quality control procedures, negligence, human error or otherwise, may result in deficient products. In the event the quality of our products is sub-standard or our products suffer from defects and are returned by our customers due to quality complaints, we may be compelled to take back the sub-standard products and reimburse the cost paid by our customers. Such quality lapses may strain our longstanding relationship with our customers and our reputation and brand image may suffer, which in turn may adversely affect our business, results of operations and financial condition. Our customers may lose faith in the quality of our products and could in turn refuse to further deal in our products, which may have a severe impact on our revenue and business operations. We also face the risk of legal proceedings and product liability claims being brought against us by our customers for defective products sold. We cannot assure you that we will not experience any material product liability losses in the future or that we will not incur significant costs to defend any such claims. A product liability claim may adversely affect our reputation and brand image, as well as entail significant costs.

25. *We have not commissioned an industry report for the disclosures made in the chapter titled "Industry Overview" and made disclosures on the basis of the data available on the internet and such data has not been independently verified by us.*

We have neither commissioned an industry report, nor sought consent from the quoted website source for the disclosures which need to be made in the chapter titled "Industry Overview" of this Letter of Offer. We have made disclosures in the said chapter on the basis of the relevant industry related data available online for which relevant consents have not been obtained. We have not independently verified such data. We cannot assure you that any assumptions made are correct or will not change and, accordingly, our position in the market may differ from that presented in this Letter of Offer. Further, the industry data mentioned in this Letter of Offer or sources from which the data has been collected are not recommendations to invest in our Company. Accordingly, investors should read the industry related disclosure in this Letter of Offer in this context.



26. *The loss, shutdown or slowdown of operations at any of the Company's manufacturing facilities could have a material adverse effect on the Company's results of operations and financial condition.*

The Company's manufacturing facilities are subject to operating risks, such as the breakdown or failure of equipment, power supply interruptions, facility obsolescence or disrepair, labour disputes, natural disasters and industrial accidents. The occurrence of any of these risks could affect the Company's operations by causing production facilities to shut down or slow down. Although the Company takes reasonable precautions to minimize the risk of any significant operational problems at its manufacturing facilities, no assurance can be given that one or more of the factors mentioned above will not occur, which could have a material adverse effect on the Company's results of operations and financial condition.

27. *Our Company or Management do not have any existing experience of manufacturing of EV.*

The Company earlier was engaged in trading of metals and never operated any manufacturing facility, further, the Management of the Company are also not having any working experience of Electric Vehicle (EV) Segment and such non-experienced Board and Management may result into adverse effect on company and its brand image. To control this Risk factor, your Company has constituted one Advisory Committee of Experts of EV Segments and also appointed and under process of appointment of technically sound and experienced persons at various level of management and your Company is hopeful that such appointment will result into mitigating this Risk.

28. *Entry of Big Corporates and/or Experienced Business Houses may create tough completion.*

The EV Segment in India is on fast track and looking to huge business opportunity available in this segment some big corporates are under plan to enter this segment including those corporates who are already active in Automobile Industry. These corporate are big in size in terms of finance and experience and may create mass level of production and various benefits to customers by cutting down the price of the final products and will also offer various benefits to customers in terms of after sale services and such incentives may increase the competition for your company.

29. *Our factory is on a leased premises. Any disruption of our rights as licensee/ lessee or termination of the agreements with our licensors/lessors would adversely impact our business.*

As on the date of this Draft Letter of Offer, our factory premises has been taken on lease by our Company from third parties. There is no assurance that our Company will be able to renew the lease agreements or deeds entered into with third parties in a timely manner or at all. Further, there is no assurance that we will not face any disruption of our rights as a lessee/ licensee and that such leave and license and lease agreements will not be terminated prematurely by the licensor/lessor. Any such nonrenewal or early termination or any disruption of our rights as lessee / licensee might adversely affect our business operations.

ISSUE SPECIFIC RISKS

30. *Our Company will not distribute the Letter of Offer and Application Form to certain overseas Shareholders who have not provided an address in India for service of documents.*

Our Company will dispatch this Letter of Offer, the Abridged Letter of Offer, Rights Entitlement Letter and Application Form (the "Offering Materials") to such Shareholders who have provided an address in India for the service of documents. The Offering Materials will not be distributed to addresses outside India on account of restrictions that apply to the circulation of such materials in various overseas jurisdictions. However, the Companies Act requires companies to serve documents at any address, which may be provided by the members as well as through e- mail. Presently, there is a lack of clarity under the Companies Act, 2013, and the rules thereunder, with respect to the distribution of Offering Materials to retail individual shareholders in overseas jurisdictions where such distribution may be prohibited under applicable laws of such jurisdictions.

31. *SEBI has recently, by way of circulars dated January 22, 2020, May 6, 2020, January 19, 2021, April 22, 2021 and October 01, 2021 streamlined the process of rights issues. You should follow the instructions carefully, as stated in such SEBI circulars and in this Letter of Offer.*

The concept of crediting Rights Entitlements into the demat accounts of the Eligible Equity Shareholders has recently been introduced by the SEBI. Accordingly, the process for such Rights Entitlements has been recently devised by capital market intermediaries. Eligible Equity Shareholders are encouraged to exercise caution, carefully follow the



requirements as stated in the SEBI circulars dated January 22, 2020, May 6, 2020, January 19, 2021, April 22, 2021, and October 01, 2021, and ensure completion of all necessary steps in relation to providing/updating their demat account details in a timely manner. For details, see “*Terms of the Issue*” on page 137 of this Draft Letter of Offer.

In accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circular, the credit of Rights Entitlements and Allotment of Rights Equity Shares shall be made in dematerialized form only. Prior to the Issue Opening Date, our Company shall credit the Rights Entitlements to (i) the demat accounts of the Eligible Equity Shareholders holding the Equity Shares in dematerialised form; and (ii) a demat suspense escrow account opened by our Company, for the Eligible Equity Shareholders which would comprise Rights Entitlements relating to (a) Equity Shares held in a demat suspense account pursuant to Regulation 39 of the SEBI Listing Regulations; or (b) Equity Shares held in the account of IEPF authority; or (c) the demat accounts of the Eligible Equity Shareholder which are frozen or details of which are unavailable with our Company or with the Registrar on the Record Date; or (d) credit of the Rights Entitlements returned/reversed/failed; or (e) the ownership of the Equity Shares currently under dispute, including any court proceedings.

32. *The Rights Entitlement of Eligible Equity Shareholders holding Equity Shares in physical form (“Physical Shareholders”) may lapse in case they fail to furnish the details of their demat account to the Registrar.*

In accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Circular SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020, the credit of Rights Entitlement and Allotment of Rights Equity Shares shall be made in dematerialised form only. Accordingly, the Rights Entitlements of the Physical Shareholders shall be credited in a suspense escrow demat account opened by our Company during the Issue Period. The Physical Shareholders are requested to furnish the details of their demat account to the Registrar not later than two Working Days prior to the Issue Closing Date to enable the credit of their Rights Entitlements in their demat accounts at least one day before the Issue Closing Date. The Rights Entitlements of the Physical Shareholders who do not furnish the details of their demat account to the Registrar not later than two Working Days prior to the Issue Closing Date, shall lapse. Further, pursuant to a press release dated December 3, 2018 issued by the SEBI, with effect from April 1, 2019, a transfer of listed Equity Shares cannot be processed unless the Equity Shares are held in dematerialized form (except in case of transmission or transposition of Equity Shares).

33. *Applicants to this Issue are not allowed to withdraw their Applications after the Issue Closing Date.*

Applicants in this Issue are not allowed to withdraw their Applications after the Issue Closing Date. The Allotment in this Issue and the credit of such Rights Equity Shares to the Applicant’s demat account with its depository participant shall be completed within such period as prescribed under the applicable laws. There is no assurance, however, that material adverse changes in the international or national monetary, financial, political or economic conditions or other events in the nature of force majeure, material adverse changes in our business, results of operation, cash flows or financial condition, or other events affecting the Applicant’s decision to invest in the Rights Equity Shares, would not arise between the Issue Closing Date and the date of Allotment in this Issue. Occurrence of any such events after the Issue Closing Date could also impact the market price of our Equity Shares. The Applicants shall not have the right to withdraw their applications in the event of any such occurrence. We cannot assure you that the market price of the Equity Shares will not decline below the Issue Price. To the extent the market price for the Equity Shares declines below the Issue Price after the Issue Closing Date, the shareholder will be required to purchase Equity Shares at a price that will be higher than the actual market price for the Equity Shares at that time. Should that occur, the shareholder will suffer an immediate unrealized loss as a result. We may complete the Allotment even if such events may limit the Applicants’ ability to sell our Equity Shares after this Issue or cause the trading price of our Equity Shares to decline.

34. *Investors will not have the option of getting the allotment of Rights Equity Shares in physical form.*

In accordance with the SEBI ICDR Regulations, the Rights Equity Shares shall be issued only in dematerialized form. Investors will not have the option of getting the allotment of Rights Equity Shares in physical form. The Rights Equity Shares Allotted to the Applicants who do not have demat accounts or who have not specified their demat details, will be kept in abeyance till receipt of the details of the demat account of such Applicants. For details, see “**Terms of the Issue**” on page 137. This may impact the ability of our shareholders to receive the Rights Equity Shares in the Issue



35. *The R-WAP payment mechanism facility proposed to be used for this Issue may be exposed to risks, including risks associated with payment gateways.*

In accordance with R-WAP circulars, a separate web based application platform, i.e., the R-WAP facility (accessible at www.bigshareonline.com), has been instituted for making an Application in this Issue by Original Resident Shareholders. Further, R-WAP is only an additional option and not a replacement of the ASBA process. On R-WAP, the Original Resident Shareholders can access and fill the Application Form in electronic mode and make online payment using the internet banking or UPI facility from their own bank account thereat. For details, see “*Terms of the Issue*” on page 137 . Such payment gateways and mechanisms are faced with risks such as:

- keeping information technology systems aligned and up to date with the rapidly evolving technology;
- in the payment services industries;
- scaling up technology infrastructure to meet requirements of growing volumes;
- applying risk management policy effectively to such payment mechanisms;
- keeping users’ data safe and free from security breaches; and
- effectively managing payment solutions logistics and technology infrastructure.

Further, R-WAP is a new facility which has been instituted due to challenges arising out of COVID-19 pandemic. We cannot assure you that R-WAP facility will not suffer from any unanticipated system failure or breakdown or delay, including failure on part of the payment gateway, and therefore, your Application may not be completed or rejected. These risks are indicative and any failure to manage them effectively can impair the efficacy and functioning of the payment mechanism for this Issue. Since Application process through R-WAP is different from the ASBA process, there can be no assurance that investors will not find difficulties in accessing and using the R-WAP facility.

36. *Any future issuance of Equity Shares, or convertible securities or other equity-linked securities by our Company may dilute your shareholding and any sale of Equity Shares by our Promoter or members of our Promoter Group may adversely affect the trading price of the Equity Shares.*

Any future issuance of the Equity Shares, convertible securities or securities linked to the Equity Shares by our Company may dilute your shareholding in our Company; adversely affect the trading price of the Equity Shares and our ability to raise capital through an issue of our securities. In addition, any perception by investors that such issuances or sales might occur could also affect the trading price of the Equity Shares. We cannot assure you that we will not issue additional Equity Shares. The disposal of Equity Shares by any of our Promoter and Promoter Group, or the perception that such sales may occur may significantly affect the trading price of the Equity Shares. We cannot assure you that our Promoter and Promoter Group will not dispose of, pledge or encumber their Equity Shares in the future.

37. *You may be subject to Indian taxes arising out of capital gains on the sale of the Equity Shares.*

Under current Indian tax laws, unless specifically exempted, capital gains arising from the sale of equity shares of an Indian company are generally taxable in India. Accordingly, you may be subject to payment of long-term capital gains tax in India, in addition to payment of STT, on the sale of any Equity Shares held for more than 12 months. STT will be levied on and collected by a domestic stock exchange on which the Equity Shares are sold. Further, any gain realized on the sale of listed equity shares held for a period of 12 months or less will be subject to short-term capital gains tax in India. Capital gains arising from the sale of the Equity Shares may be partially or completely exempt from taxation in India in cases where such exemption is provided under a treaty between India and the country of which the seller is a resident. Generally, Indian tax treaties do not limit India’s ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdiction on gains made upon the sale of the Equity Shares.

38. *You may not receive the Equity Shares that you subscribe in the Issue until fifteen days after the date on which this Issue closes, which will subject you to market risk.*

The Equity Shares that you subscribe in the Issue may not be credited to your demat account with the depository participants until approximately 15 days from the Issue Closing Date. You can start trading such Equity Shares only after receipt of the listing and trading approval in respect thereof. There can be no assurance that the Equity Shares allocated to you will be credited to your demat account, or that trading in the Equity Shares will commence within the specified time period, subjecting you to market risk for such period.



39. *There is no guarantee that our Equity Shares will be listed in a timely manner or at all which may adversely affect the trading price of our Equity Shares.*

In accordance with Indian law and practice, final approval for listing and trading of the Equity Shares will not be granted by the Stock Exchanges until after those Equity Shares have been issued and allotted. Approval will require all relevant documents authorizing the issuing of Equity Shares to be submitted. There could be a failure or delay in listing the Equity Shares on Stock Exchanges. Any failure or delay in obtaining the approval would restrict your ability to dispose of your Equity Shares. Further, historical trading prices, therefore, may not be indicative of the prices at which the Equity Shares will trade in the future which may adversely impact the ability of our shareholders to sell the Equity Shares or the price at which shareholders may be able to sell their Equity Shares at that point of time.

40. *Holder of Equity Shares could be restricted in their ability to exercise pre-emptive rights under Indian law and could thereby suffer future dilution of their ownership position.*

Under the Companies Act, any company incorporated in India must offer its holders of equity shares preemptive rights to subscribe and pay for a proportionate number of shares to maintain their existing ownership percentages prior to the issuance of any new equity shares, unless the pre-emptive rights have been waived by the adoption of a special resolution by holders of three-fourths of the shares voted on such resolution, unless our Company has obtained government approval to issue without such rights. However, if the law of the jurisdiction that you are in does not permit the exercise of such pre-emptive rights without us filing an offering document or registration statement with the applicable authority in such jurisdiction, you will be unable to exercise such pre-emptive rights unless we make such a filing. We may elect not to file a registration statement in relation to pre-emptive rights otherwise available by Indian law to you. To the extent that you are unable to exercise pre-emptive rights granted in respect of the Equity Shares, your proportional interests in us would be reduced.

41. *Fluctuation in the exchange rate between the Indian Rupee and foreign currencies may adversely affect the value of our Equity Shares, independent of our operating results.*

On listing, our Equity Shares will be quoted in Indian Rupees on the Stock Exchange. Any dividends in respect of our Equity Shares will also be paid in Indian Rupees and subsequently converted into the relevant foreign currency for repatriation, if required. Any adverse movement in currency exchange rates during the time that it takes to undertake such conversion may reduce the net dividend to foreign investors. In addition, any adverse movement in currency exchange rates during a delay in repatriating outside India the proceeds from a sale of Equity Shares, for example, because of a delay in regulatory approvals that may be required for the sale of Equity Shares may reduce the proceeds received by equity shareholders. For example, the exchange rate between the Rupee and the U.S. dollar has fluctuated substantially in recent years and may continue to fluctuate substantially in the future, which may adversely affect the trading price of our Equity Shares and returns on our Equity Shares, independent of our operating results.

42. *Sale of Equity Shares by our Promoter or other significant shareholder(s) may adversely affect the trading price of the Equity Shares.*

Any instance of disinvestments of equity shares by our Promoter or by other significant shareholder(s) may significantly affect the trading price of our Equity Shares. Further, our market price may also be adversely affected even if there is a perception or belief that such sales of Equity Shares might occur.

43. *Rights of shareholders under Indian laws may be more limited than under the laws of other jurisdictions.*

Indian legal principles related to corporate procedures, directors' fiduciary duties and liabilities, and shareholders' rights may differ from those that would apply to a company in another jurisdiction. Shareholders' rights including in relation to class actions, under Indian law may not be as extensive as shareholders' rights under the laws of other countries or jurisdictions. Investors may have more difficulty in asserting their rights as shareholder in an Indian company than as shareholder of a corporation in another jurisdiction.



44. *The novel coronavirus (Covid-19) pandemic outbreak and steps taken to control the same have significantly impacted our business, results of operations, financial condition and cash flows and further impact will depend on future developments, which are highly uncertain.*

The rapid and diffused spread of COVID-19 and global health concerns relating to this outbreak have had a severe negative impact on all businesses, including the automobile industry in which our Company operates and from where it derives substantial revenues and profits. The COVID-19 pandemic could continue to have an impact that may worsen for an unknown period of time. In view of the onslaught of second wave of the virus and the forecast of a third wave, this pandemic may continue to cause unprecedented economic disruption in India and in the rest of the world. The scope, duration and frequency of such measures and the adverse effects of COVID-19 remain uncertain and could be severe.

The lockdown imposed by the Central Government and various State Governments and the consequent halting of operations in our manufacturing units has caused a disruption in our activities. Customers preferred to defer their purchase decisions. Consequently, demand was muted and the automotive industry, in general, witnessed a slowdown in activities with most networks non-operational.

At this point of time, our Company cannot predict by when our Company's operation shall resume normalcy, or at all. Further if in case due to any third or consequent wave of Coronavirus, or surge in new and deadly variants of the Virus if another lockdown is imposed in the country, we may face huge losses and our business operations could be severely impacted. Any such interruptions or disruptions could cause delays in the completion of our orders and commitments made to clients, or cause damage to the goods in transit. Any of these consequences may result in loss of business and/or claims for compensation from our clients, which may have an adverse effect on our results of operations and financial condition.

45. *A slowdown in global economic conditions could have a material adverse impact on our sales and results of operations.*

The automotive industry and the demand for automobiles are influenced by general economic conditions, including among other things, rates of economic growth, availability of credit, disposable income of consumers, interest rates, environmental and tax policies, safety regulations, freight rates and fuel and commodity prices. Negative trends in any of these factors impacting the regions where we operate could materially and adversely affect our business, financial condition and results of operations.

The Indian automotive industry is affected materially by the general economic conditions in India and around the world. Muted industrial growth in India in recent years along with continuing high levels of inflation and interest rates continue to pose risks to overall growth in this market. The automotive industry in general is cyclical and economic slowdowns in the recent past have affected the manufacturing sector, including the automotive and related industries in India. A continuation of negative economic trends or further deterioration in key economic metrics such as the growth rate, interest rates and inflation as well as reduced availability of financing for vehicles at competitive rates could materially and adversely affect our automotive sales in India and results of operations.

In addition, the Indian automotive market and the Indian economy are influenced by economic and market conditions in other countries. Although economic conditions are different in each country, investors' reactions to economic developments in one country can have adverse effects on the securities of companies and the economy as a whole, in other countries, including India. A loss of investor confidence in the financial systems of other emerging markets may cause volatility in Indian financial markets and indirectly, in the Indian economy in general. Any worldwide financial instability could also have a negative impact on the Indian economy, including the movement of exchange rates and interest rates in India. In the event the recovery of global economy is slower than expected, or if there is any significant financial disruption, this could have a material adverse effect on our cost of funding, portfolio of financing loans, business, prospects, financial condition, results of operations and the trading price of our securities.



46. *Changing laws, rules and regulations and legal uncertainties, including adverse application of corporate and tax laws, may adversely affect our business, prospects and results of operations.*

The regulatory and policy environment in which we operate is evolving and subject to change. Such changes, including the instances mentioned below, may adversely affect our business, results of operations and prospects, to the extent that we are unable to suitably respond to and comply with any such changes in applicable law and policy.

The Government of India has issued a notification dated September 29, 2016 notifying Income Computation and Disclosure Standards (“**ICDS**”), thereby creating a new framework for the computation of taxable income. The ICDS became applicable from the assessment year for Fiscal 2019 and subsequent years. The adoption of ICDS is expected to significantly alter the way companies compute their taxable income, as ICDS deviates from several concepts that are followed under general accounting standards, including Indian GAAP and Ind AS. In addition, ICDS shall be applicable for the computation of income for tax purposes but shall not be applicable for the computation of income for minimum alternate tax. There can be no assurance that the adoption of ICDS will not adversely affect our business, results of operations and financial condition.

- The General Anti Avoidance Rules (“**GAAR**”) have been made effective from April 1, 2017. The tax consequences of the GAAR provisions being applied to an arrangement could result in denial of tax benefit amongst other consequences. In the absence of any precedents on the subject, the application of these provisions is uncertain. If the GAAR provisions are made applicable to our Company, it may have an adverse tax impact on us.
- A comprehensive national GST regime that combines taxes and levies by the Central and State Governments into a unified rate structure, which came into effect from July 1, 2017. We cannot provide any assurance as to any aspect of the tax regime following implementation of the GST. Any future increases or amendments may affect the overall tax efficiency of companies operating in India and may result in significant additional taxes becoming payable. If, as a result of a particular tax risk materializing, the tax costs associated with certain transactions are greater than anticipated, it could affect the profitability of such transactions.

In addition, unfavourable changes in or interpretations of existing, or the promulgation of new laws, rules and regulations including foreign investment laws governing our business, operations and group structure could result in us being deemed to be in contravention of such laws or may require us to apply for additional approvals. We may incur increased costs and other burdens relating to compliance with such new requirements, which may also require significant management time and other resources, and any failure to comply may adversely affect our business, results of operations and prospects. Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may affect the viability of our current business or restrict our ability to grow our business in the future.

Any increase in taxes and levies, or the imposition of new taxes and levies in the future, could increase the cost of production and operating expenses. Taxes and other levies imposed by the central or state governments in India that affect our industry include customs duties, excise duties, sales tax, income tax and other taxes, duties or surcharges introduced on a permanent or temporary basis from time to time. The central and state tax scheme in India is extensive and subject to change from time to time. Any adverse changes in any of the taxes levied by the central or state governments may adversely affect our competitive position and profitability.

47. *Significant differences exist between Ind AS, Indian GAAP and other accounting principles, such as US GAAP and International Financial Reporting Standards (“IFRS”), which investors may be more familiar with and consider material to their assessment of our financial condition.*

Our audited summary statements of assets and liabilities as at March 31, 2022 and audited summary statements of profit and loss (including other comprehensive income), cash flows and changes in equity for the Fiscal 2022 have been prepared in accordance with the Indian Accounting Standards notified under Section 133 of the Companies Act, 2013, read with the Ind AS Rules and restated in accordance with the SEBI ICDR Regulations, the SEBI Circular and the Prospectus Guidance Note. We have not attempted to quantify the impact of US GAAP, IFRS or any other system of accounting principles on the financial data included in this Letter of Offer, nor do we provide a reconciliation of our financial statements to those of US GAAP, IFRS or any other accounting principles. US GAAP and IFRS differ in significant respects from Ind AS and Indian GAAP. Accordingly, the degree to which the Audited Financial Information included in this Letter of Offer will provide meaningful information is entirely dependent on the reader’s level of familiarity with Ind AS, Indian GAAP and the SEBI ICDR Regulations. Any reliance by persons not



familiar with Indian accounting practices on the financial disclosures presented in this Letter of Offer should accordingly be limited.

48. *Financial instability in both Indian and international financial markets could adversely affect our results of operations and financial condition.*

The Indian financial market and the Indian economy are influenced by economic and market conditions in other countries, particularly in emerging market in Asian countries. Financial turmoil in Asia, Europe, the United States and elsewhere in the world in recent years has affected the Indian economy. Although economic conditions are different in each country, investors' reactions to developments in one country can have an adverse effect on the securities of companies in other countries. A loss in investor confidence in the financial systems of other emerging markets may cause increased volatility in the Indian economy in general. Any global financial instability, including further deterioration of credit conditions in the U.S. market, could also have a negative impact on the Indian economy. Financial disruptions may occur again and could harm our results of operations and financial condition.

The Indian economy is also influenced by economic and market conditions in other countries. This includes, but is not limited to, the conditions in the United States, Europe and certain economies in Asia. Financial turmoil in Asia and elsewhere in the world in recent years has affected the Indian economy. Any worldwide financial instability may cause increased volatility in the Indian financial markets and, directly or indirectly, adversely affect the Indian economy and financial sector and its business.

Although economic conditions vary across markets, loss of investor confidence in one emerging economy may cause increased volatility across other economies, including India. Financial instability in other parts of the world could have a global influence and thereby impact the Indian economy. Financial disruptions in the future could adversely affect our business, prospects, financial condition and results of operations. The global credit and equity markets have experienced substantial dislocations, liquidity disruptions and market corrections.

There are concerns that a tightening of monetary policy in emerging markets and some developed markets will lead to a moderation in global growth. In response to such developments, legislators and financial regulators in the United States and other jurisdictions, including India, have implemented a number of policy measures designed to add stability to the financial markets. However, the overall longterm impact of these and other legislative and regulatory efforts on the global financial markets is uncertain, and they may not have had the intended stabilizing effects. Any significant financial disruption in the future could have an adverse effect on our cost of funding, loan portfolio, business, future financial performance and the trading price of the Equity Shares.

49. *Inflation in India could have an adverse effect on our profitability and if significant, on our financial condition.*

Inflation rates in India have been volatile in recent years, and such volatility may continue in the future. India has experienced high inflation in the recent past. Increased inflation can contribute to an increase in interest rates and increased costs to our business, including increased costs of salaries, and other expenses relevant to our business. High fluctuations in inflation rates may make it more difficult for us to accurately estimate or control our costs. Any increase in inflation in India can increase our expenses, which we may not be able to pass on to our customers, whether entirely or in part, and the same may adversely affect our business and financial condition. In particular, we might not be able to reduce our costs or increase our rates to pass the increase in costs on to our customers. In such case, our business, results of operations, cash flows and financial condition may be adversely affected. Further, the GoI has previously initiated economic measures to combat high inflation rates, and it is unclear whether these measures will remain in effect. There can be no assurance that Indian inflation levels will not worsen in the future.

50. *Any downgrading of India's debt rating by an independent agency may harm our ability to raise financing.*

Any adverse revisions to India's credit ratings international debt by international rating agencies may adversely affect our ability to raise additional overseas financing and the interest rates and other commercial terms at which such additional financing is available. This could have an adverse effect on our ability to fund our growth on favourable terms or at all, and consequently adversely affect our business and financial performance and the price of our Equity Shares.



51. *The occurrence of natural or man-made disasters could adversely affect our results of operations, cash flows and financial condition. Hostilities, terrorist attacks, civil unrest and other acts of violence could adversely affect the financial markets and our business.*

The occurrence of natural disasters, including cyclones, storms, floods, earthquakes, tsunamis, tornadoes, fires, explosions, pandemic disease and man-made disasters, including acts of terrorism and military actions, could adversely affect our results of operations or financial condition. In addition, any deterioration in international relations, especially between India and its neighboring countries, may result in investor concern regarding regional stability which could adversely affect the price of the Equity Shares. Further, the present outbreak and further escalation of COVID-19 pandemic, if any, or an outbreak of a communicable disease in India or in the particular region in which we have manufacturing facilities would adversely affect our business and financial conditions and the result of operations. We cannot assure prospective investors that such events will not occur in the future or that our business, financial condition, results of operations and cash flows will not be adversely affected.

52. *Terrorist attacks, hostilities, civil unrest and other acts of violence could adversely affect the financial markets and our business.*

In India has, from time to time, experienced social and civil unrest within the country and hostilities with neighboring countries. These hostilities and tensions could lead to political or economic instability in India and a possible adverse effect on our business and future financial performance. There can be no assurance that such situations will not recur or be more intense than in the past. Terrorist attacks and other acts of violence or war may adversely affect global markets and economic growth. These acts may also result in a loss of business confidence, make travel and other services more difficult and have other consequences that could have an adverse effect on our business, results of operations and financial condition. Such violence may have an adverse impact on the Indian and worldwide financial markets. In addition, any deterioration in international relations may result in investor concern regarding regional stability which could adversely affect the price of the Equity Shares.

53. *We are subject to regulatory, economic, social and political uncertainties and other factors beyond our control.*

We are incorporated in India and we conduct our corporate affairs and our business in India. Consequently, our business, operations, financial performance will be affected by interest rates, government policies, taxation, social and ethnic instability and other political and economic developments affecting India.

Factors that may adversely affect the Indian economy, and hence our results of operations may include:

- any exchange rate fluctuations, the imposition of currency controls and restrictions on the right to convert or repatriate currency or export assets;
- any scarcity of credit or other financing in India, resulting in an adverse effect on economic conditions in India and scarcity of financing for our expansions;
- prevailing income conditions among Indian customers and Indian corporations;
- epidemic or any other public health in India or in countries in the region or globally, including in India's various neighboring countries;
- hostile or war like situations with the neighboring countries;
- macroeconomic factors and central bank regulation, including in relation to interest rates movements which may in turn adversely impact our access to capital and increase our borrowing costs;
- decline in India's foreign exchange reserves which may affect liquidity in the Indian economy;
- downgrading of India's sovereign debt rating by rating agencies; and
- difficulty in developing any necessary partnerships with local businesses on commercially acceptable terms and/or a timely basis.
- changes in India's tax, trade, fiscal or monetary policies; and



Fall in the purchasing power of our customers, for any reason whatsoever, including rising consumer inflation, availability of financing to our customers, changing governmental policies and a slowdown in economic growth may have an adverse effect on our customers' revenues, savings and could in turn negatively affect their demand for our products. Any slowdown or perceived slowdown in the Indian economy, or in specific sectors of the Indian economy or certain regions in India, could adversely affect our business, results of operations and financial condition and the price of the Equity Shares.



SECTION IV – INTRODUCTION

THE ISSUE

This Issue has been authorised by way of a resolution passed by our Board of Directors on June 22, 2022 in pursuance of Section 62(1)(a) of the Companies Act, 2013.

The following is a summary of the Issue, which should be read in conjunction with, and is qualified in its entirety by, more detailed information in section titled '**Terms of the Issue**' on page 137 of this Draft Letter of Offer.

Equity Shares outstanding prior to the Issue	69,52,808 Equity Shares;
Right Shares offered in the Issue	Up to [●] Right Shares;*
Equity Shares outstanding after the Issue (assuming full subscription for and allotment of the Rights Entitlement)	[●] Equity Shares;
Rights Entitlement	[●] ([●]) Rights Shares for every [●] ([●]) Equity Shares held on the Record Date;
Record Date	[●];
Face Value per Equity Share	₹ 1/- (Rupee One Only) each;
Fractional Entitlement	For Equity Shares being offered on a rights basis under the Issue, if the shareholding of any of the Eligible Equity Shareholders is less than [●] ([●]) Equity Shares or is not in multiples of [●] ([●]), the fractional entitlement of such Eligible Equity Shareholders shall be ignored for computation of the Rights Entitlement. However, Eligible Equity Shareholders whose fractional entitlements are being ignored earlier will be given preference in the Allotment of one additional Equity Share each, if such Eligible Equity Shareholders have applied for additional Equity Shares over and above their Rights Entitlement, if any;
Issue Price per Equity Share	₹ [●]/- (Rupees [●] Only) including a premium of ₹ [●]/- (Rupees [●] Only) per Rights Share.
Issue Size	Upto [●] Fully Paid Equity Shares of face value of ₹ [●]/- each for cash at a price of ₹ [●]/- (Including a premium of ₹ [●]/- per Rights Equity Share not exceeding an amount of ₹ 4800.00 lakhs.
Terms of the Issue	Please refer to the section titled ' Terms of the Issue ' beginning on page [●] of this Draft Letter of Offer.
Use of Issue Proceeds	Please refer to the section titled ' Objects of the Issue ' beginning on page [●] of this Draft Letter of Offer.
Security Code/ Scrip Details	ISIN: INE763M01028 BSE Scrip Code: 531357 BSE Scrip ID: MERMETL ISIN for Rights Entitlements: [●];

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

TERMS OF PAYMENT

Amount payable per Right Equity Share	Face Value	Premium	Total
On Application	1/-	[●]	[●]
Total	1/-	[●]	[●]

*Our Company shall have the right to call up the remaining paid-up capital in one or more Call(s), as determined by our Board at its sole discretion, from time to time;



ISSUE SCHEDULE

Issue Opening Date		[•]
Last date for On Market Renunciation of Rights		[•]
Issue Closing Date*		[•]

* The Board of Directors or a duly authorized committee thereof will have the right to extend the Issue period as it may determine from time to time, provided that the Issue will not remain open in excess of 30 (thirty) days from the Issue Opening Date.



GENERAL INFORMATION

Our Company was originally incorporated as a private limited company on July 4, 1986, under the name and style “Mercury Metals Private Limited” under the provisions of the Companies Act, 1956, with the Registrar of Companies, Gujarat, Dadra & Nagar Haveli. Our Company was converted into a public limited company pursuant to a shareholders resolution passed at the General Meeting of the Company and the name of our Company was changed to “Mercury Capital Limited”, and a Fresh Certificate of Incorporation dated February 17, 1995 was issued by the (ROC) Ahmedabad. Subsequently the name of our company was changed to Mercury Metals Limited vide fresh Certificate of Incorporation consequent to change of name dated January 10, 1997. Our Company was listed on January 15, 1996 on BSE Limited, bearing Scrip ID ‘531357’, Scrip Code ‘MERMETL’, and ISIN ‘INE763M01028. The Corporate Identification Number of our Company is L27109GJ1986PLC008770.

REGISTERED OFFICE AND CORPORATE OFFICE OF OUR COMPANY

MERCURY METALS LIMITED

Registered Office Address: 367-368, GIDC, POR, VILLAGE: POR,
Taluka: Vadodara, Vadodara, Gujarat – 391243

Corporate Office Address: 510-511, Neptune Tower,
Sarabhai campus, Race course, Vadodara, Gujarat -390007

Tel: 8320346934

Email: info@mercurymetals.in

Website www.mercurymetals.in

CIN: L27109GJ1986PLC008770

Registration Number: 008770

ADDRESS OF THE REGISTRAR OF COMPANIES

The Registrar of Companies, Ahmedabad

Address: Registrar of Companies, ROC Bhavan, Opp Rupal Park Society,
Behind Ankur Bus Stop, Naranpura, Ahmedabad-380013, Gujarat

Contact No.: 079-27438531

Fax: +079-27438371

Email id: roc.ahmedabad@mca.gov.in

BOARD OF DIRECTORS

Name	Designation	DIN	Address
Kavit J Thakkar	Managing Director	06576294	4, Kunj Society, Alkapuri, Vadodara, Gujarat -390007, India
Arvind B Thakkar	Independent Director	09528535	2/115, Asopalav Society, Mansarovar Road, Palanpur, Banaskantha, Gujarat – 385001, India
Jayesh V Chellani	Independent Director	08453809	B/7, Dayal Nagar, Behind RTO, Harni Warasiya, Ring Road, Vadodara, Gujarat – 390006, India
Manshi A Jain	Independent Women Director	09533465	19, Shitlamata Marg, Jain Mandir, Khacharod, Ujjain, Madhya Pradesh – 456224, India
Harit Shah	Executive Director	06975567	Block No-B-301, Sakal-24, Opp Simarn Bung, NR Radhaswami Satsang, Chandkheda, Amiyapur, Gandhinagar, Gujarat - 382424

For further details of our Board of Directors, please refer to the section titled ‘*Our Management*’ beginning on page 74 of this Draft Letter of Offer.

COMPANY SECRETARY AND COMPLIANCE OFFICER

Mr. Mikil Nitinbhai Gohil

Address: 367-368, GIDC, POR, VILLAGE: POR,
Taluka: Vadodara, Vadodara, Gujarat - 391243

Tel No: 9081234614

Email: info@mercurymetals.in

Website: www.mercurymetals.in



CHIEF FINANCIAL OFFICER

Dhruv Deepak Yardi

Address: 367-368, GIDC, POR, VILLAGE: POR,
Taluka: Vadodara, Vadodara, Gujarat - 391243

Tel No: 9081234614

Email: info@mercurymetals.in

Website: www.mercurymetals.in

STATUTORY AUDITOR OF OUR COMPANY

M/s. Ambala Patel & Co., Chartered Accountants,

Address: 1st Floor, Sapphire Business Center, Above SBI Vadaj Branch,
Usmanpura, Ashram Road, Ahmedabad, Gujarat – 380 013

Tel No: 9904039084

Email: nikunj@apcca.com

Contact Person: Mr. Nikunj Patalia

Membership No.: 131220

Firm Registration No.: 100305W

LEAD MANAGER TO THE ISSUE

Kunvarji Finstock Private Limited

Address: B-Wing, Siddhivinayak Towers, Nr D.A.V School, Next to Kataria House
Off S.G. Highway Road, Makarba, Ahmedabad- 380051

Tel: +91 79 6666 9000

Email: niraj.thakkar@kunvarji.com

Website: www.kunvarji.com

Investor Grievance E-mail: info@kunvarji.com

Contact Person: Mr. Niraj Thakkar / Mr. Prasann Bhatt

SEBI Registration Number: MB/INM000012564

REGISTRAR TO THE ISSUE

Bigshare Services Private Limited

Address: Office No S6-2, 6th floor Pinnacle Business Park, Next to Ahura Centre,
Mahakali Caves Road, Andheri (East) Mumbai - 400093, Maharashtra, India.

Tel: 022-62638200/22

Email: rightsissue@bigshareonline.com

Investors Grievance E-mail: investor@bigshareonline.com

Website: www.bigshareonline.com

Contact Person: Mr. Vijay Surana

SEBI Registration Number: INR000001385

Investors may contact the Registrar or our Company Secretary and Compliance Officer for any pre-Issue or post-Issue related matter. All grievances relating to the ASBA process or R-WAP process may be addressed to the Registrar, with a copy to the SCSBs (in case of ASBA process), giving full details such as name, address of the Applicant, contact number(s), E-mail address of the sole/ first holder, folio number or demat account number, number of Rights Equity Shares applied for, amount blocked (in case of ASBA process) or amount debited (in case of R-WAP process), ASBA Account number and the Designated Branch of the SCSBs where the Application Form or the plain paper application, as the case may be, was submitted by the Investors along with a photocopy of the acknowledgement slip (in case of ASBA process)), and copy of the e-acknowledgement (in case of R-WAP process). For details on the ASBA process and R-WAP process, see section titled “*Terms of the Issue*” beginning on page **Error! Bookmark not defined.** of this Draft Letter of Offer.

BANKER TO THE ISSUE/ REFUND BANK

[●]

Address: [●]

Tel: [●]

Email: [●]

Website: [●]

Contact Person: [●]

SEBI Registration No.: [●]



BANKER TO OUR COMPANY

Axis Bank Limited

Address: SSG Hospital Compound, Tilak Rd,
Opposite Panchmukhi Hanuman Temple,
Sayajiganj, Vadodara, Gujarat 390006

Tel: 9879858699

Email: sayajiganj.branchhead@axisbank.com; & jitendra.Vala@axisbank.com

Website: www.axisbank.com

Contact Person: Mr. Jitendra Vala

LEGAL ADVISOR TO THE ISSUE

B. T. Gadhavi & Associates

401,4th Floor, Sachet-1, B/H Om Complex,
B/S City Center, Swastik Cross Road,
Ahmedabad – 380009

Tel/Mob: 9687275908

Email: btgadhavi78@gmail.com

Contact Person: B. T. Gadhavi

ADVISOR TO THE ISSUE

Khandelwal and Sharma LLP

Address: 905, Sakar-V, B/H Natraj Cinema,
Ashram Road, Ahmedabad, Gujarat - 380009

Tel: 079-40053986

Email: cs@csdevesh.com

Contact Person: Devesh Khandelwal

Membership No.: 6897

COP No.: 4202

CONTACT PERSON FOR GRIEVANCES RELATING TO ISSUE RELATED MATTER

Investors may contact the Registrar to the Issue or the Company Secretary and Compliance Officer of our Company for any pre-Issue or post-Issue related matter. All grievances relating to the ASBA process or R-WAP process may be addressed to the Registrar the Issue, with a copy to the SCSBs (in case of ASBA process), giving full details such as name, address of the Applicant, contact number(s), E-mail address of the sole/ first holder, folio number or demat account number, number of Right Shares applied for, amount blocked (in case of ASBA process) or amount debited (in case of R-WAP process), ASBA Account number and the Designated Branch of the SCSBs where the Application Form or the plain paper application, as the case may be, was submitted by the Investors along with a photocopy of the acknowledgement slip (in case of ASBA process), and copy of the e-acknowledgement (in case of R-WAP process). For details on the ASBA process and R-WAP process, please refer to the section titled '*Terms of the Issue*' beginning on page 137 of this Draft Letter of Offer.

EXPERT

Except as stated below, our Company has not obtained any expert opinion:

Our Company has received a written consent from our Statutory Auditors, M/s. Ambalal Patel & Co., Chartered Accountants, to include their name in this Draft Letter of Offer and as an 'expert', as defined under Section 2 (38) of the Companies Act, 2013, to the extent and in their capacity as statutory auditors of our Company and in respect of the inclusion of the Audited Financial Statements and the statement of special tax benefits dated June 18, 2022, included in this Draft Letter of Offer, and such consent has not been withdrawn as of the date of this Draft Letter of Offer.

SELF-CERTIFIED SYNDICATE BANKS

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



ISSUE SCHEDULE

The subscription will open upon the commencement of the banking hours and will close upon the close of banking hours on the dates mentioned below:

Last Date for credit of Rights Entitlements	[●]
Issue Opening Date	[●]
Last Date for On Market Renunciation of Rights Entitlements#	[●]
Issue Closing Date*	[●]
Finalization of Basis of Allotment (on or about)	[●]
Date of Allotment (on or about)	[●]
Date of credit (on or about)	[●]
Date of listing (on or about)	[●]

Note:

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

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

The above schedule is indicative and does not constitute any obligation on our Company.

Please note that if Eligible Equity Shareholders holding Equity Shares who have not provided the details of their demat accounts to our Company or to the Registrar to the Issue, they are required to provide their demat account details to our Company or the Registrar to the Offer not later than [●] ([●]) Working Days prior to the Issue Closing Date, i.e., [●], [●], to enable the credit of the Rights Entitlements by way of transfer from the demat suspense escrow account to their respective demat accounts, at least [●] ([●]) day before the Issue Closing Date, i.e., [●], [●].

Investors are advised to ensure that the Applications are submitted on or before the Issue Closing Date. Our Company, the Lead Manager or the Registrar to the Issue will not be liable for any loss on account of non-submission of Applications on or before the Issue Closing Date. Further, it is also encouraged that the Applications are submitted well in advance before the Issue Closing Date, due to prevailing COVID-19 related conditions. For details on submitting Application Forms, please refer to the section titled **‘Terms of the Issue’** beginning on page 137 of this Draft Letter of Offer.

The details of the Rights Entitlements with respect to each Eligible Shareholders can be accessed by such respective Eligible Shareholders on the website of the Registrar to the Issue at www.bigshareonline.com after keying in their respective details along with other security control measures implemented there at. For further details, please refer to the paragraph titled see ‘Credit of Rights Entitlements in demat accounts of Eligible Shareholders’ under the section titled **‘Terms of the Issue’** beginning on page 137 of this Draft Letter of Offer.

Please note that if no Application is made by the Eligible Shareholders of Rights Entitlements on or before Issue Closing Date, such Rights Entitlements shall get lapsed and shall be extinguished after the Issue Closing Date. No Equity Shares for such lapsed Rights Entitlements will be credited, even if such Rights Entitlements were purchased from market and purchaser will lose the premium paid to acquire the Rights Entitlements. Persons who are credited the Rights Entitlements are required to make an Application to apply for Equity Shares offered under Rights Issue for subscribing to the Equity Shares offered under this Issue.

CREDIT RATING

As this proposed Issue is of Right Shares, the appointment of a credit rating agency is not required.

DEBENTURE TRUSTEE

As this proposed Issue is of Right Shares, the appointment of debenture trustee is not required.



MONITORING AGENCY

Since the Issue size does not exceed ₹10,000 Lakhs, there is no requirement to appoint a monitoring agency in relation to the Issue in terms of Regulation 82 (1) SEBI of the (ICDR) Regulation.

APPRAISING ENTITY

None of the purposes for which the Net Proceeds are proposed to be utilized have been financially appraised by any banks or financial institution or any other independent agency.

UNDERWRITING

This Issue is not underwritten, and our Company has not entered into any underwriting arrangement.

FILING

SEBI vide the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (Fourth Amendment) Regulations, 2020 w.e.f. September 28, 2020, has amended Regulation 3 (b) of the SEBI (ICDR) Regulations as per which the threshold of the rights issue size under Regulation 3 of the SEBI (ICDR) Regulations has been increased from ₹10,00,00,000.00/- (Rupees Ten Crores Only) to ₹50,00,00,000.00/- (Rupees Fifty Crores Only). Since the size of this Issue falls under the said threshold, the Draft Letter of Offer had been filed with the BSE Limited and will not be filed with SEBI.

MINIMUM SUBSCRIPTION

In accordance with Regulation 86 of SEBI (ICDR) Regulations, if our Company does not receive the minimum subscription of at least 90% of the Issue of the Equity Shares being offered under this Issue, on an aggregate basis, our Company shall refund the entire subscription amount received within 4 (four) days from the Issue Closing Date. If there is delay in making refunds beyond such period as prescribed by applicable laws, our Company will pay interest for the delayed period at rates prescribed under applicable laws. The above is subject to the terms mentioned under **“Terms of the Issue”** on page 137 of this Draft Letter of Offer.



CAPITAL STRUCTURE

The capital structure of our Company and related information as on date of this Draft Letter of Offer, prior to and after the proposed Issue, is set forth below:

(Amount in ₹ Lakhs, except share data)

Particular	Aggregate Nominal Value	Aggregate Value at Issue Price
Authorized Equity Share capital		
48,00,00,000 Equity Shares of face value of ₹ 1 each	48,00,00,000	NA
Issued, subscribed and paid-up Equity Share capital before this Issue		
69,52,808 Equity Shares of face value of ₹ 1 each	69,52,808	NA
Present Issue in terms of this Draft Letter of Offer		
[●] Equity Shares of face value of ₹ 1 each	[●]	
Issued, subscribed and paid-up Equity Share capital after the Issue		
[●] Fully Paid Equity Shares of face value of ₹ 1 each	[●]	[●]
Subscribed and paid-up Equity Share capital		
[●] ([●]) fully paid-up Equity Shares	[●]	NA
Securities premium account		
Before the Issue	NIL	
After the Issue	[●]	

Notes:

- The present Issue has been authorized by our Board of Directors pursuant to the resolution passed in their meeting conducted on June 22, 2022.
- Assuming full subscription for allotment of Rights Equity Shares;
- Subject to finalization of Basis of Allotment, Allotment and deduction of Issue expenses;

NOTES TO THE CAPITAL STRUCTURE

- The Equity Shares of our Company are fully paid-up and there are no partly paid-up Equity Shares as on the date of this Draft Letter of Offer;
- At any given time, there shall be only one denomination of the Equity Shares. Our Company shall comply with such disclosure and accounting norms as may be specified by SEBI from time to time;
- As on the date of this Draft Letter of Offer, our Company has not issued any special voting Right Shares and there are no outstanding Equity Shares having special voting rights;
- The ex-rights price arrived in accordance with the formula prescribed Regulation 10 (4) (b) of the SEBI (SAST) Regulations, in connection with the Issue is ₹[●]/- (Rupees [●] Only);
- Details of outstanding warrants, outstanding instruments with an option to convert or securities which are convertible at a later date into Equity Shares**

As on the date of this Draft Letter of Offer, our Company does not have any outstanding warrants, outstanding instruments with an option to convert or securities which are convertible at a later date into Equity Shares;



6. Details of stock option scheme of our Company

As on the date of this Draft Letter of Offer, our Company does not have a stock option scheme;

7. Details of Equity Shares held by the promoter and promoter group including the details of lock-in, pledge of and encumbrance on such Equity Shares

As on the date of this Draft Letter of Offer, none of the Equity Shares held by the members of the Promoter and Promoter Group of the Company are locked-in, pledged and encumbered;

8. Details of Equity Shares acquired by the promoter and promoter group in the last one year prior to the filing of this Draft Letter of Offer

Following are the details of Equity Shares acquired by the Promoter and Promoter Group of the Company in the last one year prior to the filing of this Draft Letter of Offer:

Sr. No.	Name of the Promoter and members of the Promoter Group	Details of Acquisition			Post-transaction holding of Equity Shares	
		Date of Acquisition	Number of Equity Shares acquired	Percentage of Equity Shares acquired	Number of Equity Shares post-transaction	Percentage of Equity Shares post-transaction
1.	Kavit Jayeshbhai Thakkar	23.02.2022 & 24.02.2022	38,33,364	55.13	38,33,364	55.13
2.	Artiben Jayeshbhai Thakkar	23.02.2022 & 24.02.2022	6,93,089	9.97	6,93,089	9.97
3.	Raghuvir International Private Limited	17.06.2022	1000	0.14	1000	0.14
4.	Shree Saibaba Exim Private Limited	17.06.2022	1000	0.14	1000	0.14
5.	Kavit Jayeshbhai Thakkar#	17.06.2022	(2000)	(0.28)	38,31,364	55.11
6.	Shree Saibaba Exim Private Limited*	27.06.2022	(180)	0.00	820	0.01
7.	Raghuvir International Private Limited*	27.06.2022	(180)	0.00	820	0.01

#There is promoter inter-se transfer of 1000 equity shares each to Raghuvir International Private Limited and Shree Saibaba Exim Private Limited from Kavit Jayeshbhai Thakkar.

*Both the Promoter group companies i.e. Raghuvir International Private Limited and Shree Saibaba Exim Private Limited were sold 180 equity shares each on 27th June 2022.

9. Intention and participation by the promoter and promoter group

The Promoters and Promoter Group of our Company through its letters dated 29 June, 2022, have confirmed that they intend to subscribe in part or to the full extent of its Rights Entitlement in this Issue and to the extent of unsubscribed portion (if any) of this Issue and that they shall not renounce their Rights Entitlements except within the Promoter Group, in accordance with the provisions of Regulation 86 of the SEBI (ICDR) Regulations.

Further, the Promoters and certain members of our Promoter Group may also apply for additional Equity Shares along with their Rights Entitlement and/or renunciation. Such subscriptions of Equity Shares over and above its Rights Entitlement, if allotted, may result in an increase in their percentage shareholding above its current percentage shareholding. Any acquisition of additional Equity Shares shall not result in change of control of the management of the Company in accordance with provisions of the SEBI (SAST) Regulations and



shall be exempted subject to fulfillment of the conditions of Regulation 10 of the SEBI (SAST) Regulations. The Promoters acknowledge and undertake that their investment would be restricted to ensure that the public shareholding in the Company after this Issue does not fall below the permissible minimum level as specified in the listing conditions or Regulation 38 of SEBI (LODR) Regulations.

In case this Issue remains unsubscribed, the Board of Directors may dispose of such unsubscribed portion in the best interest of the Company and in compliance with the applicable laws.

No person connected with this Issue shall offer any incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise to any Investor for making an application in this Issue, except for fees or commission for services rendered in relation to the Issue;

In case this Issue remains unsubscribed, our Board of Directors may dispose of such unsubscribed portion in the best interest of the Company and in compliance with the applicable laws;

10. **Shareholding Pattern of our company**

The shareholding pattern of our Company as on March 31, 2022 is as follows:

- a) The details of the shareholding pattern of our Company as on March 31, 2022 can be accessed on the website of BSE at <https://www.bseindia.com/stock-share-price/mercury-metals-ltd/mermetl/531357/shareholding-pattern/>
- b) The details of shareholders of our Company holding 1% or more of the paid-up capital as on March 31, 2022 can be accessed on the website of BSE at <https://www.bseindia.com/corporates/shpdrPercnt.aspx?scripcd=531357&qtrid=113.01&CompName=MERCURY%20METALS%20LTD.&QtrName=31-Mar-22&Type=TM>



SECTION V – PARTICULARS OF THE ISSUE

OBJECTS OF THE ISSUE

Our Company proposes to utilize the Net Proceeds to:

1. Repayment of Unsecured Loan;
2. Adjustment of unsecured loans;
3. General Corporate Purposes.

The main object clause of the Memorandum of Association of our Company enables us to undertake the activities for which the funds are being raised through the Issue. Further, we confirm that the activities which we have been carrying out till date are in accordance with the object clause of our Memorandum of Association.

ISSUE PROCEEDS

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

(₹ in lakhs)	
Particulars	Amount
Gross Proceeds from the Issue#	4800.00
Less: Estimated Issue related Expenses	[•]
Net Proceeds from the Issue	[•]

#Assuming full subscription.

The Issue size will not exceed ₹ 4800.00/- Lakhs.

REQUIREMENT OF FUNDS AND UTILISATION OF NET PROCEEDS

The intended use of the Net Proceeds of the Issue by our Company is set forth in the following table:

(₹ in lakhs)		
Sr. No.	Particulars	Amount
1.	Repayment of Unsecured Loan	2000.00
2.	Adjustment of unsecured loans	2300.00
3.	General Corporate Purposes#	[•]
	Total Net Proceeds	[•]
4.	To meet the expenses of the Issue	[•]
	Gross Proceeds from the Issue	[•]

#The amount to be utilized for General corporate purposes will not exceed 25.00% (Twenty-Five Percent) of the Gross Proceeds;

*Assuming full subscription in the Issue and subject to finalization of the Basis of Allotment and to be adjusted per the Rights Entitlement ratio;

MEANS OF FINANCE

Our Company proposes to meet the entire requirement of funds for the objects of the Issue from the Net Proceeds. Accordingly, our Company confirms that there is no requirement to make firm arrangements of finance through verifiable means towards at least 75.00% (Seventy-Five Percent) of the stated means of finance for the aforesaid object, excluding the amount to be raised from the Issue.

The fund requirement and deployment are based on our management estimates and has not been appraised by any bank or financial institution or any other independent agencies. The fund requirement above is based on our current business plan and our Company may have to revise these estimates from time to time on account of various factors beyond our control, such as market conditions, competitive environment and interest or exchange rate fluctuations. Consequently, our Company's funding requirements and deployment schedules are subject to revision in the future at the discretion of our management.



DETAILS OF THE OBJECTS OF THE ISSUE

The details in relation to objects of the Issue are set forth herein below:

1. Repayment of Unsecured Loan:

Till the date of this Draft Letter of Offer, the Company has availed unsecured loan of Rs.3784.50Lacs from the Promoter Group Company i.e. Raghuvir International Private Limited and Shree Saibaba Exim Private Limited of Rs.1549.00 Lakhs and Rs. 2235.50 Lakhs respectively, to finance the acquisition of factory land & building for the manufacturing facility of EV (Electric Vehicle), acquisition of Plant & Machinery and to fund alteration, modification and addition in factory building. The Company has firm arrangement pursuant to Loan Agreement dated June 21, 2022, to avail the Unsecured Loan facility of upto Rs. 5000.00 Lakhs from promoter group companies.

Our Promoter Group i.e. Raghuvir International Private Limited and Shree Saibaba Exim Private Limited vide letter dated 27th June 2022 requested the Board of Directors of the Company to adjust the unsecured loan of Rs.11.50 Crores (Rupees Eleven crores and Fifty Thousands Only) and Rs.11.50Crores (Rupees Eleven crores and Fifty Thousands Only) respectively, aggregating to Rs.23.00 Crores (Rupees Twenty Three crores Only) already brought in towards their entitlement for the proposed Rights Issue including subscription to additional equity shares and equity shares which may be renounced in their favour, if any The Company proposes to repay the Unsecured Loan of Rs.2000.00Lacs out of the proceed from the Right Issue.

The details of the utilization of the Unsecured Loan of Rs.3784.50Lacs as on the date this Draft Letter of Offer is as under;

(₹ in Lakhs)

Sr. No.	Particulars	Amount
1.	Advanced to Wholly Owned Subsidiary Company namely EV Nest Private Limited of the Company to acquire Factory Land and Building at R.S. No. 28, National Highway No. 8, Por, Vadodara, Gujarat.	2861.00
2.	Advanced to Wholly Owned Subsidiary Company namely EV Nest Private Limited of the Company to pay the Stamp Duty and Registration Fee on Sale Deed for Factory Land and Building at R.S. No. 28, National Highway No. 8, Por, Vadodara, Gujarat.	168.80
3.	Advance paid to Vendors for Raw Material	406.55
4.	Advance paid to Vendors of Plant & Machinery	23.46
5.	Balance in the Bank account of the Company	324.69
	TOTAL	3784.50

Due to terms of acquisition of the Factory Land and Building constructed thereon at R.S. No. 28, National Highway No. 8, Por, Vadodara, Gujarat, the Wholly Owned Subsidiary Company of the Company namely EV Nest Private Limited has to make the payment of consideration of Rs. 2861.00 Lakhs and Rs.168.80 Lakhs-- towards registration and stamp duty on Sale Deed and therefore the Company has availed unsecured loan from promoter group to advance it to it's said Wholly Owned Subsidiary Company. Further, to implement the upcoming project on time, the Company needs further funds to advance to vendors of Plant and Machinery, raw material and also to carry out necessary alteration, modifications and additions to the factory building, the Company entered into Loan agreement with it's promoter group companies to ensure pre-commitment of unsecured loan upto Rs.5000.00 Lacs. The Company has already received unsecured loan of Rs.3784.50 Lacs and will receive the balance amount of unsecured loan by 30th July, 2022.

The fund raising through the proposed Right Issue shall take time due to various approvals required from applicable authorities and the time required to complete the process of the right issue, therefore, to bridge finance the acquisition of factory land and building and also to place orders to vendors of Plant and Machinery and also to carry out necessary alteration, modifications and additions to the factory building the Company has arranged unsecured loan. The Company does not intend to bear Interest burden of the unsecured loan and therefore propose to repay the unsecured loan of Rs. 2000.00 Lacs out of the proceeds of the Right Issue.

2. Adjustment of unsecured loans:

Pursuant to the Loan Agreement dated June 21, 2022, our Promoter Group, has advanced a sum of Rs. 3784.50 lakhs as unsecured loan at 8% interest per annum to our Company. The major part of aforesaid loan has been utilised to finance the acquisition of land & building situated at R.S. No. 28, National Highway No. 8, Por, Vadodara, Gujarat for



the manufacturing facility of EV (Electric Vehicle). The Company has advanced a sum of Rs. 2861.00 Lakhs to its Wholly Owned Subsidiary Company namely “i.e. EV Nest Private Limited” to make the payment of sale consideration for factory land and building. The said Wholly Owned Subsidiary Company has already completed the full amount of sale consideration i.e. Rs. 2861.00 Lakhs to seller of the said property and executed Sale Deed on 25.06.2022, which got Registered With the Office of the Sub-Registrar on 29.06.2022 vide Registration No.1928. Till the date of this Draft Letter of Offer, our Promoter Group i.e. Raghuvir International Private Limited and Shree Saibaba Exim Private Limited have given unsecured loan of Rs.1549.00 Lakhs and Rs. 2235.50 Lakhs respectively aggregating to Rs.3784.50 Lakhs and vide letter dated 27th June 2022 Raghuvir International Private Limited and Shree Saibaba Exim Private Limited requested the Board of Directors of the Company to adjust the unsecured loan of Rs. 11.50 Crores (Rupees Eleven crores and Fifty Thousands Only) and Rs. 11.50 Crores (Rupees Eleven crores and Fifty Thousands Only) respectively, aggregating to Rs. 23.00 Crores (Rupees Twenty Three crores Only) already brought in towards their entitlement for the proposed Rights Issue including subscription to additional equity shares and equity shares which may be renounced in their favour, if any.

3. General Corporate Purpose:

The remaining Net Proceeds, if any, shall be utilized towards general corporate purposes and the amount to be utilized for general corporate purposes shall not exceed 25.00% (Twenty-Five Percent) of the Gross Proceeds. Such utilization towards general corporate purposes shall be to drive our business growth, including, amongst other things including but not limited funding our growth opportunities, strengthening marketing capabilities and brand building exercises, and strategic initiatives and any other purpose as permitted by applicable laws; subject to meeting regulatory requirements and obtaining necessary approvals/ consents, as applicable.

The quantum of utilization of funds towards any of the above purposes will be determined based on the amount actually available under this head and the business requirements of our Company, from time to time. Our Board will have flexibility in utilizing surplus amounts, if any.

4. Expenses for the Issue:

The Issue related expenses consist of fees payable to the Lead Manager, Legal Counsel, processing fee to the SCSBs, Registrars to the Issue, printing and stationery expenses, advertising expenses and all other incidental and miscellaneous expenses for listing the Right Shares on the Stock Exchange. Our Company will need approximately Rs. 81,49,000/- (Rupees Eighty One Lakhs Forty Nine Thousand only) towards these expenses, a break-up of the same is as follows:

Activity	Estimated Expense (₹. In lakhs)	% of Estimated Issue Size Expenses	% of Estimated Issue Size
Fees of the Lead Manager	6.00	19.05%	0.13%
Fees of Registrar to the Issue and other intermediaries	5.50	17.47%	0.11%
Statutory Fees payable including depositories, regulators and Stock Exchange	6.50	20.64%	0.14%
Statutory Advertising, Printing and Distribution	12.00	38.11%	0.25%
Other expenses (including miscellaneous expenses and stamp duty)	1.49	4.73%	0.03%
Total estimated Issue expenses*	31.49	100.00%	0.66%

* Subject to finalization of Basis of Allotment and actual Allotment. Above mentioned fees are excluding Taxes.

In case of any difference between the estimated Issue related expenses and actual expenses incurred, the shortfall or excess shall be adjusted with the amount allocated towards general corporate purposes. All Issue related expenses will be paid out of the Gross Proceeds from the Issue.

DETAILS OF NEW MANUFACTURING UNIT

(i) Factory Land & Building:

The Company has acquired factory land and building constructed thereon situated at R.S. No. 28, National Highway No. 8, Por, Vadodara, Gujarat through its Wholly Owned Subsidiary Company namely EV Nest Private Limited (earlier known as Kavita Infra Project Private Limited). Total area of the factory land to be acquired is 7,50,000 sq. ft.



which also has existing construction of factory shed of 1,50,000 sq. ft. The total acquisition cost of the factory land and building is Rs. 2861.00 Lakhs. EV Nest Private Limited (earlier known as Kavit Infra Project Private Limited), Wholly Owned Subsidiary Company of the Company has already executed Sale Deed on 25.06.2022, which got Registered With the Office of the Sub-Registrar on 29.06.2022 vide Registration No.1928. The said subsidiary company has also incurred expenses of Rs.168.80 Lakhs towards Registration Fee and Stamp Duty. The Company is now under physical possession of the Factory Land and building situated at R.S. No. 28, National Highway No. 8, Por, Vadodara, Gujarat.

(ii) Plant & Machinery :

The Company will install necessary plant and machinery on the aforesaid factory land and building. The total cost of plant and machinery will be Rs. 1000.00 Lakhs. The details of Plant and Machinery is given hereunder;

Sr. No.	Description of Machinery/Equipment	Amount (₹ in Lakhs)
1	CED Plant and Paint Booth	450.00
2	Assembly Station for 2W and 3W	350.00
3	Spot Welding Machines	30.00
4	Robotic Machines for Assembly of the Products	80.00
5	CNC Cutting Machines	80.00
6	Other Tools and Machinery	10.00
	Total	1000.00

The Company has already advanced amount of Rs. 23.46 Lakhs to vendors of plant and machinery. The tentative schedule of procurement and installation of plant and machinery is as under;

Sr. No.	Details	Tentative Schedule of Implementation	
		From	To
1	CED Plant and Paint Booth	1 st September 2022	15 th September 2022
2	Assembly Line for all the products	1 st September 2022	15 th September 2022
3	Other Plant & Machinery	1 st September 2022	15 th September 2022

The plant on the said land along with an EV experience center which will be unique in the industry. The plant will be full of green energy sources. The company has planned to set up Solar panels over the roof of the plant to generate electricity to support the government's green energy program.

(iii) Alteration, Modification and Addition to existing factory shed/building :

As detailed in sub para (i), the Company has acquired factory land and building constructed thereon situated at R.S. No. 28, National Highway No. 8, Por, Vadodara, Gujarat, under EV Nest Private Limited, Wholly Owned Subsidiary Company. According to the factory plan of the Company, some alteration, modification and addition will be required in factory shed/building and the total cost will be around Rs. 700Lakhs.

(iv) Estimated Production Capacity:

Annual estimated capacity is 100000 2W and 10000 3W.

(v) Commencement of Production:

Our plant is partially operational and till date we have executed few small orders. Recently, we have installed bigger high-tech EV manufacturing machines and other ancillary machines to take care of bigger orders.

The manufacturing process is highly customized and the technology is patent controlled. Major machinery CED Color Plant, Robotic Technology, Automatic Conveyers etc. and R&D, Equipment, Quality Control and Quality Assurance Equipment and other Accessories etc.

The plant is being funded through unsecured loan and full consideration of factory land and building acquired through Wholly Owned Subsidiary of the Company is being done out of the unsecured loan amount received by the Company from Group Companies. Further investment on account of plant & machinery, various other equipment and alteration, modification and addition to factory shed/building will also be made from unsecured loan. The Company



proposes for repayment of unsecured loan and also adjustment of part of the unsecured loan out of proceeds of this issue, details of the same can be referred at page no 47 of this Draft Letter of Offer.

(vi) Details of licenses/ approvals for the manufacturing facility

Our Company has received Certificate from ICAT agency for this project.

INTEREST OF PROMOTER, PROMOTER GROUP AND DIRECTORS, AS APPLICABLE TO THE OBJECTS OF THE ISSUE:

Our Promoter has vide its letter dated 29 June, 2022 confirmed that an amount of 2300.00 Lakhs, which has been availed by our Company from promoter group company, in the nature of unsecured loans as per the details mentioned above, is proposed to be adjusted towards the application money to be received by the Company, for the subscription to the Rights Equity Shares to be allotted in this Issue, from our Promoter, to the extent of its entitlement, instead of seeking a repayment of the same. Consequently, no fresh Issue proceeds would be received by our Company to such an extent.

SOURCES OF FINANCING OF FUNDS ALREADY DEPLOYED

The company has obtained unsecured loans from the corporates to full fill the current capital investment requirement.

APPRAISAL OF THE OBJECTS

None of the Objects of the Issue for which the Net Proceeds will be utilized have been appraised by any bank or financial institution.

STRATEGIC AND/ OR FINANCIAL PARTNERS

There are no strategic and financial partners to the objects of the issue.

BRIDGE FINANCING FACILITIES

Till the date of this Draft Letter of Offer, the Company has availed unsecured loan of Rs.3784.50Lacs from the Promoter Group Company, to finance the acquisition of factory land & building for the manufacturing facility of EV (Electric Vehicle), acquisition of Plant & Machinery and to fund alteration, modification and addition in factory building. The Company has firm arrangement pursuant to Loan Agreement dated June 21, 2022 to avail the Unsecured Loan facility of upto Rs. 500.00 Lakhs.

INTERIM USE OF FUNDS

Our Company, in accordance with the policies formulated by our Board from time to time, will have flexibility to deploy the Net Proceeds. Pending utilization of the Net Proceeds for the purposes described above, our Company intends to deposit the Net Proceeds only with scheduled commercial banks included in the second schedule of the Reserve Bank of India Act, 1934 or make any such investment as may be allowed by SEBI from time to time.

MONITORING OF UTILIZATION OF FUNDS

Since the proceeds from this Issue are less than ₹10,000 Lakhs, in terms of Regulation 41(1) of the SEBI (ICDR) Regulations, our Company is not required to appoint a monitoring agency for this Issue. However, as per SEBI (LODR) Regulation, the Board of Directors of the Company would be monitoring the utilization of the proceeds of the Issue. The Company will disclose the utilization of the Issue Proceeds under a separate head in our balance sheet along with the relevant details, for all such amounts that have not been utilized. The Company will indicate investments, if any, of unutilized Issue Proceeds in the Financial Statements of the Company for the relevant Financial Years subsequent to receipt of listing and trading approvals from the BSE.

We will also on an annual basis, prepare a statement of the funds which have been utilized for purposes other than those stated in this Draft Letter of Offer, if any, and place it before the Audit Committee and the Board. Such disclosure will be made only until all the Issue Proceeds have been utilized in full. Pursuant to Regulation 32 of the



SEBI (LODR) Regulation, the Company shall, on a quarterly basis, disclose to the Audit Committee the uses and applications of the Issue Proceeds. In accordance with Regulation 32 of the SEBI (LODR) Regulation, the Company shall furnish to the BSE Limited, on a quarterly basis, a statement on material deviations, if any, in the utilization of the proceeds of the Issue from the objects of the Issue as stated above. This information will also be published in newspapers simultaneously with the interim or annual financial results after placing the same before the Audit Committee.

In accordance with applicable provisions of the Companies Act, 2013 and applicable rules, except in circumstances of business exigencies, our Company shall not vary the Objects of the Issue without our Company being authorized to do so by the Shareholders by way of a special resolution through postal ballot. In addition, the notice issued to the Shareholders in relation to the passing of such special resolution (the '**Postal Ballot Notice**') shall specify the prescribed details as required under the Companies Act and applicable rules. The Postal Ballot Notice shall simultaneously be published in the newspapers, one in English and one in Hindi, the vernacular language of the jurisdiction where the Registered Office is situated.

KEY INDUSTRY REGULATIONS FOR THE OBJECTS OF THE ISSUE

No additional provisions of any acts, regulations, rules and other laws are or will be applicable to the Company for the proposed Objects of the Issue.

INTEREST OF PROMOTERS, PROMOTER GROUP AND DIRECTORS, AS APPLICABLE TO THE OBJECTS OF THE ISSUE

The Promoters of our Company through its letters dated 29 June, 2022, have undertaken to subscribe, in part or in full extent of their Rights Entitlement among themselves subject to compliance with the minimum public shareholding requirements, as prescribed under the SCRR.

OTHER CONFIRMATIONS

Except disclosed above, there is no material existing or anticipated transactions in relation to the utilization of the Net Proceeds with our Promoter, Directors or Key Management Personnel of our Company and no part of the Net Proceeds will be paid as consideration to any of them. Except disclosed above, none of our Promoters, members of Promoter Group or Directors are interested in the Objects of the Issue. No part of the proceeds from the Issue will be paid by the Company as consideration to our Directors, or Key Managerial Personnel.

Our Company does not require any material government and regulatory approvals in relation to the Objects of the Issue.



STATEMENT OF TAX BENEFITS

To,
The Board of Directors,
Mercury Metals Ltd.
Block No. 28, National Highway No. 8,
Village Manglej, Taluka Karjan,
Vadodara Gujarat - 391210

Dear Sir,

Subject: Statement of possible tax benefits available to Mercury Metals Limited ('the Company') and its shareholders in connection with Proposed Rights Issue of equity shares of face value of Rs. 1/- each ("Equity Shares") (herein referred to as the "Issue") pursuant to Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended ("SEBI (ICDR) Regulations")

The preparation of the statement is the responsibility of the management of the Company for the 'Issue', including the preparation and maintenance of all accounting and other relevant supporting records and documents. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Statement and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.

We have complied with the Code of Ethics issued by the Institute of Chartered Accountants of India. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, 'Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements,' issued by the ICAI.

The Management of the Company has prepared 'Statement of possible special tax benefits' under direct tax laws i.e. Income Tax Rules, 1962 ('Income Tax Laws'), and indirect tax laws i.e. the Central Goods and Services Tax Act, 2017, Integrated Goods and Services Tax Act, 2017, respective State Goods and Services Tax Act, 2017 ("SGST") read with rules, circulars, and notifications ("GST law"), Customs Act, 1962, Customs Tariff Act, 1975 ("Customs law") as amended, the rules and regulations, circulars and notifications issued there under, Foreign Trade Policy ("FTP") presently in force in India available to the Company and its shareholders.

We hereby confirm that the enclosed Annexures, prepared by the Company, provides the possible special tax benefits available to the Company. The benefits discussed in the enclosed statement cover only special tax benefits available to the Company and to the shareholders of the Company and are not exhaustive and also do not cover any general tax benefits available to the Company. Further, any benefits available under any other laws within or outside India have not been examined and covered by this statement.

This statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the Issue. Neither are we suggesting nor advising the investor to invest in the Issue based on this statement.

We do not express any opinion or provide any assurance as to whether:

1. The Company or its shareholders will continue to obtain these benefits in future; or
2. The conditions prescribed for availing the benefits have been/would be met with.

The contents of the enclosed statement are based on information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company.



The statement is intended solely for information and the inclusion in the Letter of Offer/ Letter of Offer in relation to the Rights Issue of equity shares of the Company and is not to be used, circulated or referred to for any other purpose without our prior written consent. Our views are based on the existing provisions of law referred to earlier and its interpretation, which are subject to change from time to time.

We shall not be liable to any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith or intentional misconduct. We will not be liable to any other person in respect of this Statement.

Yours faithfully,

For and on behalf of
M/s. Ambalal Patel & Co.
Chartered Accountants
Firm Registration Number: 100305W

CA. Nikunj B. Patalia
Partner
Membership Number: 131220

Date: 18.06.2022
Place: Ahmedabad

UDIN: 22131220ALETLM2017

Encl: As above



ANNEXURE I

STATEMENT OF SPECIAL TAX BENEFITS AVAILABLE TO MERCURY METALS LIMITED ('COMPANY') AND ITS SHAREHOLDERS

1. Under the Income Tax Act, 1961 ('Act')

a. Special tax benefits available to the Company under the Act

There are no special tax benefits available to the Company.

b. Special tax benefits available to the shareholders under the Act

There are no special tax benefits available to the shareholders of the Company.

Notes

1. The above Statement sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of shares;
2. The above statement covers only certain relevant direct tax law benefits and does not cover any indirect tax law benefits or benefit under any other law;
3. The above statement of possible tax benefits is as per the current direct tax laws relevant for the assessment year 2022-2023;
4. This statement is intended only to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of tax consequences, each investor is advised to consult his/her own tax advisor with respect to specific tax consequences of his/her investment in the shares of the Company;
5. In respect of non-residents, the tax rates and consequent taxation will be further subject to any benefits available under the relevant DTAA, if any, between India and the country in which the non-resident has fiscal domicile;
6. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes;

For and on behalf of
M/s. Ambalal Patel & Co.
Chartered Accountants
Firm Registration Number: 100305W

CA. Nikunj B. Patalia
Partner
Membership Number: 131220

Date: 18.06.2022
Place: Ahmedabad

UDIN: 22131220ALETLM2017



ANNEXURE II

STATEMENT OF INDIRECT TAX BENEFITS AVAILABLE TO MERCURY METALS LIMITED ('COMPANY') AND ITS SHAREHOLDERS

1. Under the The Central Goods and Services Tax Act, 2017 / the Integrated Goods and Services Tax Act, 2017 ('GST Act'), the Customs Act, 1962 ('Customs Act') and the Customs Tariff Act, 1975 ('Tariff Act') (collectively referred to as 'Indirect Tax')

a. Special tax benefits available to the Company under the Indirect Tax

There are no special indirect tax benefits available to the Company.

b. Special tax benefits available to the shareholders under the Indirect Tax

There are no special indirect tax benefits applicable in the hands of shareholders for investing in the shares of the Company.

Notes

1. The above statement is based upon the provisions of the specified Indirect Tax laws, and judicial interpretation thereof prevailing in the country, as on the date of this Annexure;
2. The above statement covers only above-mentioned Indirect Tax laws benefits and does not cover any direct tax law benefits or benefit under any other law;
3. This statement is intended only to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice;
4. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes;

For and on behalf of
M/s. Ambalal Patel & Co.
Chartered Accountants
Firm Registration Number: 100305W

CA. Nikunj B. Patalia
Partner
Membership Number: 131220

Date: 18.06.2022
Place: Ahmedabad

UDIN: 22131220ALETLM2017



SECTION VI – ABOUT THE COMPANY

INDUSTRY OVERVIEW

The information in this section has been extracted from various websites and publicly available documents from various industry sources. The data may have been re-classified by us for the purpose of presentation. None of the Company and any other person connected with the Issue have independently verified this information. Industry sources and publications generally state that the information contained therein has been obtained from believed to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed, and their reliability cannot be assured. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projection forecasts and assumptions that may prove to be incorrect. Accordingly, investors should not place undue reliance on information.

GLOBAL ECONOMIC OUTLOOK

On the surface, global economic growth appears robust. The world economy is projected to expand at a steady pace of 3 per cent in 2019 and 2020. Growth rates in many developed economies have risen near to what is widely considered their potential, while unemployment rates have fallen towards historical lows. Among the developing economies, the East and South Asia regions remain on a strong growth trajectory, while many commodity-exporting countries are continuing a gradual recovery. However, a closer look below this surface reveals significant shortcomings in the foundations and quality of global economic growth. Short-term risks are rising, with the potential to severely disrupt economic activity and inflict significant damage on longer-term development prospects. These include escalating trade disputes, financial stress and volatility, and an undercurrent of geopolitical tensions. Amid the significant build-up in global public and private debt, policy space has narrowed considerably across the world, and any negative shock could have severe and long-lasting implications for global growth. Waning support for multilateralism also raises questions around the capacity for collaborative policy action in the event of a widespread global shock. These short-term risks compound underlying structural vulnerabilities of a longer term nature. Economic growth is often failing to reach where it is needed most. Per capita incomes are stagnant or declining in several regions, including some with high rates of poverty. With persistently high levels of inequality, the goal of poverty eradication by 2030 is moving increasingly out of reach. In addition, the critical transition towards environmentally sustainable patterns of production and consumption is not happening fast enough. While some progress has been made in reducing the greenhouse gas intensity of production, this progress remains insufficient to reduce aggregate emission levels, given the increased volume of production. The level of carbon emissions continues to rise, accelerating climate change. Urgent and concrete policy action is needed to change the trajectory of the global economy towards a sustainable path and implement the actions and policy changes needed to deliver the ambitious goals of the 2030 Agenda for Sustainable Development. This includes sound macroeconomic and macro prudential policies, structural and redistributive reforms, and industrial policies, adapted as appropriate to country-specific circumstances. At the international level, progress relies on a cooperative and long-term strategy for global policy in key areas such as climate change, sustainable consumption and responsible finance, supported by declines in income and gender inequality. A withdrawal from multilateralism will pose further setbacks for those already being left behind.

(Source: https://unctad.org/en/PublicationsLibrary/wesp2019_en.pdf)

INDIAN ECONOMIC OUTLOOK

India has emerged as the fastest growing major economy in the world and is expected to be one of the top three economic powers of the world over the next 10-15 years, backed by its strong democracy and partnerships. India's GDP is estimated to have increased 7.2 per cent in 2017-18 and 7 per cent in 2018-19. India has retained its position as the third largest startup base in the world with over 4,750 technology start-ups. India's labour force is expected to touch 160-170 million by 2020, based on rate of population growth, increased labour force participation, and higher education enrolment, among other factors, according to a study by ASSOCHAM and Thought Arbitrage Research Institute. India's foreign exchange reserves were US\$ 405.64 billion in the week up to March 15, 2019, according to data from the RBI. With the improvement in the economic scenario, there have been various investments in various sectors of the economy. The M&A activity in India reached record US\$ 129.4 billion in 2018 while private equity (PE) and venture capital (VC) investments reached US\$ 20.5 billion. The interim Union Budget for 2019-20 was announced by Mr Piyush Goyal, Union Minister for Finance, Corporate Affairs, Railways and Coal, Government of India, in Parliament on February 01, 2019. It focuses on supporting the needy farmers, economically less privileged,

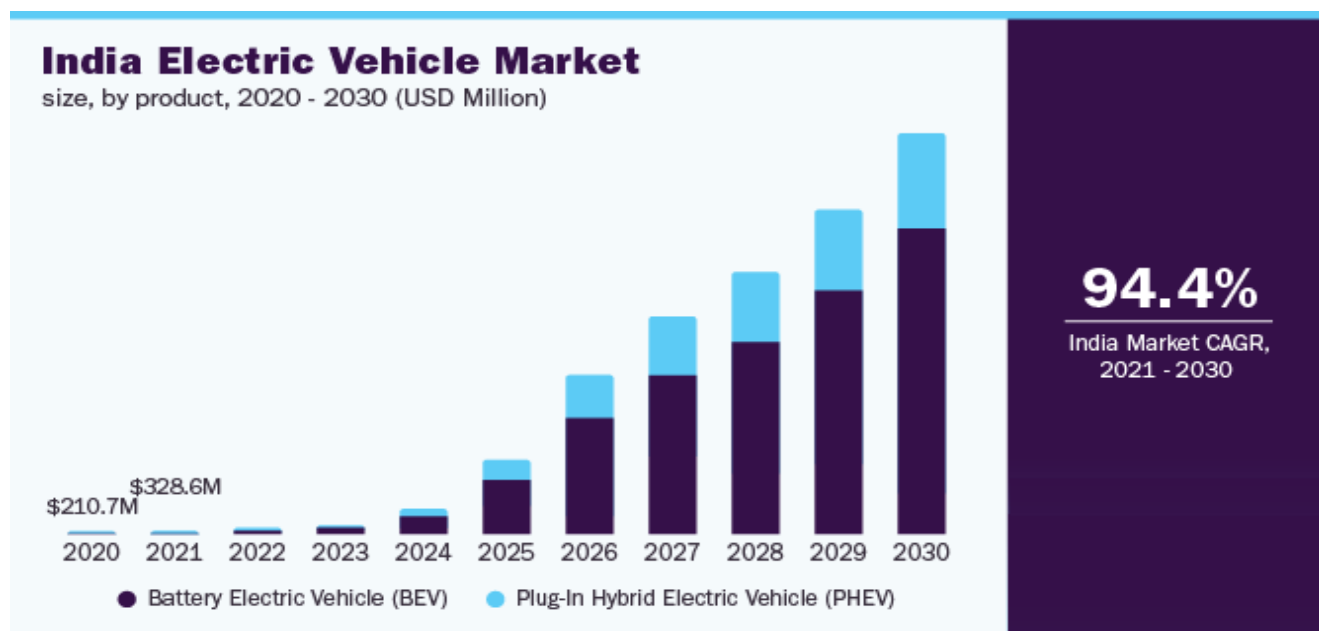


workers in the unorganised sector and salaried employees, while continuing the Government of India’s push towards better physical and social infrastructure. Total expenditure for 2019-20 is budgeted at Rs 2,784,200 crore (US\$ 391.53 billion), an increase of 13.30 per cent from 2018-19 (revised estimates). Numerous foreign companies are setting up their facilities in India on account of various government initiatives like Make in India and Digital India. Mr. Narendra Modi, Prime Minister of India, has launched the Make in India initiative with an aim to boost the manufacturing sector of Indian economy, to increase the purchasing power of an average Indian consumer, which would further boost demand, and hence spur development, in addition to benefiting investors. The Government of India, under the Make in India initiative, is trying to give boost to the contribution made by the manufacturing sector and aims to take it up to 25 per cent of the GDP from the current 17 per cent. Besides, the Government has also come up with Digital India initiative, which focuses on three core components: creation of digital infrastructure, delivering services digitally and to increase the digital literacy. India's gross domestic product (GDP) is expected to reach US\$ 6 trillion by FY27 and achieve upper-middle income status on the back of digitisation, globalisation, favourable demographics, and reforms. India's revenue receipts are estimated to touch Rs 28-30 trillion (US\$ 385-412 billion) by 2019, owing to Government of India's measures to strengthen infrastructure and reforms like demonetisation and Goods and Services Tax (GST). India is also focusing on renewable sources to generate energy. It is planning to achieve 40 per cent of its energy from non-fossil sources by 2030 which is currently 30 per cent and also have plans to increase its renewable energy capacity from to 175 GW by 2022.

(Source: <https://www.ibef.org/economy/indian-economy-overview>)

INDIAN ELECTRIC VEHICLE MARKET

The India electric vehicle market size was valued at USD 220.1 million in 2020 and is expected to expand at a compound annual growth rate (CAGR) of 94.4% from 2021 to 2030. The attractive incentives being offered by the Indian government on the production and purchase of electric vehicles to encourage the adoption of electric vehicles are anticipated to drive the growth of the market over the forecast period. The outbreak of the COVID-19 pandemic triggered a significant decline in the overall sales of passenger and commercial vehicles in 2020. However, the sales of electric vehicles in India remained unaffected. The post-lockdown sale of pure and hybrid electric vehicles is a prominent driving factor for the electric vehicle market in India. The stringent GreenHouse gas (GHG) emission norms drafted by the government, such as the Bharat Stage (BS) VI emission standards introduced by India’s Ministry of Road Transport and Highways (MoRTH), are also expected to play a decisive role in driving the growth of the market.



The increasing prices of conventional fuel are expected to accentuate the development of vehicle electrification. The stringent emission norms being drafted by the government and the growing environmental awareness among Indian consumers are also expected to fuel the demand for electric vehicles. Furthermore, Indian automakers, such as Tata Motors, and Mahindra and Mahindra Ltd., have embarked upon aggressive efforts to add electrified vehicles to their product portfolio, which is expected to encourage Indian consumers to opt for electric vehicles. All these factors bode well for the growth of the electric vehicle market in India over the forecast period.



The EV market in India comprised only two electric vehicle models in 2019. As a result, only 0.15% of the new passenger cars registered between April 2019 and March 2020 were BEVs. However, at the beginning of 2021, the India electric vehicle (EV) market consisted of around eight electric vehicle models, thereby offering more options for Indian consumers looking forward to buying electric vehicles. Moreover, the prices of electric vehicles are also expected to decline over the forecast period, thereby allowing EVs to provide a lower Total Cost of Ownership (TCO) as compared to conventional vehicles. This is expected to pave the way for the mass-market penetration of electric vehicles.

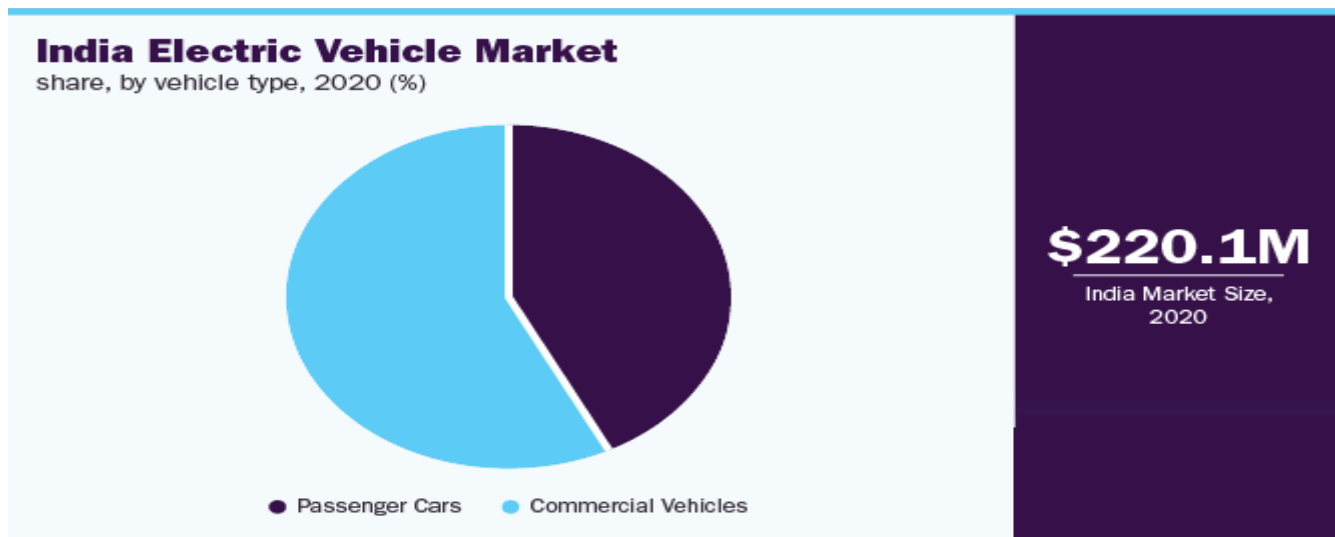
India has been recognized as one of the prominent regions in the automotive industry globally. Several companies are aggressively establishing manufacturing facilities in India. For instance, in September 2020, Dana TM4 Inc. announced plans to establish a manufacturing facility in Pune, India. The new 4,600 square-meter facility would produce Dana TM4 low- to high-voltage inverters, electric motors, and vehicle control units. Meanwhile, the Phase-II of the Indian government's Faster Adoption and Manufacturing of Electric Vehicles (FAME) scheme envisages further enhancing the adoption of electric mobility and the development of its manufacturing eco-system. Phase-II of the FAME scheme would be implemented through the following verticals, namely incentivizing the demand for EVs; running awareness campaigns, including publicity, and information, education & communication (IEC) activities; and establishing a charging station network.

The outbreak of the COVID-19 pandemic changed the overall business dynamics in 2020 and is anticipated to affect the overall business scenario over the next few years. Lockdowns imposed in different parts of the world as part of the efforts to arrest the spread of coronavirus resulted in supply chains disruptions. Production was also suspended at numerous production facilities as part of the lockdowns. As a result, shipments were delayed and production volumes plummeted, thereby severely affecting automotive production. Manufacturers of electric vehicles continued to confront issues with supplies of raw materials owing to the looming delays in international shipments and hence, reported production delays. Nevertheless, although the pandemic triggered a significant decline in the overall sales of passenger and commercial vehicles, the sales of electric cars in India remained unaffected. According to the Society of Manufacturers of Electric Vehicles (SMEV), the sales of electric cars in India increased over the year by 109% from 2,814 units in 2019 to 5,905 units in 2020. The majority of over 64% of the sales came from the Tata Nexon EV, with a total of 3,805 units sold in 2020.

(Source: Report-India Electric Vehicle Market Size, Share & Trends Analysis Report By Product (BEV, PHEV), By Vehicle Type (Passenger Cars, Commercial Vehicles), And Segment Forecasts, 2021 - 2030)

VEHICLE TYPE INSIGHTS

The commercial vehicle segment accounted for the largest share of around 57% of the overall market in 2020. The growth of the segment can be attributed to the continued introduction of electric light-duty commercial trucks and electric buses in the country. Electric buses are already gaining traction as the government is pursuing aggressive plans to have more and more electric vehicles plying on the roads to reduce vehicular pollution in major cities across the nation. Companies, such as Tata Motors, Mahindra and Mahindra Ltd, and Olectra Greentech Limited, are already offering electric light-duty commercial vehicles and electric buses in the country.





The passenger cars segment is projected to register a CAGR of over 106% over the forecast period. The diesel and gasoline-based passenger vehicle market is witnessing a shift toward electric passenger vehicles owing to increasing investments by the government in EV infrastructure, along with tax benefits offered to consumers. For instance, the Indian government's National Electric Mobility Mission Plan (NEMMP) 2020 envisages promoting the adoption of hybrid vehicles and electric vehicles while achieving national fuel security.

(Source: <https://www.grandviewresearch.com/industry-analysis/india-electric-vehicle-market-report>)

INVESTMENT

In order to keep up with the growing demand, several auto makers have started investing heavily in various segments of the industry during the last few months. The industry has attracted Foreign Direct Investment (FDI) worth US\$ 30.78 billion between April 2000 and September 2021, accounting for 5.49% of the total equity FDI during the period according to the data released by Department for Promotion of Industry and Internal Trade (DPIIT).

Some of the recent/planned investments and developments in the automobile sector in India are as follows:

- In February 2022, passenger vehicles sales reached 27.11 lakhs units, two-wheelers reached 151.19 lakhs units, commercial vehicles sales reached 5.69 lakhs units and for three-wheelers it was 2.16 lakhs units.
- In 2019-20, the total passenger vehicles sales reached ~2.8 million, while ~2.7 million units were sold in FY21.
- In February 2021, the Delhi government started the process to set up 100 vehicle battery charging points across the state to push adoption of electric vehicles.
- In January 2021, Fiat Chrysler Automobiles (FCA) announced an investment of US\$ 250 million to expand its local product line-up in India.
- A cumulative investment of ~Rs. 12.5 trillion (US\$180 billion) in vehicle production and charging infrastructure would be required until 2030 to meet India's electric vehicle (EV) ambitions.
- In January 2021, Lamborghini announced it is aiming to achieve sales in India higher than the 2019-levels, after recovering from pandemic-induced disruptions.
- In January 2021, Tesla, the electric car maker, set up a R&D Centre in Bengaluru and registered its subsidiary as Tesla India Motors and Energy Private Limited.
- In November 2020, Mercedes Benz partnered with the State Bank of India to provide attractive interest rates, while expanding customer base by reaching out to potential HNI customers of the bank.
- Hyundai Motor India invested ~Rs. 3,500 crore (US\$ 500 million) in FY20, with an eye to gain the market share. This investment is a part of Rs. 7,000 crore (US\$ 993 million) commitment made by the company to the Tamil Nadu government in 2019.
- In October 2020, Kinetic Green, an electric vehicles manufacturer, announced plan to set up a manufacturing facility for electric golf carts besides a battery swapping unit in Andhra Pradesh. The two projects involving setting up a manufacturing facility for electric golf carts and a battery swapping unit will entail an investment of Rs. 1,750 crore (US\$ 236.27 million).
- In October 2020, Japan Bank for International Cooperation (JBIC) agreed to provide US\$ 1 billion (Rs. 7,400 crore) to SBI (State Bank of India) for funding the manufacturing and sales business of suppliers and dealers of Japanese automobile manufacturers and providing auto loans for the purchase of Japanese automobiles in India.
- In October 2020, MG Motors announced its interest in investing Rs. 1,000 crore (US\$ 135.3 million) to launch new models and expand operations in spite of the anti-China sentiments.
- In October 2020, Ultraviolet Automotive, a manufacturer of electric motorcycle in India, raised a disclosed amount in a series B investment



GROWING DEMAND

*Rising middle class income and a huge youth population will result in strong demand.

In January 2022, total production of passenger vehicles, three-wheelers, two-wheelers and quadricycles reached 1,860,809 units.



OPPORTUNITIES

*India could be a leader in shared mobility by 2030, providing opportunities for electric and autonomous vehicles.

*Focus is shifting to electric vehicles to reduce emissions.

*The electric vehicles industry is likely to create five crore jobs by 2030.



RISING INVESTMENT

*The automobile sector received cumulative equity FDI inflow of about US\$ 30.78 billion between April 2000 and September 2021.

*The Government of India expects automobile sector to attract US\$ 8-10 billion in local and foreign investments by 2023.



POLICY SUPPORT

*In September 2021, the Indian government issued notification regarding a PLI scheme for automobile and auto components worth Rs. 25,938 crore (US\$ 3.49 billion).

*Automotive Mission Plan 2016-26 is a mutual initiative by the Government of India and Indian Automotive Industry to lay down the roadmap for development of the industry.



GOVERNMENT INITIATIVES

The Government of India encourages foreign investment in the automobile sector and has allowed 100% foreign direct investment (FDI) under the automatic route.

Some of the recent initiatives taken by the Government of India are –

- In February 2022, Mr. Nitin Gadkari, Minister of Road Transport and Highways, revealed plans to roll out Bharat NCAP, India's own vehicle safety assessment program.
- In February 2022, 20 carmakers, including Tata Motors Ltd, Suzuki Motor Gujarat, Mahindra and Mahindra, Hyundai and Kia India Pvt. Ltd, were chosen to receive production-linked incentives (PLI) as part of the government's plan to increase local vehicle manufacturing and attract new investment. The 20 automobile companies have proposed a total investment of around Rs. 45,000 crore (US\$ 5.95 billion).



- In the Union Budget 2022-23, the government laid out the following initiatives:
 - ✓ The government introduced a battery-swapping policy, which will allow drained batteries to be swapped with charged ones at designated charging stations, thus making EV's more viable for potential customers.
 - ✓ India's National Highways would be expanded by 25,000 km in 2022-23 under the Prime Minister's Gati Shakti Plan.
- In November 2021, the Union Government added >100 advanced technologies, including alternate fuel systems such as compressed natural gas (CNG), Bharat Stage VI compliant flex fuel engines, electronic control units (ECU) for safety, advanced driver assist systems and e-quadracycles, under the PLI scheme for automobiles.
- In September 2021, the Union Minister for Road, Transport and Highways, Mr. Nitin Gadkari announced that government is planning to make it mandatory for car manufacturers to produce flex-fuel engines after getting the required permissions from the Supreme Court of India.
- In September 2021, the Indian government issued notification regarding a PLI scheme for automobile and auto components worth Rs. 25,938 crore (US\$ 3.49 billion). This scheme is expected to bring investments of over Rs. 42,500 (US\$ 5.74 billion) by 2026, and create 7.5 lakh jobs in India.
- In August 2021, Prime Minister Mr. Narendra Modi launched the Vehicle Scrappage Policy, which aims to phase out old polluting vehicles in an environmentally-safe manner.
- The Indian government has planned US\$ 3.5 billion in incentives over a five-year period until 2026 under a revamped scheme to encourage production and export of clean technology vehicles.
- As of June 2021, Rs. 871 crore (US\$ 117 million) has been spent under the FAME-II scheme, 87,659 electric vehicles have been supported through incentives and 6,265 electric buses have been sanctioned to various state/city transportation undertakings.

(Source: <https://www.ibef.org/industry/india-automobiles>)

ACHIEVEMENTS OF THE INDIAN AUTOMOTIVE SECTOR

Following are the achievements of the Indian automotive sector:

- India enjoys a strong position in the global heavy vehicles market as it is the largest tractor producer, second-largest bus manufacturer, and third-largest heavy trucks manufacturer in the world.
- In September 2021, Power Grid Corporation of India Limited (POWERGRID) laid the foundation stone of the first EV charging station in Meghalaya at its office complex at Lapalang, Shillong.
- In July 2021, India inaugurated the NATRAX, which is Asia's longest high-speed track and the fifth-largest in the world.
- Investment flow into EV start-ups in 2021 touched an all-time high, increasing nearly 255% to reach Rs. 3,307 crore (US\$ 444 million).
- EV startups that attracted maximum funding in 2021 were Ola Electric (US\$ 253 million), Blusmart (US\$ 25 million), Simple Energy (US\$ 21 million), Revolt (US\$ 20 million) and Detel (US\$ 20 million).
- Under NATRiP, following testing and research centres have been established in the country since 2015:
 - ✓ International Centre for Automotive Technology (ICAT), Manesar,
 - ✓ National Automotive Testing Tracks (NATRAX), Indore
 - ✓ Automotive Research Association of India (ARAI), Pune
 - ✓ Global Automotive Research Centre (GARC), Chennai
- SAMARTH Udyog - Industry 4.0 centres: 'Demo cum experience' centres are being set up in the country for promoting smart and advanced manufacturing helping SMEs to implement Industry 4.0 (automation and data exchange in manufacturing technology).

(Source: <https://www.ibef.org/industry/india-automobiles>)

EV INDUSTRY IN INDIA

The Indian automotive industry is the fifth largest in the world and is slated to be the third largest by 2030. Catering to a vast domestic market, reliance on the conventional modes of fuel intensive mobility will not be sustainable. In an effort to address this, federal policymakers are developing a mobility option that is "Shared, Connected, and Electric" and have projected an ambitious target of achieving 100 percent electrification by 2030.

According to an independent study by CEEW Centre for Energy Finance (CEEW-CEF), the EV market in India will be a US\$206 billion opportunity by 2030 if India maintains steady progress to meet its ambitious 2030 target. This would require a cumulative investment of over US\$180 billion in vehicle production and charging infrastructure. Another



report by India Energy Storage Alliance (IESA) projects that the Indian EV market will grow at a CAGR of 36 percent till 2026. The EV battery market is also projected to grow at a CAGR of 30 percent during the same period.

Existing EV ecosystem in India and investment outlook

Regardless of the country's ambitious targets, India's EV space is at a nascent stage. However, looking at it differently – India offers the world's largest untapped market, especially in the two-wheeler segment. 100 percent foreign direct investment is allowed in this sector under the automatic route.

The federal government is also prioritizing the shift towards clean mobility, and recent moves to amend the Faster Adoption and Manufacturing of Hybrid and Electric Vehicles in India (FAME) II scheme to make electric two-wheelers more affordable, is a case in point. In addition, multiple production-linked incentive schemes intend to create a local manufacturing ecosystem to support goals around greater adoption of electric mobility transport. This is sought to be achieved by incentivizing fresh investments into developing indigenous supply chains for key technologies, products, and auto components.

PRODUCTION-LINKED INCENTIVE SCHEMES

In May 2021, the government rolled out a **Production-Linked Incentive Scheme (PLI) for ACC Battery Storage Manufacturing**, which will incentivize the domestic production of such batteries and reduce the dependence on imports. This will support the EV industry with the requisite infrastructure and will significantly cause a reduction in cost of EVs.

On September 15, 2021, the government approved a PLI Scheme for the automobile and drone industry, which intends to incentivize high value advanced automotive technology vehicles and products, including 'green automotive manufacturing'

The PLI Scheme for the auto sector is open to existing automotive companies as well as new investors who are currently not in the automobile or auto component manufacturing business. The scheme has two components:

- (i) **Champion OEM Incentive Scheme:** This is a 'sales value linked' scheme, applicable on battery electric vehicles, and hydrogen fuel cell vehicles of all segments.
- (ii) **Component Champion Incentive Scheme:** This is a 'sales value linked' scheme, applicable on advanced automotive technology components of vehicles, completely knocked down (CKD)/ semi knocked down (SKD) kits, vehicle aggregates of 2-wheelers, 3-wheelers, passenger vehicles, commercial vehicles, and tractors etc.

There have also been positive developments in the expansion of charging infrastructure across the country – states like Andhra Pradesh, Uttar Pradesh, Bihar, and Telangana are setting impressive targets for the deployment of public charging infrastructure to increase uptake of electric vehicles in the country.

Karnataka was the first state to introduce a comprehensive EV policy and has emerged as a hotspot for EV businesses in India, both in EV and EV ancillary manufacturing as well as R&D segments. Tamil Nadu is also leaping forward at a commendable pace, owing to its supply ecosystem, larger land parcel, proximity to ports, and proactive investor support through administrative portals like Guidance Tamil Nadu. Nevertheless, while growth in the EV industry is on an upward tick, it has much ground to cover to be able to realize the government's ambitious 2030 target. The COVID-19 pandemic not only slowed the industry's progress, but also dampened overall market demand. Still, market sentiment has retained positivity in some segments. In FY 2020, EV sales for two-wheelers in India increased by 21 percent. For EV buses, the sales for the same period increased by 50 percent. In contrast, the market for electric cars remained grim, registering a five percent decline. As for total EV sales, after suffering an initial setback in 2020, sales appear to be slowly picking up. In January 2021, 15,910 units of EVs were sold in India, and out of these, the maximum units were sold in Uttar Pradesh, followed by Bihar and Delhi.

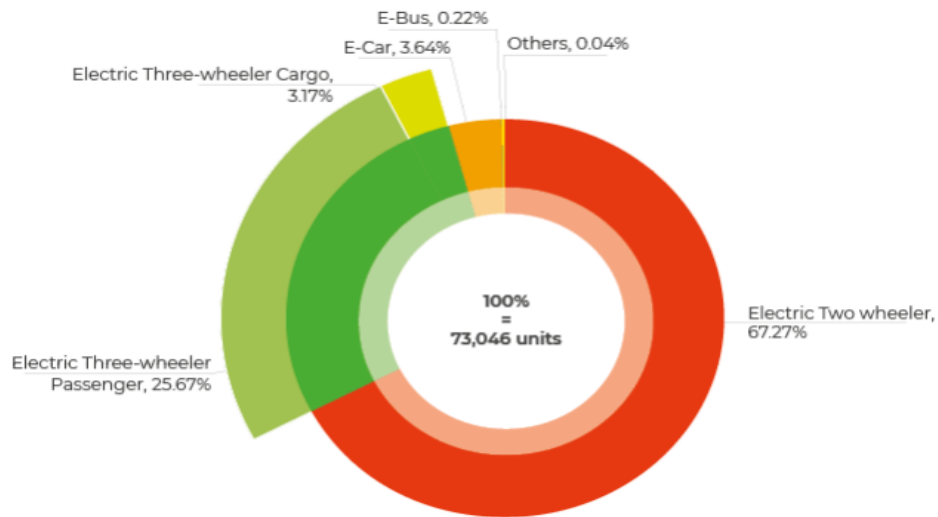
The overall EV sales in April 2022 bounced back to their growth trajectory, clocking 73,046 units. This signifies a month-on-month decrease of 5.3%, but a year-on-year leap of 415%.

As depicted in the figure below, EV registrations in April 2022 were driven by electric two-wheelers and passenger-type electric three-wheelers, which together accounted for 92.92% of total registrations in the month.



The shares of these categories were followed by E-Cars (3.64%), cargo-type electric three-wheelers (3.17%), and so on.

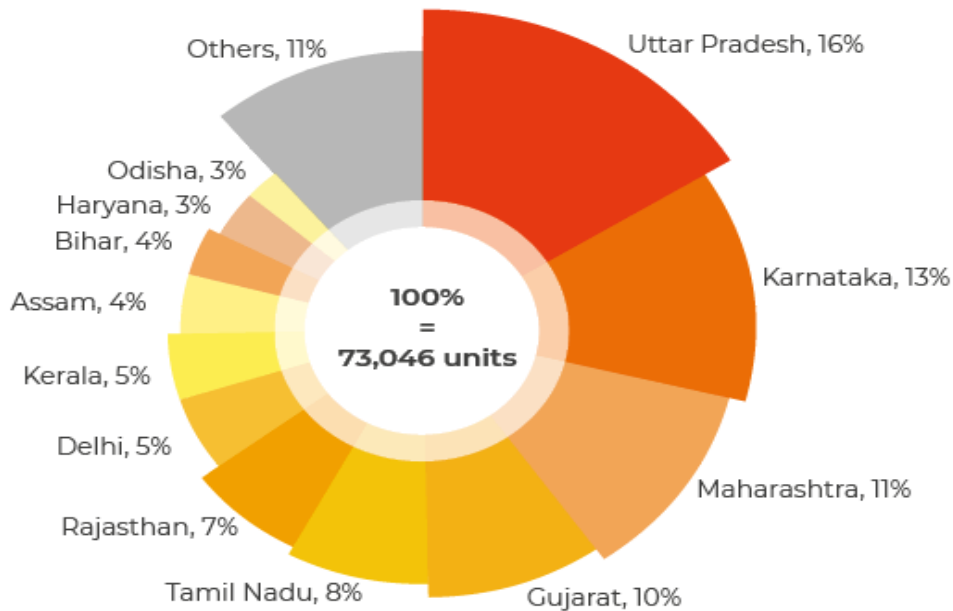
Category-wise EV Sales in April 2022



Source: Vahan Dashboard, Company Press Release, JMK Research

Among all the states and UTs, Uttar Pradesh retained its top spot in EV share with 16% of overall sales, followed by Karnataka with 13% share. Maharashtra fell to the third spot with an 11% share, followed by Gujarat (10%), Tamil Nadu (8%), Rajasthan (7%), and Delhi (5%).

Region-wise Registered EV Sales (State/ UT) - April 2022



Note: Sales figures represent EVs registered across 1,429 RTOs in 33 states/ UTs. Others include Chhattisgarh, Punjab, and the rest of the other 14 states/UTs.

(Source: Vahan Dashboard, Company Press Release, JMK Research)



SATES/UNION TERRITORIES POLICY

Over Twenty seven states/UTs have developed strategy plans for transforming mobility to provide their citizens with safe, inclusive, economic, and clean transport options.

Following are the Electric Vehicle Policy of few Indian States:

STATE	KEY POLICY ELEMENTS/TARGETS
Maharashtra Maharashtra Electric Vehicle Policy, 2021	<ul style="list-style-type: none"> • Issued in July, 2021. Valid till March 31, 2025 • Budget outlay of INR 9.3 billion (US\$124.97 million). • Achieve 10% share of EVs in all new vehicle registrations by 2025. • Attain 25% electrification of public transportation and last mile delivery vehicle in five targeted urban agglomerations of Greater Mumbai, Pune, Nashik, Nagpur and Aurangabad by 2025. • Several purchase incentives across all segments of EVs, including e-buses. • Incentives for battery recycling. Set up at least one Gigafactory for manufacturing of Advanced Chemistry Cell (ACC) batteries in the state. • Establish charging infrastructure across the state as well as connecting highways. Incentives for setting up charging stations.
Gujarat Gujarat State Electric Vehicle Policy, 2021	<ul style="list-style-type: none"> • Issued in June, 2021. Valid till 2025. • Budget outlay of INR 8.7 billion (US\$116.90 million) • Support deployment of 2,00,000 EVs over next four years. The segment wise breakup of this target is: Two-wheelers EVs- 1,10,000 units, Three-wheelers EVs – 70,000 units & Four-wheelers EVs- 20,000 units. • The incentives on EVs will be based on battery capacity, available up to INR 10,000(US\$134.40)/kwh. • All EVs will be exempt from payment of registration fees. • Policy incentives for boosting the charging infrastructure in the state.
Karnataka Electric Vehicles and Energy Storage Policy, 2017	<ul style="list-style-type: none"> • 100% of three and four-wheelers moving goods will be encouraged to transition to electric by 2030. • Local public transport bus fleets to introduce 1,000 EV buses. • Aim to set up 112 EV charging stations in Bengaluru • Focus on venture capital fund for e-mobility start-ups and creation of secondary market for batteries. • Incentives such as interest free loans on net SGST for EV manufacturing enterprises.
Kerala Electric Vehicle Policy, 2019	<ul style="list-style-type: none"> • Target of bringing one million EVs to the state by 2022 and 6000 e-buses in public transport by 2025. • Viability gap funding for e-buses and government fleet. • Incentives such as tax breaks, road tax exemptions, toll charge exemption, free permits for fleet drivers and free parking. • Priority to EV component manufacturing.
NCT of Delhi Delhi Electric Vehicles Policy, 2020	<ul style="list-style-type: none"> • Aims for 25% of new vehicle registrations to be electric by 2024. • A purchase incentive of INR 5,000 (US\$68) per kWh of battery capacity provided for two-wheelers and subject to a maximum incentive of INR 30,000 (US\$409) per vehicle. • Incentive for scrapping and de-registering old highly polluting two-wheelers. • A purchase incentive of INR 10,000 (US\$136) per kWh of battery capacity provided for electric four-wheelers (cars) (subject to a maximum incentive of INR 150,000 (US\$2,039) per vehicle) for the first 1,000 e-cars registered in New Delhi after issuance of the policy. • Purchase incentive of INR 30,000 (US\$409) per vehicle to owners of e-autos, e-rickshaws, and e-carts.s
Uttar Pradesh Electric Vehicles Manufacturing and Mobility Policy, 2019	<ul style="list-style-type: none"> • Rolling out 1 million EVs combined across all segments by 2024. • Goal of 1,000 electric buses deployed in the state by 2030. • Target of achieving 70% electrification of public transportation by 2030 on identified green routes in 10 identified EV cities (Noida, Ghaziabad, Meerut, Mathura, Agra,



	<p>Kanpur, Lucknow, Allahabad, Gorakhpur, and Varanasi).</p> <ul style="list-style-type: none"> • Set up around 0.2 million slow and fast charging and swapping stations by 2024. • Establishes single-window system in place for all approvals required for EV and battery manufacturing units.
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CHALLENGES FACED BY EV INDUSTRY

- **Insufficient charging infrastructure:** In 2019, there were only 650 charging stations in India as against over 0.3 million in China. Lack of sufficient charging infrastructure is one of the primary reasons why customers often refrain from purchasing EVs.
- **High costs:** Along with the range anxiety (kms/charge), another major concern among the potential customers is the current high price of EVs. As compared to lower-end (internal combustion engine) ICE cars, electric cars in the same segment tend to be more expensive. This is mainly because of the higher cost of technology used in the EVs, which constitutes a substantial portion of the cost, not leaving much scope for other features usually available in premium cars. It is expected that in future, with increased R&D and market competitiveness, the price factor will be rationalized to suit the price sensitivity, which in India is a primary factor influencing purchase, especially in the lower-end car segment. With the recent announcement of subsidies, the price rationalization of EVs in the two-wheeler segment is on cards. Since the government’s fastchanging priorities are now biased towards sustainable, clean electric mobility, industry watchers expect a similar push towards easing adoption of other electric vehicles like cars and buses soon.
- **Limited options:** Since it is still a budding industry in India, customers have a very limited range of products to choose from. Increased investment in the sector will make it more competitive in due time and this will help create further demand.
- **Lower mileage:** Since the industry is young, there is immense scope for R&D. As of today, EVs in India are not cost competitive to an average customer as internal combustion engine (ICE) vehicles prove to be more cost effective.
- **Higher dependency on imports:** Reliance on imports of battery as well as other components is also one of the factors adding to the cost of EVs in India.
- **Grid Challenges:** Another concern is regarding the price of charging EVs at private charging stations once EVs become mainstream. According to Brookings India, projections for 2030 show that even with a fair penetration of EVs, the increase in demand for electricity is likely to be about 100 TWh (tera watt-hours) or about four percent of the total power generation capacity. So, increasing methods of power generation are necessary to meet that growth in demand.

ROAD AHEAD

India’s EV market growth rests on availability of capital for original equipment manufacturers, battery manufacturers, and charge point operators as well as improvements to infrastructure and diversified options for consumers.

The automobile industry is dependent on various factors such as availability of skilled labour at low cost, robust R&D centers, and low-cost steel production. The industry also provides great opportunities for investment and direct and indirect employment to skilled and unskilled labour.

Indian automotive industry (including component manufacturing) is expected to reach Rs. 16.16-18.18 trillion (US\$ 251.4-282.8 billion) by 2026.

The Indian auto industry is expected to record strong growth in 2022-23, post recovering from effects of COVID-19 pandemic. Electric vehicles, especially two-wheelers, are likely to witness positive sales in 2022-23.

The government appears to be aware of this. It has been rolling out incentives to boost market demand in priority segments like electric two-wheelers, and localizing production of key components like ACC battery storage as well as electric vehicles and auto components through respective PLI schemes. Besides, several Indian states have now passed EV policies intending to attract industry investments and make EV adoption more viable proposition for the consumer market.

(Source: <https://www.india-briefing.com/news/electric-vehicle-industry-in-india-why-foreign-investors-should-pay-attention-21872.html/#electricvehicleindustryinindiagrowthtargetsHeader>)



BUSINESS OVERVIEW

Some of the information in this section, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. Before deciding to invest in the Equity Shares, Shareholders should read this entire Letter of Offer. An investment in the Equity Shares involves a high degree of risk.

For a discussion of certain risks in connection with investment in the Equity Shares, you should read “Risk Factors” on page 28, for a discussion of the risks and uncertainties related to those statements, as well as “Financial Information” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on pages 109 and 165, respectively, for a discussion of certain factors that may affect our business, financial condition or results of operations. Our actual results may differ materially from those expressed in or implied by these forward-looking statements. Unless otherwise stated, the financial information used in this section is derived from our Restated Financial Statements.

OUR BUSINESS OPERATIONS OF OUR COMPANY

Our Company was originally incorporated as a “Mercury Metals Private Limited” on 4th July 1986 under the provisions of Companies Act, 1956 with Registrar of Companies, Gujarat, Dadra and Nagar Havelli (Certificate Regt. No: 04-8770). Subsequently on February 17, 1995 the name of The Company was changed from “Mercury Metals Private Limited” to “Mercury Capital Limited”. Further, on 10th January 1997, the name of The Company was changed from “Mercury Capital Limited” to “Mercury Metals Limited” and a fresh Certificate of Incorporation issued by the Registrar of Companies, Gujarat, Dadra and Nagar Havelli. Now the company bearing Corporate Identity Number is L27109GJ1986PLC008770.

The current promoters of the Company, pursuant to a Share Purchase Agreement entered into with the erstwhile promoters/ members of the promoter group for the acquisition of 34,61,208 Equity Shares representing 49.78% of the share capital of the Company and an open offer to the public shareholders under the SEBI (SAST) Regulations, 2011 acquired control of the Company on October 13, 2021.

Our Company further altered its Object Clause to enable the Company to carry on the activities of Manufacturing Electric Vehicles, Spare Parts for Electric Vehicles.

MAIN OBJECTS OF OUR COMPANY

The main objects contained in the Memorandum of Association of our Company are as mentioned below:

“To manufacture, obtain, produce, process, smelt and trade in all types of ferrous and nonferrous metal scraps, alloys, anodes and castings including Aluminium, Brass, Zinc, Copper, tin, lead and nickle.”

“To carry on business of recovery of metals including Brass, Copper, Zinc, Aluminium, Gun metal, Bronze and Nickle from all kinds of scraps, wastes and residue industrial or otherwise either of metals or having metallic content in any free or compound for.”

“To manufacture metals and metal products out of metals, wastes, residues, scraps, alloys, mining materials, mineral wastes and to buy, sell, import and export and/or otherwise deal in ferrous and non-ferrous metal scrap, alloys, anodes and castings.”

“To export, import, buy, sell, act as agent, produce, manufacture, trade or otherwise deal in all kinds of Consumer Goods, Ayurvedic Products, Herbal Products, Medical Products, Dairy Products, Electric Vehicles, Electronic Products Including Development And Trading Of Mobile/Computer Based Application Games and Play Station, merchandise, edible oils, coal, de-oiled and oiled cakes, Soya bean, ground nut oil seeds, other oil bearing substances, Steel, cotton yarn, synthetic yarn, blended yarn, chemicals, metals, bullion, Jewellery, diamond, sapphires, ruby, topaz, garnet, Emerald, textiles, capital goods, automobiles, consumer durables, commodities, agro products, precious metals, electronic goods, Machines, paper, cement, building and construction material, fibers, leather articles, garments, foot wear, watches, furniture, electrical goods and accessories, foods product, hydrocarbons, derivatives, Computers and Allied products and other articles goods capable of being imported, exported and traded and otherwise deals in commodities, goods articles and things through wholesale and retail market, bidding and online platform including Company website and other shopping portal and to act as a band to carry on the agency business and To carry on all the business of hotels, restaurants, cafes, holiday camps, resorts, taverns, beer-houses, refreshment rooms, night clubs, cabarets and swimming



pools and Turkish baths and lodging or apartment house keepers, licensed victuallers, wine, beer and spirit merchants, brewers, distillers, bakers and confectioners, importers and manufactures of aerated mineral and artificial water and other drinks and to carry on any other trade or business whatsoever of a like and similar nature. “

“To carry on business as manufacturers, producers, importers, exporters, traders, buyers, sellers, suppliers, indenters, agents, sub-agents, jobbers, brokers, repairers, cleaners, or otherwise deal in automobiles, motor cars, lorries, vans, motor-cycles, cycle-cars, motors, scooters, and other vehicles suitable for propulsion on land, sea, or in the air or in any combination thereof and vehicles of all description whether propelled or assisted by means of petrol, spirit, steam, gas, electrical, animals or other power, engines, chassis, bodies, other parts and components, accessories and all machinery, implements, utensils, appliances, apparatuses, lubricants, solutions, enamels and all things capable of being used for, in, or in connection with the manufacture, maintenance and working of motors or other vehicles and other things or in the construction of any track or surface adapted for the use thereof. To carry on the business of garage keepers, showroom owners for motors and vehicles and suppliers of and dealers in petrol, electricity and other motive power for motors and other vehicles.”

“To operate efficient and safe air services within India and elsewhere for transport of passengers, mail and cargo for commercial or other purposes and to execute all modes of aerial work for this purpose acquire / or to take on lease aircraft, airships, helicopters and hovercraft. To acquire by purchase, lease, or hire or in any other manner, aircraft, hovercraft or helicopters and simulators in India or abroad, and to repair, overhaul, reconstruct, assemble or recondition the same or other ancillary machines, parts, accessories thereof and also to acquire, fabricate any parts, accessories, instruments of aircrafts, hovercrafts or simulators or other ancillary machines.”

“To carry on the business as wholesalers, exporter, importer, traders, buyers, sellers, merchant, agents, dealers, distributors, commission agents, brokers, stockiest, factors, consignors, collaborators, franchisers, concessionaire, consultant, advisors, manufacturer’s representative, job worker, repairers and other wise to deal in all kinds, classes, size, nature and description of Industrial, Commercial, Consumer, Capital Goods, Item, Things, Articles, Commodities, Merchandise, Products weather finished, semi-finished or raw material including chemical, Engineering Goods, Equipments, Apertures, Home-Appliances, Household, Automobiles, Chemicals, Pigments, Colours, Paints and Varnishes, Electrical and electronic goods, Computer Hardware, Software, Gift Article, Toys, Readymade Garments, Fibers and Fabrics, Yam, Textile, Hosiery Goods, Foot wares, Decorative, Glass and Glass Products, Glass ware, Crockery, Beverages, Minerals, Fertilizers, Pesticides, Drugs, Medicines and Pharmaceuticals, Seeds, Food grains, Spices, Cereals, Flours, Fruits, Dry fruits, Vegetables, Herbal and Ayurvedic Products, Agriculture produce and products, Milk and Dairy Products, Food products, Marine Products, Sugar and Sugar Products, Tea and Coffee, Tobacco, Cosmetics, Ceramics Products, Sanitary ware Salt, Dyes, Intermediates, Novelty, Stationery, Solvent, Lubricants, fuel additive, Stones, Marbles and Granites, Mining products, Plastic and Polymers products, Timber, Wood and Wooden article, Furniture, Petroleum product.”

CHANGES IN MEMORANDUM OF ASSOCIATION

Except as stated below there has been no change in the Memorandum of Association of our Company since its Incorporation:

Sr. No	Particular	Date of Meeting	Type of Meeting
1.	Clause V of the Memorandum of Association of the Company increasing the authorized share capital of the Company from ₹10,00,00,000/- (Rupees Ten Crores Only) comprising of 10,00,00,000 (Ten Crore) equity shares of face value of ₹1.00/- (Rupees One Only) each to ₹ 48,00,00,000/- (Rupees Forty Eight Crore Only) comprising of 48,00,00,000 (Forty Eight Crore) equity shares of face value of ₹1.00/- (Rupees One Only) each;	May 30, 2022	Ordinary Resolution through postal ballot
2.	Clause III of the Memorandum of Association of the Company changed to reflect the change in the main object of the Company to Electric Vehicle business activities;	May 30, 2022	Ordinary Resolution through postal ballot



CHANGES IN OUR REGISTERED OFFICE

The registered office of our Company is situated as follow:

Address		Effective from	Reason for Change
From	To		
36 Advani Market, O/s. Delhi Municipal Market, Ahmedabad - 380004	367-368, GIDC, POR, VILLAGE: POR, Taluka: Vadodara, Vadodara, Gujarat - 391243	30.05.2022	Convenient for business operation

OUR BUSINESS

The company has started its Research and Development (R&D) Division for 3W, 4W and also for the 2W at Gujarat Industrial area at Plot No. 367-368, Por-Ramangamdi, Por GIDC, Vadodara, Gujarat having area of 45000 sq. ft. At this facility, the company has started development of key component like Chassis of the 2 Wheeler and 3 Wheeler. The company has received certificate from International Centre for Automotive Technology (ICAT) for 2W segment and also applied for World Manufacturer Identifier (WMI) which is likely to be confirmed by mid of July 2022 for all its upcoming vehicles.

Based on ICAT approval, the company has received necessary assembly parts from China for 2 wheeler. The company has formed in house assembly line for the 2 & 3 wheeler products where production of 2W has been started with brand name of "Thunderbolt EZ" and "Thunderbolt Smart". The company has now introduced this models in market with 130 dealers network PAN India. The company is targeting 500 dealer network PAN India within next 12 months period.

The company has started manufacturing of Chassis for captive consumption as well as the company has received inquiries for manufacturing of chassis for established companies like Hero, Lords Automotive Private Limited, Blix Electric Scooters, Joy Bikes etc. The company has planned to manufacture 5000 chassis per month. The company at advance stage to acquired 80% stake in one of the company which is having ICAT approval for manufacturing of Motor Controller. The company will start the documentation and production very shortly.

The company has appointed technical director on Board who was awarded by Hon'ble Prime Minister Shri Narendrabhai Modi for excellence in Electric Vintage Cars. He has invented 26/38/52 seater buses. He has already delivered 6 buses to Zydus Cadial at Ahmedabad in 2019 which is running very well since it was delivered. The company's intend to manufacture this bus for the off-road use for the multinational companies.

The company has acquired 17 Acre land (750000sqft) on 29th June 2022 where the company is intent to establish in-house facility of key components like Battery, Chassis, Motor Controller, Break Shoe, CED Paint etc. The company has started construction/rework of the existing building from 25th June 2022 onwards.

The company's vision is not only to manufacture electric vehicles but considering the market scenario and the demand & supply gap of 3W due to BS6 norms, the company will come up with BS6 and CNG variant of 3W (3seater and 6 seater) Auto Rickshaw and Loader. The company has already submitted 4 vehicles with ICAT Authority for the approval purpose. The company has signed the MOU with market leader "Greaves Cotton" for the supply of BS6 engines. The company has planned to manufacture 3W with BS4 engine for the export to African Countries and Sri Lanka where the BS4 demand is at peak.

The company has ordered machinery for the manufacturing of batteries for 2 and 3 Wheeler products. Which will be used for captive consumption. The company is expecting to start battery manufacturing by end of the July 2022.

The company has planned to manufacture 1,00,000 2W and 10,000 3W per year at the new location.

The company has also started research and development of 4 Wheeler loader vehicle, 4 Wheeler bus and customised cars at the existing Por GIDC location.



Thunderbolt

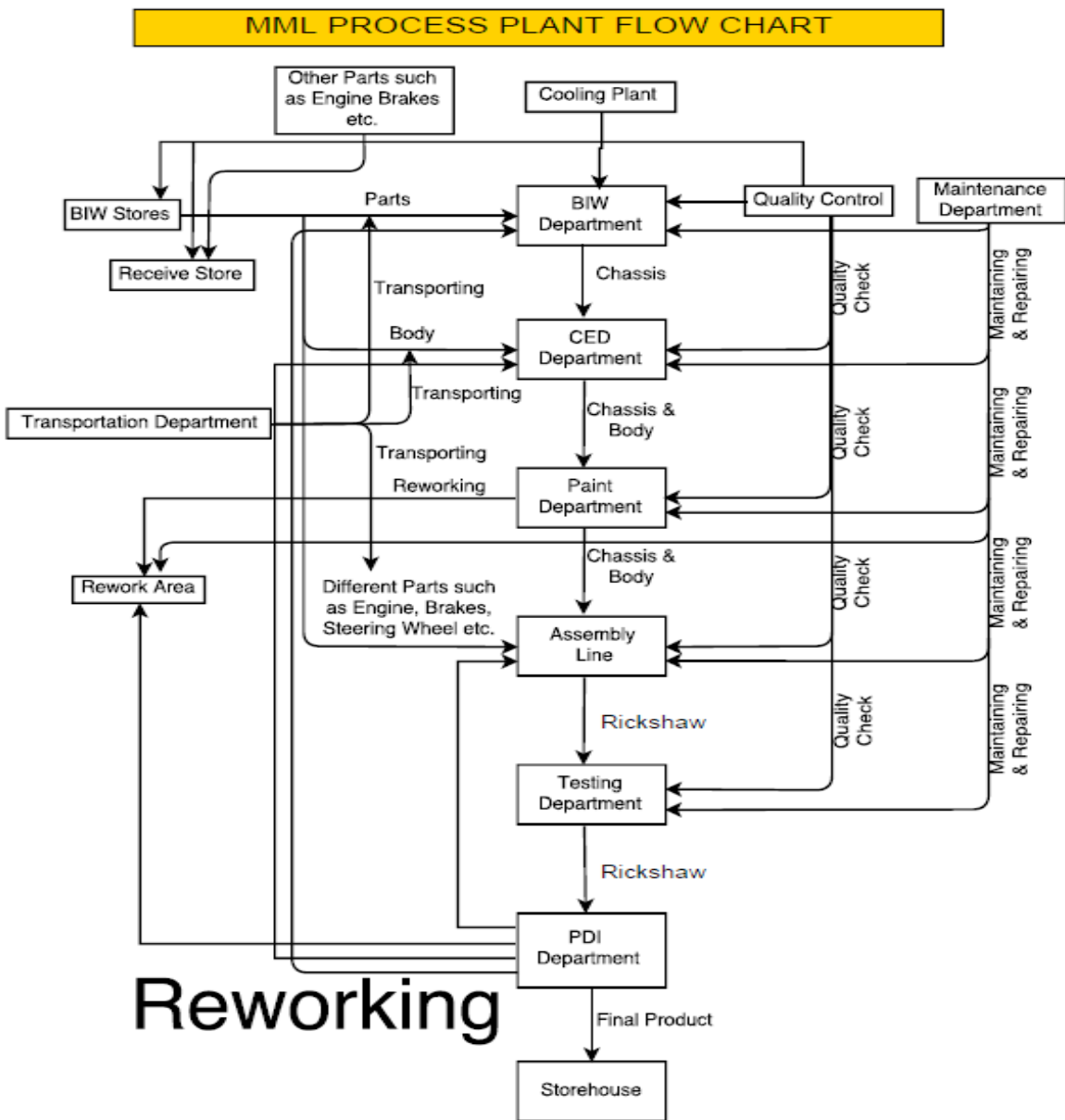
The Company has planned to introduce its 2w segment vehicle under the brand of “Thunderbolt”. This is the flagship EV of the company. This Scooter is very attractive and has unique features. This scooter is low speed but provides the best riding experience to the rider. This vehicle is not have identical vehicle in this segment’s market.

OUR MANUFACTURING UNIT

Manufacturing unit Products/Product/Facilities

Manufacturing unit	Products/Facilities
367-368, GIDC, POR, VILLAGE: POR, Taluka: Vadodara, Vadodara, Gujarat - 391243	Electric Two, Three and Four Wheelers

PROCESS FLOW





KEY CONTENTS PRODUCED BY US

Vehicle Chassis, Motor Controller, Fabrication of the different Key Materials etc.

OUR BUSINESS STRATEGY

1. EXPANSION OF DEALERSHIP

The company has started engagement of the dealers through the internal networking and also through the loyalty engagement program launched by the company. We are also planning to expand our dealer network through the mass media advertisement.

2. LAUNCH OF NEW SCOOTER

The company has planned to launch new vehicles with the appointment of a well known brand ambassador. The company will also invite all the eminent professionals of this field.

3. OPTIMIZE THE COST OF RAW MATERIALS

To optimize the cost of the raw material, we have planned to manufacture all the parts at our plant location only. Even paint shop also fixed at the company's plant to minimize the cost as well as to maintain the quality of the products.

4. AFTER SALES SERVICE

All the dealer networks will provide the after sales services. All the service staff will be well trained at company headquarter with a 10 days internal service training programme.

5. REMOVEABLE BATTERY TECHNOLOGY

The company is in process of internal development of manufacturing of Battery Technology which will help to reduce the cost as well as to ensure the compatibility of the vehicles.

6. PRODUCTS AND SERVICES

- **2Wheeler:** The Company has planned to introduce its 2 Wheeler segment vehicle under the brand of "Thunderbolt".
Type: EV Low Speed and High Speed.
- **3Wheeler:** The Company has planned to introduce its 3 Wheeler segment vehicle under the brand of "Thunderbolt DODO and Thunderbolt LIMOSA".
Type 1: EV High Speed Passenger and Loader
Type 2: Diesel High Speed Passenger and Loader
Type 3: CNG High Speed Passenger and Loader
- **4Wheeler:** LOADER - The Company has planned to introduce its 4 Wheeler segment vehicle under the brand of "Thunderbolt MUSAK".
- Motor Controller
- Break Shoe
- Controller

OUR STRENGTHS

- State of the art manufacturing facility
- The plant capacity to manufacture over 1,00,000 2W and 10,000 3W units per year. per year in full capacity in 3 shifts
- Mercury 's flagship brand Thunderbolt has a huge product range with 4 different models.



- We are the listed entity with a core segment of EV manufacturing. Catering to the age group of 18 to 60 years.
- Presence across price points starting from Rs. 75K to Rs. 2.50L
- For after sales service, the company in talk with the company who have more than 300 service stations across India from Kashmir to Kanyakumari.

RAW MATERIALS

The raw materials required are Frame, Front Fork, Motor Controller, other spare parts, battery, lights, Break, L& R guards, Tyres, Battery, Battery Charger, Chasis, Paint and other miscellaneous parts. While the raw materials of Frame, Front Fork for our Bikes, are imported from China, the rest of the raw materials are sourced locally. We have no firm tie-up with any of our suppliers for raw materials.

PLANT AND MACHINERY

Our manufacturing units will be equipped with various machinery, technology and equipment for the purpose of effectively carrying out the manufacturing process effectively and efficiently. Our factory units will be equipped with the required plant and machineries to effectively carryout the manufacturing process.

UTILITIES

Power

The company has planned to set up 1MW solar rood top at the plant location for the captive consumption of the electricity. Which will help to the environment as green energy as well as reduced the cost of production. Apart from it our manufacturing unit receive its power supply mainly from Madhya Gujarat Vij Company Limited (MGVCL) to carry out our manufacturing process during night. This is adequate to meet the power requirements of our manufacturing process. In addition to the above, our manufacturing units also have back up diesel power generation units to supply power in case there is a shutdown.

Fuel

Our Company does not require fuel for its manufacturing process except for running the diesel generating sets. The requirement of fuel for diesel generating sets is met from local third-party suppliers.

Water

We do require water for our CED plant for the process to paint our products. The company will setup ETP at the plant location for the process of the waste water and also do the necessary compliances required from the GPCB. The water requirement for the manufacturing process is met both from borewells in our manufacturing units.

Waste Management

We do not generate any hazardous waste which require any clearance from pollution control Board.

INSTALLED CAPACITY AND CAPACITY UTILISATION

Collaborations

We do not have any collaborations currently.

Corporate Social Responsibility

We as a responsible corporate citizen are committed to take up different developmental projects, as part of our Corporate Social Responsibility (“CSR”) initiatives towards improving the quality of lives of the underprivileged sections of the society and other stakeholders. However, since the Net Profits of the Company are below the threshold limit prescribed by the Companies Act, 2013, the provisions of Section 135 of the Companies Act, 2013 regarding Corporate Social Responsibility is not applicable to us.



Insurance

We will obtain certain policies such as standard fire and special perils policy etc. These policies insure our building, furniture, fittings, electrical installation, office equipment, stationery, meter wires, cables, godowns, meeting rooms, building superstructure, any other office contents from earthquake, fire, shock, terrorism, etc. Although, we will take appropriate insurance cover, there can be no assurance that our insurance policies will be adequate to cover the losses which we may incur due to the occurrence of an accident or a mishap.

Marketing and Advertising strategy

Our Electric Vehicles once manufactured are being sold PAN India. Our Promoter in turn markets the Vehicles, through our dealers and distributors who will be located across the Country. Our Promoter will have a well-qualified & experienced marketing & sales personnel for all the products. They regularly visit / contact our dealers / distributors to understand the changing demand of our customers and strive to effectively meet their requirements. The Company will sell the Electric Vehicle to dealers who are spread throughout the State.

Human Resources

We believe that our employees are key contributors to our business success. As on June 23, 2022, we have 10, employees including our Directors and 10 advisory members who look after our business operations, factory management administrative, secretarial, marketing and accounting functions in accordance with their respective designated goals.

Following is a department wise employee break-up:

DEPARTMENT	NUMBER OF EMPLOYEES
Product Development	2
Production In Charge	1
Finance	2
Administration	1
Export-Import	2
Business Strategy	2

INTELLECTUAL PROPERTY RIGHTS

Our Company does not own any trademark. The trademarks to be owned by our wholly owned Subsidiary Company “Kavit Infra Project Private Limited” and subsequently it shall be assigned to the Company.

Sr. No.	Brand Name/ Logo Name	Class	Nature of Trademark Registration	Owner	Number/Date of Application	Authority	Current Status
1.	THUNDERBOLT	12	6835159	Kavit Infra Project Private Limited	TM Application No. 6835159 dated February 14, 2022	Registrar of Trademark, Ahmedabad	Objected

Competition

We face competition from other manufactures of EV Two, Three and Four Wheeler and from white goods manufactures in the domestic market as well as international market. We have a number of competitors offering services similar to us. Even with a diversified product portfolio, quality approach, modern and innovation-based technology we may have to face competitive pressures. We believe the principal elements of competition in our industry are price, quality, timely delivery and reliability. We compete against our competitors by establishing ourselves as an innovation-based Company introducing new products to meet the demands of the age groups of 18 to 60 years.



Health Safety and Environment

We aim to comply with applicable health and safety regulations and other requirements in our operations. We have implemented work safety measures to ensure a safe working environment, such measures include general guidelines for health and safety at our offices and warehouses, accident reporting, wearing safety equipment and maintaining clean and orderly work locations. Our health, safety and environment policy is to:

- Manage and maintain health, safety and ergonomics at the workplace.
- Prevent incidents and occupational health hazards.
- Provide PPE to all as per designated area of activity.
- To ensure upkeep and proper housekeeping of the entire plant premises.
- Follow a documented emergency evacuation procedure and communication protocol.
- Have regular interaction with employees regarding matters affecting their health and safety.
- To ensure adequate ventilation and illumination for a safe and ergonomic workplace.
- To reuse and recycle packaging material.
- Efficient use of water and energy.
- To review and revise policy regularly.

Our Immovable Properties

The company will acquire immovable land and building at Plot No. 28, National Highway No. 8, Por, Vadodara.



OUR MANAGEMENT

BOARD OF DIRECTORS

Our Articles of Association provide that our Board shall consist of minimum 3 (Three) Directors and not more than 15 (Fifteen) Directors, unless otherwise determined by our Company in a general meeting.

As on date of this Draft Letter of Offer, our Company currently has 5 (Five) directors on its Board, 1 (One) director, 1 (One) non-executive director, and 3 (Three) directors acting in the capacity of being an independent director. The present composition of our Board of Directors and its committees are in accordance with the corporate governance requirements provided under the Companies Act and SEBI (LODR) Regulations.

The following table sets forth details regarding our Board of Directors as on the date of this Draft Letter of Offer:

Name, Designation, Address, Occupation, Term, Nationality, Date of Birth and DIN	Age	Other Directorships
<p>Kavit Jayeshbhai Thakkar</p> <p>Designation: Managing Director</p> <p>DIN: 06576294</p> <p>Date of Birth: 17.07.1993</p> <p>Occupation : Business</p> <p>Address: 4 Kunj Society, Alkapuri, Vadodara Gujarat, India-390007</p> <p>Nationality: Indian</p> <p>Original Date of Appointment: 2nd March, 2022</p> <p>Re-appointment as Managing Director & Chairman: NA</p> <p>Tenure: 3 Years from the date of Appointment</p>	28	<p>Kavit Edible Oil Limited</p> <p>N.A. Corporation Private Limited</p> <p>Raghuvir International Private Limited</p> <p>Shree Saibaba Exim Private Limited</p>
<p>Jayesh Vimal Challani</p> <p>Designation: Independent Director</p> <p>DIN: 08453809</p> <p>Date of Birth: 16/03/1996</p> <p>Occupation : Business</p> <p>Address: B/7, Dayal Nagar, Behind Rto, Harni Warasiya, Ring Road, Vadodara, Gujarat, India - 390006</p> <p>Nationality: Indian</p> <p>Original Date of Appointment: 2nd March, 2022</p> <p>Re-appointment as Managing Director & Chairman: NA</p> <p>Tenure: 5 years from the date appointment</p>	26	<p>Ditcon Private Limited</p>



<p>Arvindkumar Babulal Thakkar</p> <p>Designation: Independent Director</p> <p>DIN: 09528535</p> <p>Date of Birth: 08/04/1972</p> <p>Occupation : Business</p> <p>Address: 2/115, Asopalav Society, Mansarovar Road, Palanpur, Banaskantha, Gujarat, India - 385001</p> <p>Nationality: Indian</p> <p>Original Date of Appointment: 08.03.2022</p> <p>Re-appointment as Managing Director & Chairman: NA</p> <p>Tenure: 5 years from the date of allotment</p>	50	-
<p>Manshi Abhay Jain</p> <p>Designation: Independent Director</p> <p>DIN: 09533465</p> <p>Date of Birth: 23.02.1998</p> <p>Occupation : Business</p> <p>Address:19, Shitlamata Marg, Jain Mandir, Khacharod, Ujjain, Madhya Pradesh, India - 456224</p> <p>Nationality: Indian</p> <p>Original Date of Appointment: 5th April, 2022</p> <p>Re-appointment as Managing Director & Chairman: NA</p> <p>Tenure: 5 years from the date of appointment</p>	24	-
<p>HARIT GOPALBHAI SHAH</p> <p>Designation: Executive Director</p> <p>DIN: 06975567</p> <p>Date of Birth: 14.11.1984</p> <p>Occupation : Business</p> <p>Address: Block No-B-301, Sakal-24, Opp Simarn Bung, NR Radhaswami Satsang, Chandkheda, Amiyapur, Gandhinagar, Gujarat - 382424</p> <p>Nationality: Indian</p> <p>Original Date of Appointment: 1st July, 2022</p>	38	Devam Electric Vehicles Private Limited



Re-appointment as Managing Director & Chairman: NA		
Tenure: 5 years from the date of appointment		

BRIEF DETAILS OF OUR DIRECTORS

KAVIT JAYESHBHAI THAKKAR

Mr. Kavit Jayeshbhai Thakkar aged 28 years is a management graduate in “Innovation & Entrepreneurship” from Symbiosis Institute of Business Management, Pune. He has worked with well-known companies like TIE and a cofounder of Lifeline Generic Drug Store Chain. His core area of expertise is in innovation and entrepreneurship since many year. He was also part of startup of Kavit Group “Kavit Edible Oil” during 2017- 2019. During the early days of his own startup of Lifeline Generic Drug Store Chain, he has employed certain Growth Hacking Techniques to promote the Store and Built Business Strategy and Go-To Market Strategy for launching in the market. Mr. Kavit Thakkar, mainly known for his expertise in innovation in the field of technology. He is closely monitoring Baroda based project management of one of the leading software company since 2017.

JAYESH VIMAL CHELLANI

Mr. Jayesh Vimal Chellani (Din: 08453809), Son of Vimal Chellani, resident of Baroda, Gujarat, aged 26 years is a management graduate is a management graduate from United Kingdom. He possesses 3-4 years of experience in the field of International business.

ARVINDKUMAR BABULAL THAKKAR

Mr Arvindkumar Thakkar (DIN: 09528535), Son of Babulal Thakkar, resident of Baroda, Gujarat, aged 50 years and is an entrepreneur, running his own business and possesses experience of more than 30 years in business and very good command in finance.

MANSHI ABHAY JAIN

Ms. Manshi Abhay Jain aged 24 years is a graduated from Vikram University, Madhya Pradesh. She has vast knowledge in accounts and has good knowledge of working in multinational company.

HARIT SHAH

Mr. Harit Gopalbhai Shah aged 38 years is an Engineering Graduate with decades of experience in E.V. Manufacturing and Renewable Energy Sector.

He is very innovative and a hard core technocrate. His vision is to establish an E-Mobility ecosystem in the county. He has forayed into charging infrastructure battery manufacturing, mass supply chain and logistics solutions.

Mr. Harit Gopalbhai Shah is interested in the areas of E.V. Manufacturing and Renewable Energy Sector.

Confirmations:

1. None of our Directors of our Company have held or currently hold directorship in any listed company whose shares have been or were suspended from being traded on any of the stock exchanges in the five years preceding the date of filing of this Letter of Offer, during the term of his/ her directorship in such company.
2. Further, none of our Directors of our Company are or were associated in the capacity of a director with any listed company which has been delisted from any stock exchange(s) at any time in the past.

PAST DIRECTORSHIPS IN SUSPENDED COMPANIES

None of our Directors are, or were a director of any listed company, whose shares have been, or were suspended from being traded on any of the stock exchanges during the term of their directorships in such companies during the last 5 (Five) years preceding the date of this Draft Letter of Offer.



Past Directorships in delisted companies

Further, none of our Directors are or were a director of any listed company, which has been, or was delisted from any stock exchange during the term of their directorship in such Company during the last 10 (Ten) years preceding the date of this Draft Letter of Offer.

Relationship between Directors

As on the date of this Draft Letter of Offer, none of our Directors are related to each other.

Arrangement or understanding with major Shareholders, customers, suppliers or others

Our Company has not entered into any arrangement or understanding with major shareholders, customers, suppliers, or others pursuant to which any of the above-mentioned directors have been appointed in the Board.

Details of service contracts entered with Directors

Our Company has not entered into any service contracts with the present Board of Directors for providing benefits upon termination of employment.

Confirmations

None of our Directors is or was a director of any listed companies, whose shares have been or were suspended from being traded on any stock exchanges having nationwide terminals, during the five (5) years preceding from the date of this Draft Letter of Offer, during their term of directorship in such company.

None of our Directors is or was, a director of any listed companies, which has been or were delisted from any stock exchange(s), during the ten (10) years preceding from the date of this Draft Letter of Offer, during their term of directorship in such company.

OUR PROMOTERS & PROMOTER GROUP

Kavit Jayeshbhai Thakkar

Mr. Kavit Thakkar, a management graduate in “Innovation & Enterprenuership” from Symbiosis Institute of Business Management, Pune. He has worked with well-known companies like TiE and Zomato and also a co-founder of Lifeliner Generic Drug Store Chain.

Innovation and Entrepreneurship is his core area of expertise since many years. He was also part of start up of Kavit Group “Kavit Edible Oil” during 2017-2019.

Mr. Thakkar, mainly known for his expertise in innovation in the field of technology. He is closely monitoring Vadodara based project management of one of the leading software company since 2017.

During his tenure with Zomato, he has achieved many milestones and managed good team work for the growth of the company which has converted many clients for the company.

Mr. Thakkar is also having very good command in the stock analysis which is the value additions to his net worth. He is known as HNI for those who are called as Start Up Companies.

During the early days of his own startup of Lifeliner Generic Drug Store Chain, he has employed certain Growth Hacking Techniques to promote the Store and Built Business Strategy and Go-To Market Strategy for launching in the market

Mr. Kavit Thakkar is having interest in the areas of Electric Vehicle manufacturing Industry in looking to pursue the business of Electric Vehicles.

Artiben Jayeshbhai Thakkar

Mrs. Artiben Thakkar aged 50 years is a Commerce Graduate from Mithibai Collage from Mumbai. She does trading and Investment with short term and Long term vision in stock market and has experience of around 15 years in



dealing in Capital market as an Investor. She is also on the Board of Directors of Shree Saibaba Exim Pvt. Ltd and N.A. Corporation Pvt. Ltd.

Mrs. Artiben Thakkar is having interest in the areas of Electric Vehicle manufacturing Industry in looking to pursue the business of Electric Vehicles.

Shree Saibaba Exim Private Limited

Shree Saibaba Exim Private Limited was incorporated on 04.10.2013, as a private limited company under the Companies Act, 1956 with the Registrar of Companies, Ahmedabad, Gujarat. The registered office of the Company is situated at 9th Floor, Galav Chambers, Opp. Sardar Patel Statue, Sayajigunj, Vadodara - 390020, Gujarat, India.

Shree Saibaba Exim Private Limited is engaged in the business of export, import, traders, buyers, dealer, and seller, of all or any type of goods. Shree Saibaba Exim Private Limited has not listed its Equity Shares or any other securities on any Stock Exchange. The Promoters and directors of the Company are Mr. Kavit Jayeshbhai Thakkar and Artiben Jayeshbhai Thakkar.

Raghuvir International Private Limited

Raghuvir International Private Limited was incorporated on 01.10.2013, as a private limited company under the Companies Act, 1956 with the Registrar of Companies, Ahmedabad, Gujarat. The registered office of the Company is situated at Chhinoi Building, Godi Road, Vadodara - 390020, Gujarat, India.

Raghuvir International Private Limited is engaged in the business of export, import, traders, buyers, dealer, and seller, of all or any type of goods. Raghuvir International Private Limited has not listed its Equity Shares or any other securities on any Stock Exchange. The Promoters and directors of the Company are Mr. Kavit Jayeshbhai Thakkar and Mr. Jayeshbhai Raichandbhai Thakkar.

As on date of Draft letter of offer, Shareholding of Promoters and Promoter Group

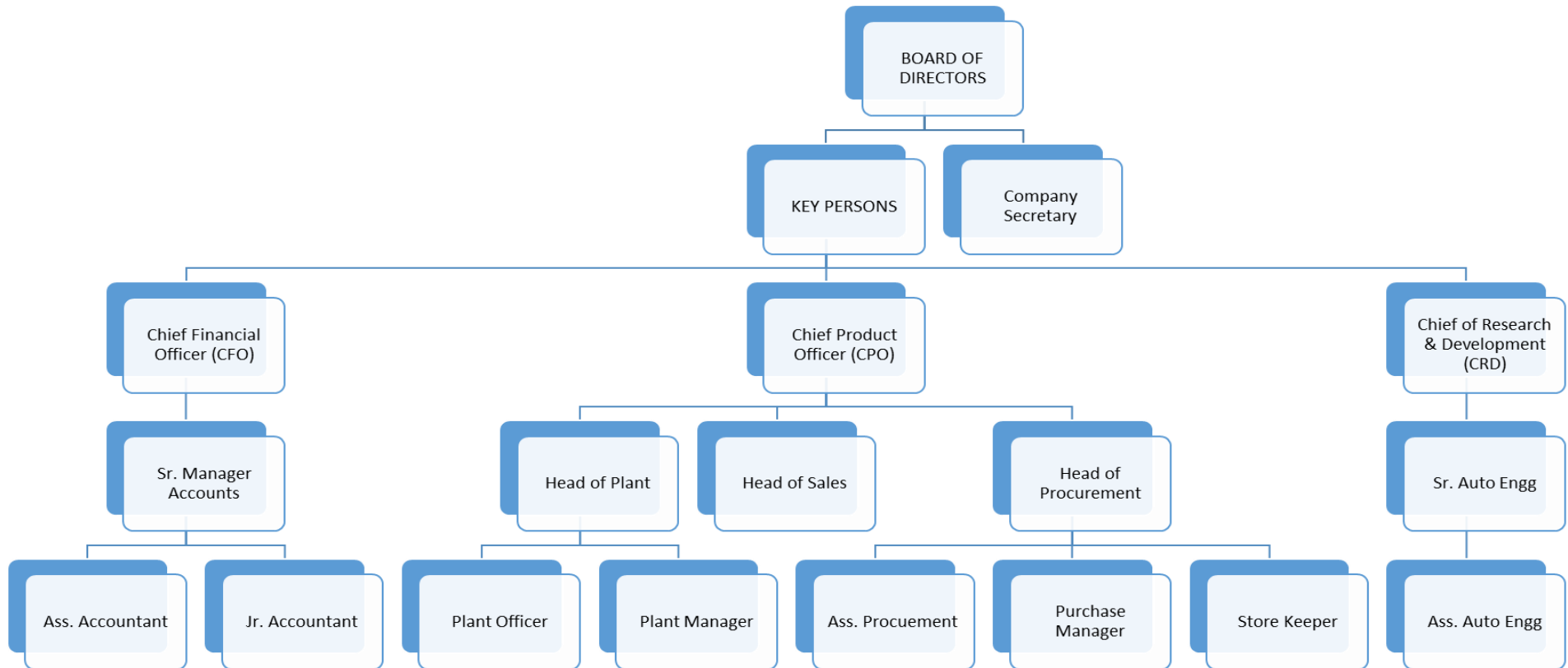
Sr. No.	Name	No. Of Shares	Percentage (%)
1	Kavit Jayeshbhai Thakkar*	38,31,364	55.11
2	Artiben Jayeshbhai Thakkar	6,93,089	9.97
3	Shree Saibaba Exim Private Limited**	820	0.01
4	Raghuvir International Private Limited**	820	0.01

*There is promoter inter-se transfer of 1000 equity shares each to Raghuvir International Private Limited and Shree Saibaba Exim Private Limited from Kavit Jayeshbhai Thakkar on 27th June, 2022 after filing of Shareholding Pattern for the Quarter ended on 31st March, 2022. Such changes in shareholding of the Promoter/Promoter Group will be reflected in the Shareholding Pattern for the Quarter ended 30th June, 2022 on the BSE.

**Both the Promoter group companies i.e. Raghuvir International Private Limited and Shree Saibaba Exim Private Limited were sold 180 equity shares each on 27th June 2022.



ORGANISATIONAL STRUCTURE CHART





SECTION VII – FINANCIAL INFORMATION

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MERCURY METALS LIMITED

Report on the Audit of Standalone Financial Statements

We have audited the accompanying standalone financial statements of M/s. MERCURY METALS LIMITED ("the Company"), which comprise the Balance Sheet as at 31st March 2022 the Statement of Profit & Loss for the year then ended (Including Other Comprehensive Income) the cash flow statement and the changes in equity for the year ended on that date annexed thereto, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rule, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, the loss and total comprehensive income, change in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's board of directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, Business Responsibility Report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the company's financial reporting process.

Auditor's Responsibility for Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.

Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure A a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by section 143(3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit,
 - b. In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c. The Balance Sheet, Statement of Profit and Loss including Other comprehensive income, Statement of change in equity and the Statement of Cash flow statement dealt with by this Report are in agreement with the books of account;
 - d. In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
 - e. On the basis of written representations received from the directors as on 31st March 2021, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2022, from being appointed as a director in terms of Section 164(2) of the Act;
 - f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".



- g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. There is no pending litigations against the company which may have impact on its financial position;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amount which were required to be transferred to the Investors Education and Protection Fund by the company.

For AMBALAL PATEL & CO.
Chartered Accountants Firm Reg. No. : 100305W

CA NIKUNJ PATLIA
Partner
M.No. 131220
UDIN: 22131220ALXHOL8474

Place: Ahmedabad
Date: 5/17/2022



Annexure-A

ANNEXURE TO INDEPENDENT AUDITOR'S REPORT

(Referred to paragraph 1 under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date.)

- (i) (a) The company does not own any Property, Plant and Equipment and Intangible Assets hence no records required to be maintained for the same.
- (b) As there are no Property, Plant and Equipment, this clause is not applicable
- (c) The Company does not have any immovable properties and hence reporting under clause (i)(c) of the Order is not applicable.
- (d) There is no immovable property held by the company hence, relevant clause of revaluation is not applicable.
- (e) No proceedings have been initiated during the year or are pending against the Company as at 31 March 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- (ii) (a) The Company does not have any inventory and hence reporting under clause (ii)(a) of the Order is not applicable.
- (b) According to the information and explanations given to us, at any point of time of the year, the Company has not been sanctioned any working capital facility from banks or financial institutions and hence reporting under clause (ii)(b) of the Order is not applicable.
- (iii) According to the information explanation given to us, The Company has not made any investments in, provided any guarantee or security, and granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year, and hence reporting under clause (iii) of the Order is not applicable.
- (iv) In respect of loans, investments, guarantees, and security, Company has complied the provisions of section 185 and 186 of the Companies Act, 2013.
- (v) The Company has not accepted any deposits from public and hence the provision of section 73 and 76 or any other relevant provisions of the Companies Act and the rules framed there under are not applicable to Company. According to the information and explanations given to us, no order has been passed by the Company Law Board or the National Company Law Tribunal or the Reserve Bank of India or any Court or any other Tribunal against the Company in this regard.
- (vi) In our opinion and according to the information and explanations given to us, maintenance of cost records has not been prescribed by the Central Government under section 148(1) of the Companies Act, 2013 for any products of the company.
- (vii) (a) According to the information and explanation given to us and the books and records examined by us, there are no undisputed amounts payable in respect of Income-tax, VAT, Goods and Service Tax outstanding as at 31st March 2022 for a period exceeding six months from the date they became payable.
- (b) On the basis of our examination of the documents and records and explanation given to us, there is no disputed amount pending in respect of any statutory dues.
- (viii) There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.
- (ix) (a) The Company has not taken any loans or other borrowings from any lender. Hence reporting under clause (ix)(a) of the Order is not applicable to the Company.



- (b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) The Company has not taken any term loan during the year and there are no unutilized term loans at the beginning of the year and hence, reporting under clause (ix)(c) of the Order is not applicable.
- (d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.
- (e) The Company did not have any subsidiary or associate or joint venture during the year and hence, reporting under clause (ix)(e) of the Order is not applicable.
- (f) The Company has not raised any loans during the year and hence reporting on clause (ix)(f) of the Order is not applicable.
- (x) (a) The Company has not issued any of its securities (including debt instruments) during the year and hence reporting under clause (x)(a) of the Order is not applicable.
- (b) During the year the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause (x)(b) of the Order is not applicable to the Company.
- (xi) (a) According to the information and explanation given to us and to the best of our knowledge and belief no fraud on or by the company, has been noticed or reported by the company during the year.
- (b) To the best of our knowledge, no report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report.
- (c) As represented to us by the Management, there were no whistle blower complaints received by the Company during the year
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.;
- (xiii) In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
- (xiv) (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- (b) We have considered, the internal audit reports issued to the Company during the year and covering the period upto Month 2022.
- (xv) According to information and explanation given to us, the company has not entered into any non-cash transactions with directors or persons connected with him and company has been complied the provisions of section 192 of Companies Act, 2013.
- (xvi) According to information and explanation given to us, the company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.
- (xvii) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors of the Company during the year.



- (xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, (Asset Liability Maturity (ALM) pattern) other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) The Company was not having net worth of rupees five hundred crore or more, or turnover of rupees one thousand crore or more or a net profit of rupees five crore or more during the immediately preceding financial year and hence, provisions of Section 135 of the Act are not applicable to the Company during the year. Accordingly, reporting under clause 3(xx) of the Order is not applicable for the year.
- (xxi) Company does not have subsidiaries, associates and joint ventures hence clause (xxi) CARO is not applicable.

For AMBALAL PATEL & CO.
Chartered Accountants
Firm Reg. No. : 100305W

CA NIKUNJ PATLIA
Partner
M.No. 131220
UDIN:22131220ALXHOL8474

Place: Ahmedabad
Date: 5/17/2022



Annexure B

INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON STANDALONE IND AS FINANCIAL STATEMENT ON MERCURY METALS LIMITED

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

We have audited the internal financial controls over financial reporting of Mercury Metals Limited as at 31 March 2022 in conjunction without audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

Management is responsible for establishing and maintaining internal financial controls based on the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ('the Guidance Note') issued by the Institute of Chartered Accountants of India ('the ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required by The Companies Act, 2013 ('the Act').

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing ('the Standards'), issued by the ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the companies internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.



Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting with reference to these standalone Ind AS financial statements and such internal financial controls over financial reporting with reference to these standalone Ind AS financial statements were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For AMBALAL PATEL & CO.

Chartered Accountants

Firm Reg. No. : 100305W

CA NIKUNJ PATLIA

Partner

M.No. 131220

UDIN:22131220ALXHOL8474

Place: Ahmedabad

Date: 5/17/2022



MERCURY METALS LIMITED
CIN-L27109GJ1986PLC008770
Balance Sheet as at 31/03/2022

(Amount in ` Lakhs)

Particulars	Note No.	31st March 2022	31st March 2021
ASSETS			
(1) Non-current assets			
(a) Financial Assets			
(i) Investments	2	0.42	0.22
(2) Current assets			
(a) Inventories			
(b) Financial Assets		-	-
(i) Trade receivables	3	37.80	-
(ii) Cash and cash equivalents	4	75.08	107.00
(iii) Loans	5	2.89	0.35
(c) Other current assets	6	32.02	5.14
Total Assets		148.21	112.71
EQUITY AND LIABILITIES			
(1) Equity			
(a) Equity Share capital			
(b) Other Equity	7	69.53	69.53
		65.74	42.46
(2) LIABILITIES			
Current liabilities			
(a) Financial Liabilities			
(i) Trade payables		-	-
(b) Other current liabilities	8	4.44	0.72
(c) Provisions	9	8.50	-
Total Equity and Liabilities		148.21	112.71
Notes to Ind AS Financial Statements		1	

Refer Note No. 1 to 34 Ind AS Financial Statements

For, and on behalf of the board of directors

MERCURY METALS LIMITED

1) _____
KAVIT JAYESHBHAI THAKKAR
MANAGING DIRECTOR
DIN - 01631093

2) _____
JAYESH RAICHANDBHAI THAKKAR
DIRECTOR:
DIN - 00005997

3) _____
DHRUV DEEPAK YARDI
(Chief Financial Officer)

4) _____
MIKIL NITINBHAI GOHIL
COMPANY SECRETARY

For **AMBALAL PATEL & CO.**
CHARTERED ACCOUNTANTS
FIRM REG. NO. 100305W

CA NIKUNJ PATLIA
PARTNER
M.NO. 131220
UDIN:22131220ALXHOL8474

Ahmedabad
5/17/2022



MERCURY METALS LIMITED
CIN-L27109GJ1986PLC008770

Statement of Profit and Loss for the year ended 31/03/2022

(Amount in ` Lakhs)

Particulars		Note No.	2021-22	2020-21
I.	Revenue from operations			
	Sale of Metals	10	83.17	114.82
	Other operating revenues		35.00	-
			118.17	114.82
II.	Other income	11	4.01	3.24
III.	Total Income (I + II)		122.18	118.05
IV.	Expenses			
	Purchases of Stock-in-Trade	12	81.68	114.24
	Changes in inventories of Stock-in-Trade		-	-
	Employee benefits expense	13	3.57	7.90
	Other Expenses	14	5.34	4.71
	Total expenses		90.59	126.85
V.	Profit / (Loss) before tax (III-IV)		31.59	-8.80
VI.	Tax expense:			
	(1) Current tax		8.50	-
	(2) Deferred tax		-	-
	(3) Prior Period Tax Adjustment		-	-
			8.50	0.00
VII.	Profit/(Loss) for the period (V-VI)		23.09	-8.80
VIII	Other comprehensive income			
A	i) Items that will not be reclassified to profit or loss			
	a) Equity instruments through other comprehensive income		0.20	0.10
	ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
B	i) Items that will be reclassified to profit or loss		-	-
	ii) Income tax relating to items that will be reclassified to profit or loss		-	-
	Total Other comprehensive income / (loss) (A+B)		0.20	0.10



IX	Total comprehensive income (VII+VIII)		23.29	-8.70
X	Earnings per equity share of Rs 1 each: (1) Basic (2) Diluted		0.33	(0.13)
			0.33	(0.13)
	Notes to Ind AS Financial Statements	1		

**Refer Note No. 1 to 34 Ind AS Financial Statements
As per Report of even Date.**

**For AMBALAL PATEL & CO.
CHARTERED ACCOUNTANTS
FIRM REG. NO. 100305W**

**For, and on behalf of the board of directors
MERCURY METALS LIMITED**

**CA NIKUNJ PATLIA
PARTNER
M.NO. 131220
UDIN:22131220ALXHOL8474**

**1) _____
KAVIT JAYESHBHAI THAKKAR
MANAGING DIRECTOR
DIN - 01631093**

**Place: Ahmedabad
Date: 5/17/2022**

**2) _____
JAYESH RAICHANDBHAI THAKKAR
DIRECTOR:
DIN - 00005997**

**3) _____
DHRUV DEEPAK YARDI
(Chief Financial Officer)**

**4) _____
MIKIL NITINBHAI GOHIL
COMPANY SECRETARY**



MERCURY METALS LIMITED
CIN-L27109GJ1986PLC008770

CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31st March 2022

(Amount in ` Lakhs)

PARTICULARS	2021-22		2020-21	
A. Cash inflow/(outflow) from the operating activities				
Net profit before Tax and Extra-ordinary item		31.59		-8.80
Adjustments for:				
Dividend received				
Loss on Sale of Investments	-			
Interest Income	4.01	-4.01		-
Operating Profit before working capital changes		27.58		-8.80
Adjustment for (Increase)/Decrease in Working Capital :				
Inventories	0.00		0.00	
Receivables	-37.80		13.19	
Loans & Advances	-29.42		99.86	
Current Liabilities & Provisions	3.71	-63.51	-0.79	112.26
Net cash inflow/(outflow) from operating activities (A)		-35.93		103.46
B. Cash inflow/(outflow) from investing activity				
Proceeds from Sale of Investments	-			
Interest Income	4.01	4.01	-	
Net cash inflow/(outflow) from investing activity (B)		4.01		0.00
C. Cash inflow/(outflow) from financing activity		-		-
Net cash inflow/(outflow) from Financing activity (C)		0.00		0.00
Net Cash changes in cash and cash equivalent (A+B+C)		0.00		103.46
Cash & Cash Equivalent at the beginning of the Period		107.00		3.54
Cash & Cash Equivalent at the end of the Period		75.08		107.00
Net Increase in cash and cash equivalent		-31.91		103.46



Note :

1. The Cash Flow Statement has been prepared under the Indirect Method as set out in Ind AS-7 on Cash Flow Statement.
2. Figures in bracket represent Outflow of cash.

As Per our report of even date

For, AMBALAL PATEL & CO.
Chartered Accountants
Firm Reg.No.100305W

CA NIKUNJ PATLIA
Partner
M.No.131220
UDIN:22131220ALXHOL8474

Ahmedabad
5/17/2022

For, and on behalf of the board of directors
MERCURY METALS LIMITED

1) _____
KAVIT JAYESHBHAI THAKKAR
MANAGING DIRECTOR
DIN - 01631093

2) _____
JAYESH RAICHANDBHAI THAKKAR
DIRECTOR:
DIN - 00005997

3) _____
DHRUV DEEPAK YARDI
(Chief Financial Officer)

4) _____
MIKIL NITINBHAI GOHIL
COMPANY SECRETARY



MERCURY METALS LIMITED
CIN-L27109GJ1986PLC008770

STATEMENT FOR CHANGES IN EQUITY FOR THE YEAR ENDED ON 31st March 2022

A. Equity Share Capital

(1) Current reporting period

Balance at the beginning of the current reporting period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the end of the current reporting period
69.53	-	-	-	69.53

(2) Previous reporting period

Balance at the beginning of the current reporting period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the end of the current reporting period
69.53	-	-	-	69.53

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B. Other Equity

Particulars	Share application money pending allotment	Equity component of component and financial instruments	Reserves and Surplus				Debt instruments through Other Comprehensive Income	Equity Instruments through Other Comprehensive Income	Effective portion of Cash Flow Hedges	Revaluation Surplus	Exchange differences on translating the financial statements of a foreign operation	Other items of Other Comprehensive Income (specify nature)	Money received against share warrants	Total
			Capital Reserve	Securities Premium Reserve	Other Reserves (specify nature)	Retained Earnings								
For the Year 2020-21														
Balance at the beginning of the Previous year			398.58	1098.41		-1445.86		0.02						51.15
Changes in accounting policy or prior period errors								-						-
Restated balance at the beginning of the Previous year	-	-	398.58	1098.41	-	-1445.86		0.02			-	-	-	51.15
Profit/(loss) for the year						-8.80								-8.80
Other Comprehensive income								0.10						0.10
Dividends														-
Transfer to retained earnings														-
Any other change (to be specified)														-
Balance at the end of the Previous year	-	-	398.58	1098.41	-	-1454.66	-	0.12	-	-	-	-	-	42.46
For the Year 2021-22														



Balance at the beginning of the reporting period			398.58	1098.41		-1454.66		0.12						42.46
Changes in accounting policy or prior period errors			-	-				-						-
Restated balance at the beginning of the reporting period	-	-	398.58	1098.41	-	-1454.66	-	0.12	-	-	-	-	-	42.46
Profit/(loss) for the year						23.09			-	-	-	-	-	23.09
Other Comprehensive income						-	-	0.20	-	-	-	-	-	0.20
Dividends						-	-	-	-	-	-	-	-	-
Transfer to retained earnings														-
Any other change (to be specified)														-
Balance at the end of the reporting period	-	-	398.58	1098.41	-	-1431.57	-	0.32	-	-	-	-	-	65.74



NOTE : 2 INVESTMENT

Particulars	3/31/2022	3/31/2021
	(Amount in ` Lakhs)	(Amount in ` Lakhs)
Other Investment		
Unquoted valued at FVTOCI		
1) Shares Of Kush Industries Ltd (earlier known as Suzlon Fibers Ltd.)	0.42	0.22
TOTAL	0.42	0.22

NOTE: 3 TRADE RECEIVABLES

Particulars	3/31/2022			
	(Amount in ` Lakhs)			
	(i) Undisputed Trade receivables - considered good	(ii) Undisputed Trade Receivables - considered doubtful	(iii) Disputed Trade Receivables considered good	(iv) Disputed Trade Receivables considered doubtful
Less than 6 months *	37.80			
6 months -1 year				
1-2 years				
2-3 years				
More than 3 years				
Total	37.80	-	-	-

Particulars	3/31/2021			
	(Amount in ` Lakhs)			
	(i) Undisputed Trade receivables - considered good	(ii) Undisputed Trade Receivables - considered doubtful	(iii) Disputed Trade Receivables considered good	(iv) Disputed Trade Receivables considered doubtful
Less than 6 months *				
6 months -1 year				
1-2 years				
2-3 years				
More than 3 years				
Total	-	-	-	-

NOTE: 4 CASH & BANK BALANCES

Particulars	3/31/2022	3/31/2021
	(Amount in ` Lakhs)	(Amount in ` Lakhs)
a. Cash & Cash Equivalents		
i) Cash on hand	1.97	2.10
ii) Cash Equivalents		
Bank Balances	73.11	4.90
b. Other Bank balances		
Bank Deposits		
Deposits with less than 12 months maturity	0.00	100.00
Total	75.08	107.00



NOTE: 5 LOANS

Particulars	3/31/2022	3/31/2021
	(Amount in ` Lakhs)	(Amount in ` Lakhs)
a. Others		
Unsecured, considered good		
Advances to Staff	0.00	0.05
Security Deposits	0.21	0.28
Other Advances	2.68	0.02
Total	2.89	0.35

NOTE 6 OTHER CURRENT ASSETS

Particulars	3/31/2022	3/31/2021
	(Amount in ` Lakhs)	(Amount in ` Lakhs)
Advance to Supplier	27.83	0.00
Deposit & Balance with Government	4.18	2.14
FD Interest Receivable	0.00	3.00
Total	32.02	5.14

NOTE : 7 EQUITY SHARE CAPITAL

Particulars	3/31/2022		3/31/2021	
	Number	(Amount in ` Lakhs)	Number	(Amount in ` Lakhs)
Authorized				
Equity Shares of ` 1 each (PY Rs. 1 each)	100,000,000	1000.00	100,000,000	1000.00
Issued & Subscribed Capital				
Equity Shares of ` 1 each (PY Rs. 1 each) (Out Of Which 1726907 Are Issued As Bonus Shares)	7,978,508	79.79	7,978,508	79.79
Paid Up Share Capital				
Equity Shares of ` 1 each (PY Rs. 1 each) fully paid	6,952,808	69.53	6,952,808	69.53
Total	6,952,808	69.53	6,952,808	69.53

Particulars	Equity Shares			
	3/31/2022		3/31/2021	
	Number	(Amount in ` Lakhs)	Number	(Amount in ` Lakhs)
Shares outstanding at the beginning of the year	6,952,808	69.53	6,952,808	69.53
Less: Capital reduction during the year	-	-	-	-
Shares Issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	6,952,808	69.53	6,952,808	69.53



DETAILS OF SHAREHOLDERS HOLDING SHARES ABOVE 5%

Name of Equity Share Holders	3/31/2022		3/31/2021	
	Number of Shares	% of Holding	Number of Shares	% of Holding
Kavit Jayeshbhai Thakkar	3,833,364	55.13%	-	0.00%
Artiben Jayeshbhai Thakkar	693,089	9.97%	-	0.00%
Shri Govindram Laluram Kabra	-	0.00%	1,671,800	24.04%
Radheshyam Laluram Kabra	-	0.00%	1,024,508	14.74%
Naresh Kailashchandra Jhawer	-	0.00%	482,854	6.94%

Disclosure of Shareholding of Promoters:

Name of Promoter	3/31/2022		3/31/2021		% Change in Holding
	Number of Shares	% Holding	Number of Shares	% Holding	
Kavit Jayeshbhai Thakkar	3,833,364	55.13%	-	0.00%	55.13%
Artiben Jayeshbhai Thakkar	693,089	9.97%	-	0.00%	9.97%
Shri Govindram Laluram Kabra			1,671,800	24.04%	-24.04%
Radheshyam Laluram Kabra			1,024,508	14.74%	-14.74%
Naresh Kailashchandra Jhawer			482,854	6.94%	-6.94%

Terms/rights attached to equity shares

The company has only one class of Equity Shares having a Par Value of Re. 1 per share. Each Holder of Equity Shares is entitled to one Vote per share.

In the event of Liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

NOTE : 8 OTHER CURRENT LIABILITIES

Particulars	3/31/2022	3/31/2021
	(Amount in ` Lakhs)	(Amount in ` Lakhs)
(a) Other payables		
Government Dues	3.85	0.03
Outstanding Expenses & Payables	0.58	0.69
Total	4.44	0.72

NOTE 9 PROVISIONS

Particulars	3/31/2022	3/31/2021
	(Amount in ` Lakhs)	(Amount in ` Lakhs)
(a) Others		
Provision for Taxation	8.50	-
Total	8.50	-

NOTE 10 REVENUE FROM OPERATION

Particulars	3/31/2022	3/31/2021
	(Amount in ` Lakhs)	(Amount in ` Lakhs)
Sale of Metals	83.17	114.82
Other operating revenues	35.00	0.00
Total	118.17	114.82

**NOTE 11 OTHER INCOME**

Particulars	3/31/2022	3/31/2021
	(Amount in ` Lakhs)	(Amount in ` Lakhs)
Interest Income	4.01	3.24
Total	4.01	3.24

NOTE 12 PURCHASES OF STOCK-IN-TRADE

Particulars	3/31/2022	3/31/2021
	(Amount in `)	(Amount in `)
Purchase of Metals	8,167,720	11,423,655
Total	8,167,720	11,423,655

NOTE 13 EMPLOYEE BENEFITS EXPENSE

Particulars	3/31/2022	3/31/2021
	(Amount in ` Lakhs)	(Amount in ` Lakhs)
(a) Salaries and incentives		
Managing Director Remuneration	1.10	1.20
Bonus Exp.	0.08	0.08
Gratuity Expense	0.00	3.50
Salary Exps.	1.13	1.67
Allowances To Employees	1.26	1.45
Total	3.57	7.90

NOTE 14 OTHER EXPENSES

Particulars	3/31/2022	3/31/2021
	(Amount in ` Lakhs)	(Amount in ` Lakhs)
Other Repair & Maintenance	0.08	0.03
Rates & taxes	0.08	0.09
Auditors remuneration	0.45	0.48
Listing & Custodian Fees	3.33	3.37
Professional & Consultancy	0.69	0.47
Postage Expenses	0.00	0.00
Misc. expenses	0.72	0.27
TOTAL	5.34	4.71



Note 15 In compliance with the Indian accounting standard-12 relating to "Income Taxes", as there is no timing difference arises, provision for deferred tax liability is not provided in book of accounts.

Note 16 In the opinion of the board, the current assets, Loans & Advances are approximately of the value stated therein, if realized in the ordinary course of business. Balance of sundry creditors, sundry debtors and loans & advances are subject to confirmation & reconciliation. In the opinion of the Management book debts and advances are outstanding since long, however these are recoverable, hence no provision has been made for doubtful debt.

Note 17 Capital Commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for Nil (Previous Year Nil).

Note 18 Contingent Liabilities

In the opinion of the Management, there is no contingent liability.

Note 19 Earning per share as required by Ind Accounting Standard AS-33 as issued by the The Institute of Chartered Accountants of India.

Description	Current Year	Previous Year
Profit / (Loss) After Tax (₹)	2,309,194	(879,926)
Prior Period Tax Adjustment (₹)	-	-
Profit / (Loss) Attributable to Ordinary Share Holders (₹)	2,309,194	(879,926)
Weighted Average No. of Equity Shares	6,952,808	6,952,808
Basic & Diluted Earning Per Share (₹)*	0.33	(0.13)
Nominal Value of share (₹)	1.00	1.00

* The company has no dilutive instruments during the year ended 31/03/2022. As such Dilutive Earning Per share equals to Basic Earnings Per Share.

Note 20 Auditor's Remuneration

	Amount (in `)	
	Current Year	Previous Year
Statutory Audit Fees	45,000	32,500
Others	15,000	15,000
Total	60,000	47,500

Note 21 Related party disclosure as required by Ind Accounting Standard -24 issued by the Institute of Chartered Accountants of India.

A) List Of Related parties & Relationships

a) Subsidiaries, Fellow Subsidiaries, and Associates

- a) Subsidiaries : None
- b) Fellow Subsidiary : None
- c) Associates : None

b) Key Management Personnel :

- 1) KAVIT JAYESHBHAI THAKKAR
(Managing Director)
- 2) JAYESH RAICHANDBHAI THAKKAR
- 3) JAYESH VIMAL CHELLANI
- 4) ARVINDKUMAR BABULAL THAKKAR
- 5) DHRUV DEEPAK YARDI
(Chief Financial Officer)
- 6) BIRVA HARSHIT PATEL
(Company Secretary)

c) Relatives of Key Management Personnel :

None



- d) **Enterprise over which Key Management Personnel and their relative exercise significant influence with whom transaction have taken place during the year :** None

B) Transaction with related parties

(Amount in ` Lakhs)

PARTICULARS	2021-22	2020-21
Remuneration paid to Govindram L. Kabra* (Key Management Personnel)	1.10	1.20
Remuneration paid to Birva Harshit Patel (Key Management Personnel)	1.62	1.49
Remuneration paid to Rasikbhai A Rana (Key Management Personnel)	-	

* Govindram L Kabra resigned from Board of Directors w.e.f. 02.03.2022

Note 22 As there is no earning / outgo in foreign currency during the year under review, additional details as required under Companies Act, 2013 are not required to be given.

**Note 23 Segment Reporting
Primary Segment (Business Segment)**

(Amount in ` Lakhs)

Particulars	Business Segments		TOTAL
	Metal	Shares	
Segment Revenue	83.17	0.00	83.17
	114.82	0.00	114.82
Unallocable Revenue			4.01
			0.00
Profit / (Loss) Before Tax			31.59
			-8.80
Tax Expenses			0.00
			0.00
Profit / (Loss) for the year			23.09
			-8.80
Other Comprehensive Income	0.00	0.20	0.20
	0.00	0.10	0.10
Total comprehensive income	23.09	0.20	23.29
	-8.80	0.10	-8.70
Segment Assets	69.82	0.42	70.24
	5.19	0.22	5.42
Unallocated Assets			77.97
			107.29
Total Assets			148.21
			112.71
Segment Liabilities	0.00	0.00	0.00
	0.00	0.00	0.00
Unallocated Liabilities			148.21
			112.71
Total Liabilities			148.21
			112.71

- i) The company has disclosed business segments as the primary segment. Segments have been identified taking into account the nature of the products, differential risks and returns, the organizational structure and internal reporting system. The company's operations predominantly relate to Trading of metals & shares.



- ii) Company area of operations is within India only. And separate disclosure as per geographical segments is not required to be given.
- iii) Figures in bracket in *italics* fonts are previous years figures.

Note 24 Previous year figures are regrouped and rearranged wherever necessary to compare with current year figures.

Note 25 No proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made there under.

Note 26 The company is not declared as a wilful defaulter by any bank or financial institution or other lender.

Note 27 The company is not having any relationship with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956:

Note 28 There has not been any delay in registering the charges or satisfaction with Registrar of Companies beyond the statutory period.

Note 29 The company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.

Note 30 Following ratios are hereby disclosed:

Sr. No	Particulars	Amt in ` Lakhs		2021-22	2020-21	% Change	Reason for deviation by more than 25%
		2021-22	2020-21				
1	Current Ratio, Current Assets / Current Liabilities	147.79	112.48	11.42	155.26	-92.64	Due to Increase in Current Liability.
2	Debt-Equity Ratio, Non Current Borrowing + Current Borrowing /Shareholder	00.00	00.00	0.00	0.00	NA	No Borrowing by company
3	Debt Service Coverage Ratio, Profit before Tax + Interest on Term Loan & Debentures+Non-	31.59	-08.80	NA	NA	NA	There is no payment of interest by the
4	Net profit ratio, (Profit After Tax/Sales)*100	23.29	-08.70	19.71%	-7.58%	360.15	Due to Increased in other operating
5	Inventory turnover ratio, Cost of goods sold /Average Inventories	81.68	114.24	NA	NA	NA	There is no inventory held by the company
6	Trade Receivables turnover ratio, Net Credit Sales/Average Trade Receivable	118.17	114.82	6.25	0.00	NA	
7	Trade payables turnover ratio, Net Credit Purchase/Average Trade Payables	81.68	114.24	NA	NA	NA	There is no trade payable as on balance
8	Net capital turnover ratio, Sales/Average Working Capital	118.17	114.82	0.88	1.03	-14.70	
9	Return on Equity Ratio / Return on Investment, (PAT/Avg. Eq.Shareholders Fund)*100	23.29	-08.70	18.87	-7.48	352.24	Since Net profit increased significantly
10	Return on Capital employed, Operating Profits(EBIT)/Capital Employed(Net Assets)*100	31.59	-08.80	23.35	-7.86	397.22	Due to Increased in other operating

Note 31 The company has not undergone through any Scheme of Arrangements that has been approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013.

Note 32 There are no transactions which are not recorded in the books of accounts and that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).



Note 33 The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

Note 34 Figures are rounded off to the nearest rupee.

Signatories to Note 1 to 34

**For AMBALAL PATEL & CO.
CHARTERED ACCOUNTANTS
Firm Reg. No. : 100305W**

**For, and on behalf of the board of directors
MERCURY METALS LIMITED**

**CA NIKUNJ PATLIA
PARTNER
M.No. 131220
UDIN:22131220ALXHOL8474

Ahmedabad
5/17/2022**

1) _____	2) _____	3) _____
KAVIT JAYESHBHAI THAKKAR	JAYESH RAICHANDBHAI THAKKAR	DHRUV DEEPAK YARDI
Managing Director	DIRECTOR	(Chief Financial Officer)
DIN - 01631093	DIN - 00005997	
4) _____		
MIKIL NITINBHAI GOHIL		
COMPANY SECRETARY		



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
MERCURY METALS LIMITED**

Report on the Audit of Standalone Financial Statements

We have audited the accompanying standalone financial statements of M/s. MERCURY METALS LIMITED ("the Company"), which comprise the Balance Sheet as at 31st March 2021 the Statement of Profit & Loss for the year then ended (Including Other Comprehensive Income) the cash flow statement and the changes in equity for the year ended on that date annexed thereto, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rule, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, the loss and total comprehensive income, change in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's board of directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, Business Responsibility Report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the company's financial reporting process

Auditor's Responsibility For Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls

Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure A a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by section 143(3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit,
 - b. In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c. The Balance Sheet, Statement of Profit and Loss including Other comprehensive income, Statement of change in equity and the Statement of Cash flow statement dealt with by this Report are in agreement with the books of account;
 - d. In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
 - e. On the basis of written representations received from the directors as on 31st March 2021, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2021, from being appointed as a director in terms of Section 164(2) of the Act.
 - f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

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- g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 29 to the financial statements;
 - ii The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii There were no amount which were required to be transferred to the Investors Education and Protection Fund by the company.

For AMBALAL PATEL & CO.
Chartered Accountants
Firm Reg. No. : 100305W

CA NIKUNJ PATLIA
Partner
M.No. 131220
UDIN:21131220AAAA
Ahmedabad
6/28/2021



Annexure-A

ANNEXURE TO INDEPENDENT AUDITOR'S REPORT

(Referred to paragraph 1 under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date.)

- (i) (a) The company does not own any fixed assets on its name, hence no records required to be maintained for the same.

(b) As there are no fixed assets, this clause is not applicable

(c) There is no immovable property held in the name of the company hence, relevant clause is not applicable.
- (ii) As explained to us, physical verification of inventory has been conducted by the management at the end of the year in respect of inventory and there are no material discrepancies noticed;
- (iii) According to the information explanation given to us, company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013
- (iv) In respect of loans, investments, guarantees, and security, Company has complied the provisions of section 185 and 186 of the Companies Act, 2013 .
- (v) The Company has not accepted any deposits from public and hence the provision of section 73 and 76 or any other relevant provisions of the Companies Act and the rules framed there under are not applicable to Company.
- (vi) In our opinion and according to the information and explanations given to us, maintenance of cost records has not been prescribed by the Central Government under section 148(1) of the Companies Act, 2013 for any products of the company.
- (vii) (a) According to the information and explanation given to us and the books and records examined by us, there are no undisputed amounts payable in respect of Income-tax, VAT , Goods and Service Tax outstanding as at 31st March 2020 for a period exceeding six months from the date they became payable.

(b) On the basis of our examination of the documents and records, there is no disputed amount pending in respect of any statutory dues.
- (viii) Based on our audit procedure and on the information and explanation given by the management, we are of the opinion that the company has not defaulted in repayment of dues to the bank during the year under review.
- (ix) Company has not raised money by way of initial public offer or further public offer (including debt instruments) and term loans under review.
- (x) According to the information and explanation given to us and to the best of our knowledge and belief no fraud on or by the company, has been noticed or reported by the company during the year.

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- (xi) Based on our audit procedure and books examined by us, Company has paid managerial remuneration in accordance with the the provisions of section 197 read with Schedule V to the Companies Act.
- (xii) Since the company is not Nidhi Company, relevant clause of CARO, 2016 is not applicable to the company.
- (xiii) According to information and explanation given to us, all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc., as required by the accounting standard 18.
- (xiv) According to information and explanation given to us, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year and so, company is not required to comply section 42 of the Companies Act, 2013.
- (xv) According to information and explanation given to us, the company has not entered into any non-cash transactions with directors or persons connected with him and company has been complied the provisions of section 192 of Companies Act, 2013.
- (xvi) According to information and explanation given to us, the company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For AMBALAL PATEL & CO.
Chartered Accountants
Firm Reg. No. : 100305W

CA NIKUNJ PATLIA
Partner
M.No. 131220
UDIN:21131220AAAA

Ahmedabad
6/28/2021



Annexure B

INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON STANDALONE IND AS FINANCIAL STATEMENT ON MERCURY METALS LIMITED

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

We have audited the internal financial controls over financial reporting of Mercury Metals Limited as at 31 March 2021 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

Management is responsible for establishing and maintaining internal financial controls based on the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ('the Guidance Note') issued by the Institute of Chartered Accountants of India ('the ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required by The Companies Act, 2013 ('the Act').

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing ('the Standards'), issued by the ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the company's internal financial controls system over financial reporting.

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Meaning of Internal Financial Controls Over Financial Reporting

Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting .

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting with reference to these standalone Ind AS financial statements and such internal financial controls over financial reporting with reference to these standalone Ind AS financial statements were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For AMBALAL PATEL & CO.
Chartered Accountants
Firm Reg. No. : 100305W

CA NIKUNJ PATLIA
Partner
M.No. 131220
UDIN:21131220AAAA

Ahmedabad
6/28/2021

**MERCURY METALS LIMITED**

CIN-L27109GJ1986PLC008770

Balance Sheet as at 31/03/2021

Particulars	Note No.	31st March 2021	31st March 2020
ASSETS			
(1) Non-current assets			
(a) Financial Assets			
(i) Investments	2	22,490	12,350
(2) Current assets			
(a) Inventories		-	-
(b) Financial Assets			
(i) Trade receivables	3	-	1,318,694
(ii) Cash and cash equivalents	4	10,699,853	354,260
(iii) Loans	5	34,726	90,038
(c) Other current assets	6	513,811	10,444,445
Total Assets		11,270,880	12,219,787
EQUITY AND LIABILITIES			
(1) Equity			
(a) Equity Share capital	7	6,952,808	6,952,808
(b) Other Equity		4,245,623	5,115,409
(2) LIABILITIES			
Current liabilities			
(a) Financial Liabilities			
(i) Trade payables		-	-
(b) Other current liabilities	8	72,450	151,571
(c) Provisions		-	-
Total Equity and Liabilities		11,270,880	12,219,787
Notes to Ind AS Financial Statements	1		

Refer Note No. 1 to 24 Ind AS Financial Statements

For AMBALAL PATEL & CO.
 CHARTERED ACCOUNTANTS
 FIRM REG. NO. 100305W

CA NIKUNJ PATLIA
 PARTNER
 M.NO. 131220
 UDIN:21131220AAAA
 Ahmedabad
 6/28/2021

4) _____
 Birva H. Patel
 (Company Secretary)

MERCURY METALS LIMITED

1) _____
 GOVINDRAM L. KABRA

EXECUTIVE DIRECTOR:
 DIN - 00006621

2) _____
 RADHESHYAM L. KABRA
 DIRECTOR:
 DIN - 00005997

3) _____
 Rashikbhai A. Rana
 (Chief Financial Officer)



MERCURY METALS LIMITED
CIN-L27109GJ1986PLC008770

Statement of Profit and Loss for the year ended 31/03/2021

(Amount in `)

Particulars	Note No.	2020-21	2019-20
I. Revenue from operations			
Sale of Metals	9	11,481,545	-
		11,481,545	-
II. Other income	10	323,893	62,327
III. Total Revenue (I + II)		11,805,438	62,327
IV. Expenses			
Purchases of Stock-in-Trade	11	11,423,655	-
Changes in inventories of Stock-in-Trade		-	-
Employee benefits expense	12	790,300	750,731
Other Expenses	13	471,409	657,165
Total expenses		12,685,364	1,407,896
V. Profit / (Loss) before tax (III-IV)		(879,926)	(1,345,569)
VI. Tax expense:			
(1) Current tax		-	-
(2) Deferred tax		-	-
(3) Prior Period Tax Adjustment		-	(52,000)
		-	(52,000)
VII. Profit/(Loss) for the period (V-VI)		(879,926)	(1,293,569)
VIII Other comprehensive income			
A i) Items that will not be reclassified to profit or loss			
a) Equity instruments through other comprehensive income		10,140	(72,150)
ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
B i) Items that will be reclassified to profit or loss		-	-
ii) Income tax relating to items that will be reclassified to profit or loss		-	-
Total Other comprehensive income / (loss) (A+B)		10,140	(72,150)
IX Total comprehensive income (VII+VIII)		(869,786)	(1,365,719)
X Earnings per equity share of Rs 1 each:			
(1) Basic		(0.13)	(0.19)
(2) Diluted		(0.13)	(0.19)
Notes to Ind AS Financial Statements	1		

Refer Note No. 1 to 24 Ind AS Financial Statements
As per Report of even Date.

For **AMBALAL PATEL & CO.**
CHARTERED ACCOUNTANTS
FIRM REG. NO. 100305W

For, and on behalf of the board of directors
MERCURY METALS LIMITED

CA NIKUNJ PATLIA
PARTNER
M.NO. 131220
UDIN:21131220AAAA

Ahmedabad
6/28/2021

4) _____
Birva H. Patel
(Company Secretary)

1) _____
GOVINDRAM L. KABRA
EXECUTIVE DIRECTOR:
DIN - 00006621

2) _____
RADHESHYAM L. KABRA
DIRECTOR:
DIN - 00005997

3) _____
Rashikbhai A. Rana
(Chief Financial Officer)



MERCURY METALS LIMITED
CIN-L27109GJ1986PLC008770

CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31st March 2021

PARTICULARS	(Amount in `)	
	2020-21	2019-20
A. Cash inflow/(outflow) from the operating activities		
Net profit before Tax and Extra ordinary item	(879,926)	(1,345,569)
Adjustments for:		
Dividend received	-	
Loss on Sale of Investments	-	
Excess provision w/off (Secured Loan)	-	
Operating Profit before working capital changes	(879,926)	(1,345,569)
Adjustment for (Increase)/Decrease in Working Capital :		
Inventories	-	-
Receivables	1,318,694	1,230,000
Loans & Advances	9,985,946	(18,931)
Current Liabilities & Provisions	(79,121)	(66,881)
Net cash inflow/(outflow) from operating activities (A)	10,345,593	(201,381)
B. Cash inflow/(outflow) from investing activity		
Proceeds from Sale of Investments	-	
Dividend Received	-	
Net cash inflow/(outflow) from investing activity (B)	-	-
C. Cash inflow/(outflow) from financing activity		
Net cash inflow/(outflow) from Financing activity (C)	-	-
Net Cash changes in cash and cash equivalent (A+B+C)	10,345,593	(201,381)
Cash & Cash Equivalent at the beginning of the Period	354,260	555,641
Cash & Cash Equivalent at the end of the Period	10,699,853	354,260
Net Increase in cash and cash equivalent	10,345,593	(201,381)

Note :

- The Cash Flow Statement has been prepared under the Indirect Method as set out in Ind AS-7 on Cash Flow Statement.
- Figures in bracket represent Outflow of cash.

As Per our report of even date

For, AMBALAL PATEL & CO.
Chartered Accountants
Firm Reg.No.100305W

CA NIKUNJ PATLIA
Partner
M.No.131220
UDIN:21131220AAAA

Ahmedabad
6/28/2021

**For, and on behalf of the board of directors
MERCURY METALS LIMITED**

1) _____
GOVINDRAM L. KABRA
EXECUTIVE DIRECTOR:
DIN - 00006621

2) _____
RADHESHYAM L. KABRA
DIRECTOR:
DIN - 00005997

3) _____
Rashikbhai A. Rana
(Chief Financial Officer)

4) _____
Birva H. Patel
(Company Secretary)



STATEMENT OF CHANGES IN EQUITY
MERCURY METALS LIMITED
Statement of Changes in Equity for the period ended 31/03/2021

A. Equity Share Capital

Particulars	Numbers of shares	Rupees
As at March 31,2020	6,952,808	6,952,808
As at March 31,2021	6,952,808	6,952,808

B. Other Equity

Particulars	Share application money pending allotment	Equity component of compound financial instruments	Reserves and Surplus				Debt instruments through Other Comprehensive Income	Equity Instruments through Other Comprehensive Income	Effective portion of Cash Flow Hedges	Revaluation Surplus	Exchange differences on translating the financial statements of a foreign operation	Other items of Other Comprehensive Income (specify nature)	Money received against share warrants	Total
			Capital Reserve	Securities Premium Reserve	Other Reserves (specify nature)	Retained Earnings								
For the Year 2019-20														
Balance at the beginning of the Previous year			39,858,180	109,841,000		-143,292,413		74,360						6,481,128
Changes in accounting policy or prior period errors														-
Restated balance at the beginning of the Previous year	-	-	39,858,180	109,841,000	-	-143,292,413		74,360						6,481,128
Profit/(loss) for the year						-1,293,569								-1,293,569
Other Comprehensive income								-72,150						-72,150
Dividends														-
Transfer to retained earnings														-
Any other change (to be specified)														-
Balance at the end of the Previous year	-	-	39,858,180	109,841,000	-	-144,585,981	-	2,210	-	-	-	-	-	5,115,409
For the Year 2020-21														
Balance at the beginning of the reporting period			39,858,180	109,841,000		-144,585,981		2,210						5,115,409
Changes in accounting policy or prior period errors			-	-				-						-
Restated balance at the beginning of the reporting period	-	-	39,858,180	109,841,000	-	-144,585,981	-	2,210	-	-	-	-	-	5,115,409
Profit/(loss) for the year						-879,926								-879,926
Other Comprehensive income								10,140						10,140
Dividends														-
Transfer to retained earnings														-
Any other change (to be specified)														-
Balance at the end of the reporting period	-	-	39,858,180.19	109,841,000.00	-	-145,465,907.69	-	12,350	-	-	-	-	-	4,245,623

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MERCURY METALS (FY 2020-21)

NOTE : 7 EQUITY SHARE CAPITAL

Particulars	3/31/2021		3/31/2020	
	Number	Amount (In `)	Number	Amount (In `)
Authorised				
Equity Shares of ` 1 each (PY Rs. 1 each)	100,000,000	100,000,000	100,000,000	100,000,000
Issued & Subscribed Capital				
Equity Shares of ` 1 each (PY Rs. 1 each) (Out Of Which 1726907 Are Issued As Bonus Shares)	7,978,508	7,978,508	7,978,508	7,978,508
Paid Up Share Capital				
Equity Shares of ` 1 each (PY Rs. 1 each) fully paid	6,952,808	6,952,808	6,952,808	6,952,808
Total	6,952,808	6,952,808	6,952,808	6,952,808

Particulars	Equity Shares			
	3/31/2021		3/31/2020	
	Number	Amount (In `)	Number	Amount (In `)
Shares outstanding at the beginning of the year	6,952,808	6,952,808	6,952,808	6,952,808
Less Capital reduction during the year	-	-	-	-
Shares Issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	6,952,808	6,952,808	6,952,808	6,952,808

DETAILS OF SHAREHOLDERS HOLDING SHARES ABOVE 5%					
Name of Equity Share Holders	3/31/2021		3/31/2020		
	Number of Shares	% of Holding	Number of Shares	% of Holding	
Shri Govindram Laluram Kabra	1,671,800	24.04%	1,671,800	24.04%	
RADHESHYAM LALURAM KABRA	1,024,508	14.74%	1,024,508	14.74%	
NARESH KAILASHCHANDRA JHAWER	482,854	6.94%	482,854	6.94%	

Terms/rights attached to equity shares

The company has only one class of Equity Shares having a Par Value of Re. 1 per share. Each Holder of Equity Shares is entitled to one Vote per share.

In the event of Liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.



MERCURY METALS (FY 2020-21)

NOTE : 8 OTHER CURRENT LIABILITIES

Particulars	3/31/2021	3/31/2020
	Amount (In `)	Amount (In `)
(a) Other payables		
Government Dues	3,300	6,100
Outstanding Expenses & Payables	69,150	145,471
Total	72,450	151,571

NOTE : 2 INVESTMENT

PARTICULARS	3/31/2021	3/31/2020
	Amount (In `)	Amount (In `)
Other Investment		
Unquoted valued at FVTOCI		
1) Shares Of Kush Industries Ltd(earlier known as Suzlon Fibers Ltd.)	22,490	12,350
TOTAL	22,490	12,350

NOTE: 3 TRADE RECEIVABLES

Particulars	3/31/2021	3/31/2020
	Amount (In `)	Amount (In `)
Trade receivables outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, considered good	-	1,318,694
Total	-	1,318,694
Trade receivables outstanding for a period less than six months from the date they are due for payment		
Unsecured, considered good	-	-
	-	-
Total	-	1,318,694

NOTE: 4 CASH & BANK BALANCES

Particulars	3/31/2021	3/31/2020
	Amount (In `)	Amount (In `)
a. Cash & Cash Equivalants		
i) Cash on hand	209,516	217,349
ii) Cash Equivalants		
Bank Balances	490,337	136,911
b. Other Bank balances		
Bank Deposits		
Deposits with less than 12 months maturity	10,000,000	
Total	10,699,853	354,260

NOTE: 5 LOANS

Particulars	3/31/2021	3/31/2020
	Amount (In `)	Amount (In `)
a. Others		
Unsecured, considered good		
Advances to Staff	5,281	60,281
Security Deposits	27,690	27,690
Other Advances	1,755	2,067
Total	34,726	90,038

NOTE 6 OTHER CURRENT ASSETS

Particulars	3/31/2021	3/31/2020
	Amount (In `)	Amount (In `)
Advance to Supplier	-	10,315,374
Deposit & Balance with Government	214,201	129,071
FD Interest Receivable	299,610	-
Total	513,811	10,444,445



MERCURY METALS (FY 2020-21)

NOTE 09 REVENUE FROM OPERATION

Particulars	3/31/2021 Amount (In `)	3/31/2020 Amount (In `)
Sale of Metals	11,481,545	-
Sale of Shares	-	-
Other operating revenues	-	-
Total	11,481,545	-

NOTE 10 OTHER INCOME

Particulars	3/31/2021 Amount (In `)	3/31/2020 Amount (In `)
Interest Income	323,893	-
Excess Provision Written Back	-	10,000
Sundry Balances w/back	-	52,327
Total	323,893	62,327

NOTE 11 CHANGES IN INVENTORIES OF SHARES

Particulars	3/31/2021 Amount (In `)	3/31/2020 Amount (In `)
Opening Stock	-	-
Less: Closing Stock	-	-
Total	-	-

NOTE 12 EMPLOYEE BENEFITS EXPENSE

Particulars	3/31/2021 Amount (In `)	3/31/2020 Amount (In `)
(a) Salaries and incentives		
Managing Director Remuneration	120,000	120,000
Bonus Exp.	8,200	15,200
Gratuity Expense	350,000	-
Salary Exps.	167,334	377,389
Allowances To Employees	144,766	238,142
Total	790,300	750,731

NOTE 13 OTHER EXPENSES

Particulars	3/31/2021 Amount (In `)	3/31/2020 Amount (In `)
Other Repair & Maintenance	3,400	3,990
Rates & taxes	9,192	9,970
Auditors remuneration	47,500	47,500
Listing & Custodian Fees	337,064	333,753
Professional & Consultancy	47,193	62,259
Postage Expenses	83	144,364
Misc. expenses	26,977	55,329
TOTAL	471,409	657,165

**MERCURY METALS LIMITED (F.Y. 2020-21)**

Note 14 In compliance with the Indian accounting standard-12 relating to "Income Taxes", as there is no timing difference arises, provision for deferred tax liability is not provided in book of accounts.

Note 15 In the opinion of the board, the current assets, Loans & Advances are approximately of the value stated therein, if realized in the ordinary course of business. Balance of sundry creditors, sundry debtors and loans & advances are subject to confirmation & reconciliation. In the opinion of the Management book debts and advances are outstanding since long, however these are recoverable, hence no provision has been made for doubtful debt.

Note 16 Capital Commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for Nil (Previous Year Nil).

Note 17 Contingent Liabilities

In the opinion of the Management, there is no contingent liability.

Note 18 Earning per share as required by Ind Accounting Standard AS-33 as issued by the The Institute of Chartered Accountants of India.

Description	Current Year	Previous Year
Profit / (Loss) After Tax (')	(879,926)	(1,293,569)
Prior Period Tax Adjustment (')	-	-
Profit / (Loss) Attributable to Ordinary Share Holders (')	(879,926)	(1,293,569)
Weighted Average No. of Equity Shares	6,952,808	6,952,808
Basic & Diluted Earning Per Share (')	(0.13)	(0.19)
Nominal Value of share (')	1.00	1.00

* The company has no dilutive instruments during the year ended 31/03/2021. As such Dilutive Earning Per share equals to Basic Earnings Per Share.

Note 19 Auditor's Remuneration

	Amount (in `)	
	Current Year	Previous Year
Statutory Audit Fees	32,500	32,500
Others	15,000	15,000
Total	47,500	47,500



MERCURY METAL LTD (F.Y. 2019-20)

Note 20 Related party disclosure as required by Ind Accounting Standard -24 issued by the Institute of Chartered Accountants of India.

A) List Of Related parties & Relationships

a) Subsidiaries, Fellow Subsidiaries, and Associates

a) Subsidiaries : None

b) Fellow Subsidiary : None

c) Associates : None

b) Key Management Personnel :

- 1) Govindram L. Kabra
(Managing Director)
- 2) Radhesyam L. Kabra
- 3) Mahendra G. Prajapati.
- 4) Bharti N Bavishi
- 5) Rasikbhai Ambalal Rana
(Chief)
- 6) Birva Harshit Patel
(Company Secretary)

c) Relatives of Key Management Personnel : None

d) Enterprise over which Key Management Personnel and their relative exercise significant influence with whom transaction have taken place during the year : None

B) Transaction with related parties

PARTICULARS	Amount (in `)	
	2020-21	2019-20
Remuneration paid to Govindram L. Kabra (Key Management Personnel)	120,000	120,000
Remuneration paid to Birva Harshit Patel (Key Management Personnel)	148,500	158,000
Remuneration paid to Rasikbhai A Rana (Key Management Personnel)	-	287,700



MERCURY METAL LTD (F.Y. 2019-20)

Note 21 As there is no earning / outgo in foreign currency during the year under review, additional details as required under Companies Act, 2013 are not required to be given.

**Note 22 Segment Reporting
Primary Segment (Business Segment)**

Particulars	Business Segments		TOTAL
	Metal	Shares	
Segment Revenue	11,481,545.00	-	11,481,545
	-	-	-
Unallocable Revenue			323,893
			-
Profit / (Loss) Before Tax			(879,926)
			(1,345,569)
Tax Expenses			-
			-
Profit / (Loss) for the year			(879,926)
			(1,345,569)
Other Comprehensive Income	-	10,140	10,140
	-	(72,150)	(72,150)
Total comprehensive income	(879,926)	10,140	(869,786)
	(1,345,569)	(72,150)	(1,417,719)
Segment Assets	519,092	22,490	541,582
	11,823,420	12,350	11,835,770
Unallocated Assets			10,729,298
			384,017
Total Assets			11,270,880
			12,219,787
Segment Liabilities	0	0	-
	0	0	-
Unallocated Liabilities			11,186,869
			12,219,787
Total Liabilities			11,186,869
			12,219,787

- i) The company has disclosed business segments as the primary segment. Segments have been identified taking into account the nature of the products, differential risks and returns, the organizational structure and internal reporting system. The company's operations predominantly relate to Trading of metals & shares.
- ii) Company area of operations is within India only. And separate disclosure as per geographical segments is not required to be given.
- iii) Figures in bracket in *italics* fonts are previous years figures.

Note 23 Previous year figures are regrouped and rearranged wherever necessary to compare with current year figures.

Note 24 Figures are rounded off to the nearest rupee.

Signatories to Note 1 to 24

**For AMBALAL PATEL & CO.
CHARTERED ACCOUNTANTS
Firm Reg. No. : 100305W**

**For, and on behalf of the board of directors
MERCURY METALS LIMITED**

**CA NIKUNJ PATLIA
PARTNER
M.No. 131220
UDIN:21131220AAAA**

**Ahmedabad
6/28/2021**

1) _____
**GOVINDRAM L. KABRA
EXECUTIVE DIRECTOR
DIN - 00006621**

4) _____
**Birva H. Patel
Company Secretary**

2) _____
**RADHESHYAM L. KABRA
DIRECTOR
DIN - 00005997**

3) _____
**Rashikbhai A. Rana
(Chief Financial Officer)**



ACCOUNTING RATIOS

The following tables present certain accounting and other ratios derived from the Audited Financial Information for the Financial Years ending March 31, 2022, March 31, 2021 and March 31, 2020. For further details please refer to the section titled '**Financial Statements**' beginning on page 80 of this Draft Letter of Offer.

Particulars	Based on Audited Financial Statements for the Financial Year ending March 31		
	2022	2021	2020
Basic and Diluted Earnings per Equity Share (₹)	0.33	(0.13)	(0.19)
Return on Net Worth (%)	17.07	(7.86)	(10.72)
Net Asset Value per Equity Share (₹)	1.95	1.61	1.74
EBITDA (₹ in Lakhs)	31.59	(8.80)	(13.46)

The formula used in the computation of the above ratios are as follows:

Particular	Computation of Formulas
Basic earnings per Equity Share (₹)	(Net Profit after Tax as per Statement of Profit and Loss attributable to Equity Shareholders after exceptional item, as applicable) / (Weighted Average number of Equity Shares);
Diluted earnings per Equity Share (₹)	(Net Profit after Tax as per Statement of Profit and Loss attributable to Equity Shareholders after exceptional item, as applicable) / (Weighted Average number of Equity Shares (including convertible securities));
Return on Net Worth (%)	(Profit for the Year as per Statement of Profit and Loss attributable to Equity Shareholders (prior to other comprehensive income)/ (Net worth at the end of the year);
Net Asset Value per Equity Share (₹)	(Net Worth)/ (Number of Equity Shares outstanding for the year);
EBITDA (₹)	Profit for the year before finance costs, tax, depreciation, amortization and exceptional items as presented in the statement of profit and loss;

(₹ in Lakhs)

Particulars	Based on Audited Financial Statements for the Financial Year ending March 31		
	2022	2021	2020
Profit for the Year as per Statement of Profit and Loss attributable to Equity Shareholders (A)	23.09	(8.80)	(12.94)
Net worth at the end of the year (B)	135.27	111.99	120.68
Return on Net Worth (%) [(A)/(B)]	17.07	(7.86)	(10.72)

(₹ in Lakhs)

Particulars	Based on Audited Financial Statements for the Financial Year ending March 31		
	2022	2021	2020
Net Worth (A)	135.27	111.99	120.68
Number of issued, subscribed and fully paid-up Equity Shares outstanding as at the year ended (Numbers) (B)	69.53	69.53	69.53
Net Asset Value per Equity Share [(A)/(B)]	1.95	1.61	1.74

(₹ in Lakhs)

Particulars	Based on Audited Financial Statements for the Financial Year ending March 31		
	2022	2021	2020
Equity Share capital (A)	69.53	69.53	69.53
Reserves and Surplus (B)	65.74	42.46	51.15
Net Worth (₹) [(A)/(B)]	135.27	111.99	120.68



(₹ in Lakhs)

Particulars	Based on Audited Financial Statements for the Financial Year ending March 31		
	2022	2021	2020
Net Profit/ (loss) after tax (A)	23.09	(8.80)	(12.94)
Income tax expenses (B)	8.50	0.00	0.52
Finance Cost (C)	0.00	0.00	0.00
Depreciation and Amortization expense (D)	0.00	0.00	0.00
EBITDA (A+B+C+D)	31.59	(8.80)	(13.46)

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STOCK MARKET DATA FOR EQUITY SHARES OF OUR COMPANY

Our Company's Equity Shares are listed on the BSE Limited; and the Right Shares issued pursuant to this Issue will be listed on BSE Limited, the Designated Stock Exchange. For further details, please refer to the section titled '*Terms of the Issue*' on page 137 of this Draft Letter of Offer.

Our Company shall receive an in-principle approval for listing of the Right Shares on the BSE Limited to be issued pursuant to this Issue from Right Shares pursuant to letter bearing reference number '[●]' dated [●]. Our Company shall also make applications to BSE Limited to obtain trading approval for the Rights Entitlements as required under the SEBI Rights Issue Circulars.

For the purpose of this section, unless otherwise specified:

1. Year is a Financial Year;
2. Average price is the average of the daily closing prices of the Equity Shares for the year, or the month, as the case may be;
3. High price is the maximum of the daily high prices and low price is the minimum of the daily low prices of the Equity Shares, as the case may be, for the year, or the month, as the case may be; and
4. In case of two days with the same high / low / closing price, the date with higher volume has been considered.

STOCK MARKET DATA OF THE EQUITY SHARES

The high, low and average prices recorded on the BSE Limited, during the preceding 3 (Three) Financial Years and the number of the Equity Shares traded on the days of the high and low prices were recorded are as stated below:

Financial Year	Date of High	High	Volume on date of High (Number of Equity Shares)	Date of Low	Low	Volume on date of low (Number of Equity Shares)	Average price for the Financial Year
March 31, 2022	28.03.2022	2.49	1,743	09.06.2021	1.65	165	2.03
March 31, 2021	22.02.2021	1.99	100	26.06.2020	1.05	300	1.49
March 31, 2020	17.03.2020	1.00	65,000	10.10.2019	0.95	1	0.74

Source: www.bseindia.com

The high, low, and average prices recorded on the BSE Limited, during the last 6 (Six) months and the number of the Equity Shares traded on the days of the high and low prices were recorded are as stated below:

Month	Date of High	High	Volume (Number of Equity Shares)	Date of Low	Low	Volume (Number of Equity Shares)	Total number of days of trading	Average volume of Equity Shares traded
Dec - 2021	27.12.2021	2.38	1495	06.12.2021	2.27	100	3	699
Jan - 2022	24.01.2022	2.38	1600	03.01.2022	2.38	114	4	554
Feb - 2022	21.02.2022	2.49	125	21.02.2022	2.49	125	1	125
March-2022	28.03.2022	2.49	700	28.03.2022	2.49	700	1	700
Apr - 2022	18.04.2022	2.61	100	25.04.2022	2.61	500	2	300

The high, low, and average prices recorded on the BSE Limited, during the last 4 (Four) weeks and the number of the Equity Shares traded on the days of the high and low prices were recorded are as stated below:

Month	Date of High	High	Volume (Number of Equity Shares)	Date of Low	Low	Volume (Number of Equity Shares)	Total number of days of trading	Average volume of equity Shares traded
May - 2022	No Trade							

The Issue Price of ₹[●]/- (Rupees [●] Only) per Equity Share has been arrived at by our Company in consultation with the Lead Manager.



SECTION VIII – LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATIONS, DEFAULTS AND MATERIAL DEVELOPMENTS

Except as disclosed below, there are no outstanding litigations involving our Company and our Subsidiaries/associates whose financial statements are included in the letter of offer, either separately or in a consolidated form including, suits, criminal or civil proceedings and taxation related proceedings that would have a material adverse effect on our operations, financial position or future revenues. In this regard, please note the following:

- In determining whether any outstanding litigation against our Company, other than litigation involving issues of moral turpitude, criminal liability, material violations of statutory regulations or proceedings relating to economic offences against our Company, would have a material adverse effect on our operations or financial position or impact our future revenues, we have considered all pending litigations involving our Company, other than criminal proceedings, statutory or regulatory actions, as 'material';
- For the purpose of determining materiality, the threshold shall be determined by the issuer as per requirements under the SEBI (LODR) Regulations;

Unless stated to the contrary, the information provided below is as of the date of this Draft Letter of Offer.

LITIGATION INVOLVING OUR COMPANY

1) Litigation Involving Actions by Statutory/Regulatory Authorities

NIL

2) Litigation involving Tax Liabilities

(i) Direct Tax Liabilities

NIL

(ii) Indirect Taxes Liabilities

NIL

3) Proceedings involving issues of moral turpitude or criminal liability on the part of our Company

As on date of this Draft Letter of Offer, there are no proceedings involving issues of moral turpitude or criminal liability filed against our Company.

4) Proceedings involving Material Violations of Statutory Regulations by our Company

As on date of this Draft Letter of Offer, there are no proceedings involving issues of material violations of statutory regulations our Company.

5) Matters involving economic offences where proceedings have been initiated against our Company

As on date of this Draft Letter of Offer, there are no matters involving economic offences where proceedings have been initiated against our Company;

6) Other proceedings involving our Company which involve an amount exceeding the Materiality Threshold or are otherwise material in terms of the Materiality Policy, and other pending matters which, if they result in an adverse outcome would materially and adversely affect the operations or the financial position of our Company



As on date of this Draft Letter of Offer, there are no proceedings involving our Company which involve an amount exceeding the Materiality Threshold or are otherwise material in terms of the Materiality Policy, and other pending matters which, if they result in an adverse outcome would materially and adversely affect the operations or the financial position of our Company;

**A negligible TDS Interest Liability of INR 1,092/-, is outstanding, which being immaterial, is avoided to be specifically disclosed.*

LITIGATION INVOLVING OUR DIRECTORS, PROMOTERS AND PROMOTER GROUP

1) Litigation Involving Actions by Statutory/Regulatory Authorities

As on date of this Draft Letter of Offer, except as mentioned above, there are no subsisting litigations involving actions by statutory/ regulatory authorities filed by or against our directors, promoters, and promoter group.

LITIGATION INVOLVING OUR GROUP COMPANIES

2) Litigation involving our Group Companies

As on date of this Draft Letter of Offer, there are no subsisting litigations filed by or against our group companies;

Neither our Company, nor our Promoter or any of our Directors are or have been categorized as a willful defaulter by any bank or financial institution or consortium thereof, in accordance with the guidelines on willful defaulters issued by the RBI.

DISCLOSURES PERTAINING TO FRAUDULENT BORROWERS

Neither our Company, nor our Promoter or any of our Directors, are or have been categorized as a fraudulent borrowers by any bank or financial institution or consortium thereof, in accordance with the guidelines on willful defaulters issued by the RBI.

DETAILS OF MATERIAL DEVELOPMENTS AFTER THE DATE OF LAST BALANCE SHEET FOR THE FINANCIAL YEAR ENDING MARCH 31, 2022

Except as mentioned in this Draft Letter of Offer, no material circumstances have arisen since the date of last financial statement until the date of filing the Letter of Offer, which materially and adversely affect or are likely to affect the operations or profitability of our Company, or value of its assets, or its ability to pay its liability within next twelve months to our knowledge.



GOVERNMENT AND OTHER APPROVALS

Our Company has received the necessary consents, licenses, permissions and approvals from the Central and State Governments and other government agencies/regulatory authorities/certification bodies required to undertake the Issue or continue our business activities.

In view of the approvals listed below, we can undertake this Issue and our current business activities and no further major approvals from any governmental/regulatory authority or any other entity are required to be undertaken, in respect of the Issue or to continue our business activities. It must, however, be distinctly understood that in granting the above approvals, the Government of India and other authorities do not take any responsibility for the financial soundness of our Company or for the correctness of any of the statements or any commitments made or opinions expressed in this behalf. Unless otherwise stated, these approvals are all valid as of the date of this Draft Letter of offer.

The main objects clause of the Memorandum of Association of our Company and the objects incidental, enable our Company to carry out its activities.

APPROVALS FOR THE ISSUE

The following approvals have been obtained or will be obtained in connection with the Issue:

A. Approvals in Relation to the Issue

- The Board of Directors in pursuance of Section 62(1)(a) of the Companies Act, 2013, by a resolution passed at its meeting held on June 22, 2022, have authorized the Issue;
- In-principle approval from the BSE Limited bearing reference number '[●]' dated [●] to use the name of BSE Limited for listing of the Equity Shares issued by our Company pursuant to the Issue;
- The ISIN of the Company is [●];

B. Corporate / General Authorizations

APPROVALS PERTAINING TO INCORPORATION OF OUR COMPANY

Sr. No.	Description	Registrar/ Issuing Authority	Registration No./Reference No./License No.	Date of Creation	Date of Expiry
1.	Certificate of Incorporation in the name of 'Mercury Metals Private Limited'	Registrar of Companies, Gujarat, Dadra and Nagar Haveli	8770 of 1986-87	04.07.1986	Valid until cancelled

TAX RELATED APPROVALS

Sr. No.	Description	Registrar/ Issuing Authority	Registration No./Reference No./License No.	Date of Creation	Date of Expiry
1.	Permanent Account Number (PAN)	Income Tax Department, Government of India under Income Tax Act, 1961	AABCM2887P	04.07.1986	Valid until cancelled
2	Tax Deduction and Collection Account Number (TAN)	Income Tax Department, Government of India under Income Tax Act, 1961	AHMM01327E	Certificate not traceable	Valid until cancelled
3	Goods and Service Tax (GST)	Government of India	24AABCM2887P1ZX	01.07.2017	Valid until cancelled



C. Material approvals in relation to our business operations:

There have been Five (5) trademarks for which applications have been filed by the Company. However, due to business secrets, the same has not been disclosed in this Letter of offer.

Company has taken ICAT certificate under CMV rule no. 126 from NATRiP (**National Automotive Testing and R&D Infrastructure Project**), **Government of India**, "TYPE APPROVAL CERTIFICATE (TAC)" and "TEST REPORT Certificate".

D. Material Licenses and Approvals for which applications have been filed by our Company:

Application made by the Company:

Company has filed an application for World Manufacturer Identification (WMI) code with Bureau of Indian Standards on April 04, 2022.

E. Material Licenses and Approvals for which applications are yet to be filed by our Company:

We are not required to obtain any other licenses or approvals from any government or regulatory authority for the objects of this Issue.



OTHER REGULATORY AND STATUTORY DISCLOSURES

AUTHORITY FOR THE ISSUE

This Issue of Equity Shares to the Eligible Shareholders is being made in accordance with the:

Resolution passed by our Board of Directors under clause (a) of Sub-Section (1) of Section 62 and other provisions of the Companies Act, at their meeting conducted on, June 22, 2022.

The Board of Directors of our Company in their meeting conducted on [●],[●] approved this Issue inter-alia on the following terms.

Issue Size	Upto ₹ 4800.00 Lakhs (Rupees Forty Eight Hundred Lakhs Only);
Issue Price	₹[●]/- (Rupees [●]) per Right Equity Share issued in [●] ([●]) Rights Entitlement, (i.e. ₹[●]/- (Rupees [●]) per Rights Equity Share, including a premium of ₹[●]/- (Rupees [●]) per Rights Equity Share);
Issue Entitlement Ratio	[●]:[●] i.e., Equity Shares for every [●] Equity Shares held by Eligible Shareholders of our Company as on Record Date;
Record Date	[●];

This Draft Letter of Offer has been approved by our Board of Directors pursuant to their resolutions dated July 01, 2022.

Our Company has received in-principle approval from BSE Limited in accordance with Regulation 28 (1) of SEBI (LODR) Regulations for listing of the Right Shares proposed to be allotted pursuant Issue vide a letter bearing reference '[●]' dated [●], [●]. Our Company will also make application to BSE Limited to obtain their trading approvals for the Rights Entitlements as required under the ASBA Circular;

Our Company has been allotted the ISIN [●] for the Rights Entitlements to be credited to the respective demat accounts of the Eligible Shareholders of our Company. Our Company has been allotted the ISIN [●] both from NSDL and CDSL for the Rights Equity Shares issued pursuant to this Issue. For details, see section titled "Terms of the Issue" beginning on page 137 of this Draft Letter of Offer.

PROHIBITION BY SEBI OR RBI OR OTHER GOVERNMENTAL AUTHORITIES

Our Company, the Promoters and the members of Promoter Group, and the Directors of our Company have not been prohibited or debarred from accessing or operating in the capital markets, or restrained from buying, selling, or dealing in securities under any order or direction passed by SEBI or any other regulatory or governmental authority.

The companies with which our Directors or the persons in control of our Company are or were associated as promoter, directors or persons in control have not been debarred from accessing the capital market under any order or direction passed by SEBI or any other regulatory or governmental authority.

Our Company, the Promoters and members of the Promoter Group, and the Directors of our Company have not been declared as fugitive economic offenders;

There are no proceedings initiated by SEBI, Stock Exchange or ROC, etc., against our Company, Directors, Group Companies;

Our Company, our Promoters and the members of our Promoter Group are in compliance with the Companies (Significant Beneficial Ownership) Rules, 2018, to the extent it may be applicable to them as on date of this Letter of Offer.

None of our Directors currently holds nor have held directorship(s) in the last five years in a listed Company whose shares have been or were suspended from trading on any stock exchange or in a listed Company which has been / was delisted from any stock exchange;



Prohibition by RBI:

Our Company, the Promoters and members of the Promoter Group, and the Directors of our Company have not been identified as Wilful Defaulters by the RBI;

Our Company, the Promoters and members of the Promoter Group, and the Directors of our Company have not been identified as Fraudulent Borrowers by the RBI;

Directors Associated With the Securities Market:

None of our Directors are associated with the securities market in any manner;

Compliance with Companies (Significant Beneficial Ownership) Rules, 2018:

Our Company, our Promoter and the members of our Promoter Group are in compliance with the Companies (Significant Beneficial Ownership) Rules, 2018.

ELIGIBILITY FOR THE ISSUE

Our Company is a listed company incorporated under the Companies Act, 1956. Our Equity Shares are presently listed on BSE Limited. Our Company is eligible to offer and issue Right Equity Shares pursuant to this Issue in terms of Chapter III and other applicable provisions of the SEBI (ICDR) Regulations;

Our Company is undertaking this Right Issue in compliance with Part B of Schedule VI of the SEBI (ICDR) Regulations. Our Company undertakes to make an application to BSE Limited for listing of the Right Shares to be issued pursuant to this Issue.

COMPLIANCE WITH REGULATION 61 AND 62 OF THE SEBI (ICDR) REGULATIONS

The present Issue being of less than ₹ 4,800 Lakhs, our Company is in compliance with first proviso to Regulation 3 of the SEBI (ICDR) Regulations and our Company shall file the copy of the Letter of Offer prepared in accordance with the SEBI (ICDR) Regulations with SEBI for information and dissemination on the website of SEBI, i.e. www.sebi.gov.in;

Our Company is in compliance with requirements of Regulation 61 and Regulation 62 of the SEBI (ICDR) Regulations to the extent applicable. Further, in relation to compliance Regulation 62 (1) (a) of the SEBI (ICDR) Regulations, our Company undertakes to make an application to BSE Limited for listing of the Right Shares to be issued pursuant to this Issue;

COMPLIANCE WITH CLAUSE (1) OF PART B OF SCHEDULE VI OF SEBI (ICDR) REGULATIONS

Our Company is in compliance with the provisions specified in Clause (1) of Part B of Schedule VI of the SEBI (ICDR) Regulations as explained below:

1. Our Company has been filing periodic reports, statements and information in compliance with the Listing Agreement or the SEBI (LODR) Regulations, as applicable for the last one year immediately preceding the date of filing of the Letter of Offer with the Stock Exchange and until date;
2. The reports, statements and information referred to above in clause (1) are available on the website of BSE Limited;
3. Our Company has an investor grievance-handling mechanism which includes meeting of the Stakeholders 'Relationship Committee at frequent intervals, appropriate delegation of power by our Board our Directors as regards share transfer and clearly laid down systems and procedures for timely and satisfactory redressal of investor grievances.
4. As our Company satisfies the conditions specified in Clause (1) of Part B of Schedule VI of SEBI (ICDR) Regulations, disclosures in this Draft Letter of Offer have been made in terms of Clause (4) of Part B of Schedule VI of SEBI (ICDR) Regulations.



DISCLAIMER CLAUSE OF SEBI

The Draft Letter of Offer has not been filed with SEBI in terms of SEBI (ICDR) Regulations as the size of issue is up to ₹ 4800.00 Lakhs.

DISCLAIMER CLAUSES FROM OUR COMPANY

Our Company and Lead Manager accept no responsibility for the statements made otherwise than in this Draft Letter of Offer or in any advertisement or other materials issued by us or by any other persons at our instance and anyone placing reliance on any other source of information would be doing so at his/ her own risk.

Investors who invest in this Issue will be deemed to have represented by our Company, Lead Manager and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company, and are relying on independent advice / evaluation as to their ability and quantum of investment in this Issue. Our Company, the Lead Manager and their directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any Applicant on whether such Applicant is eligible to acquire any Rights Equity Shares.

CAUTION

Our Company shall make all the relevant information available to the Eligible Shareholders in accordance with the SEBI (ICDR) Regulations and no selective or additional information would be available for a section of the Eligible Shareholders in any manner whatsoever, including at presentations, in research or sales reports, etc., after filing this Draft Letter of Offer.

No dealer, salesperson or other person is authorized to give any information or to represent anything not contained in this Draft Letter of Offer. You must not rely on any unauthorized information or representations. This Draft Letter of Offer is an offer to sell only the Right Shares and the Rights Entitlement, but only under circumstances and in the applicable jurisdictions. Unless otherwise specified, the information contained in this Draft Letter of Offer is current only as at its date of this Draft Letter of Offer.

DISCLAIMER WITH RESPECT TO JURISDICTION

This Draft Letter of Offer has been prepared under the provisions of Indian laws and the applicable rules and regulations thereunder. Any disputes arising out of this Issue will be subject to the jurisdiction of the appropriate court(s) in Vadodara, India only.

DESIGNATED STOCK EXCHANGE

The Designated Stock Exchange for the purpose of this Issue will be BSE Limited.

DISCLAIMER CLAUSE OF BSE LIMITED

As required, a copy of this Draft Letter of Offer has been submitted to the BSE Limited. BSE Limited has given vide its '[●]' dated [●], to use its name in this Draft Letter of Offer. The Disclaimer Clause as shall be intimated by the BSE Limited to us, post-scrutiny of this Draft Letter of Offer, shall be included in the Letter of Offer prior to filing with BSE Limited.

Further, BSE Limited does not in any manner:

1. Warrant, certify or endorse the correctness or completeness of any of the contents of this Draft Letter of Offer that our Company's Equity Shares will be listed or will continue to be listed on BSE Limited; or
2. Take any responsibility for the financial or other soundness of our Company, its management or any scheme or project of our Company; and it should not for any reason be deemed or construed that this Draft Letter of Offer has been cleared or approved by the BSE Limited.

Every Investor who desires to apply for or otherwise acquires any Equity Shares of our Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against BSE Limited whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/ acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever.



FILING

SEBI vide the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (Fourth Amendment) Regulations, 2020 has amended Regulation 3(b) of the SEBI ICDR Regulations as per which the threshold of filing of Letter of Offer with SEBI for rights issues has been increased. The threshold of the rights issue size under Regulation 3 (b) of the SEBI ICDR Regulations has been increased from Rupees ten crores to Rupees fifty crores. Since the size of this Issue falls below this threshold, the Letter of Offer will be filed with the Stock Exchanges and not with SEBI. However, the Letter of Offer will be submitted with SEBI for information and dissemination and will be filed with the Stock Exchanges.

The Letter of Offer has not been filed with the SEBI for its observations as the size of the issue is up to ₹4,800.00 Lakhs which does not require issuer to file Letter of Offer with SEBI. The Company has filed Letter of Offer with the BSE for obtaining in-principle approval.

LISTING

Our Company will apply to BSE for final approval for the listing and trading of the Rights Equity Shares subsequent to their Allotment. No assurance can be given regarding the active or sustained trading in the Rights Equity Shares or the price at which the Rights Equity Shares offered under the Issue will trade after the listing thereof.

CONSENTS

Consents in writing of our Promoter, Directors, Auditors, Banker to the Company, Banker to Issue, Lead Manager and the Registrar to the Issue to act in their respective capacities, have been obtained and such consents have not been withdrawn up to the date of this Letter of Offer.

EXPERT OPINION

Except for the reports in the section “Financial Information of the Company” on Financial Information and “Statement of Tax Benefits” on page 80 and page 52, from the Statutory Auditors, our Company has not obtained any expert opinions.

PERFORMANCE VIS-À-VIS OBJECTS – PUBLIC/RIGHTS ISSUE OF OUR COMPANY

Our Company has not made any rights issues or public issues during the five years immediately preceding the date of this Draft Letter of Offer. There have been no instances in the past, wherein our Company has failed to achieve the objects in its previous issues.

STOCK MARKET DATA OF THE EQUITY SHARES

Our Equity Shares are listed and traded on BSE. For details in connection with the stock market data of the Stock Exchanges, please refer to the chapter titled “Stock Market Data for Equity Shares” on page 125.

SELLING RESTRICTIONS

The distribution of this Draft Letter of Offer, the Letter of Offer, Abridged Letter of Offer, Entitlement Letter, Application Form, and the issue of Right Shares, to persons in certain jurisdictions outside India is restricted by legal requirements prevailing in those jurisdictions. Persons into whose possession the Draft Letter of Offer, this Draft Letter of Offer, Abridged Letter of Offer, Entitlement Letter, or Application Form may come are required to inform themselves about and observe such restrictions.

We are making this Issue of Equity Shares on a rights basis to the Eligible Shareholders and will send/ dispatch the Letter of Offer, Abridged Letter of Offer, Entitlement Letter, and Application Form only to email addresses of such Eligible Shareholders who have provided an Indian address to our Company and who are located in jurisdictions where the issue and sale of the Rights Entitlements and the Rights Equity Shares are permitted under laws of such jurisdiction and does not result in and may not be construed as, a public offering in such jurisdictions. Those overseas shareholders who do not update our records with their Indian address or the address of their duly authorized representative in India, prior to the date on which we propose to e-mail the Letter of Offer, Abridged Letter of Offer, Entitlement Letter, and Application Form, shall not be sent the Letter of Offer, Abridged Letter of Offer, Entitlement Letter, and Application Form. Further, the Letter of Offer will be provided, primarily through e-



mail, by the Registrar on behalf of our Company or the Lead Manager to the Eligible Shareholders who have provided their Indian addresses to our Company and who make a request in this regard. Investors can also access the Letter of Offer, the Abridged Letter of Offer and the Application Form from the websites of the Registrar, our Company, the Lead Manager, and the BSE Limited, and on R-WAP. Accordingly, our Company, the Lead Manager and the Registrar will not be liable for non-dispatch of physical copies of Issue materials, including the Letter of Offer, the Abridged Letter of Offer, the Entitlement Letter, and the Application Form.

No action has been or will be taken to permit this Issue in any jurisdiction or the possession, circulation, or distribution of this Draft Letter of Offer, the Letter of Offer, Abridged Letter of Offer, and Application Form or any other material relating to our Company, the Equity Shares or Rights Entitlement in any jurisdiction where action would be required for that purpose.

Accordingly, the Rights Entitlements or Right Shares may not be offered or sold, directly or indirectly, and the Draft Letter of Offer, this Draft Letter of Offer, Abridged Letter of Offer, Entitlement Letter and Application Form may not be distributed in any jurisdiction, except in accordance with legal requirements applicable in such jurisdiction. Receipt of the Draft Letter of Offer, this Draft Letter of Offer, Abridged Letter of Offer, Entitlement Letter and Application Form will not constitute an offer in those jurisdictions in which it would be illegal to make such an offer and, under those circumstances, this Draft Letter of Offer, the Letter of Offer, Abridged Letter of Offer, Entitlement Letter and Application Form must be treated as sent for information only and should not be copied, redistributed or acted upon for subscription to Right Shares or the purchase of Rights Entitlements.

Accordingly, persons receiving a copy of the Draft Letter of Offer, this Draft Letter of Offer, Abridged Letter of Offer, Entitlement Letter and Application Form should not, in connection with the issue of the Rights Entitlements or Right Shares, distribute or send such document in, into the United States or any other jurisdiction where to do so would, or might contravene local securities laws or regulations or would subject the Company, Lead Manager or their respective affiliates to any filing or registration requirement (other than in India). If the Draft Letter of Offer, this Draft Letter of Offer, Abridged Letter of Offer, Entitlement Letter and/or Application Form is received by any person in any such jurisdiction, or by their agent or nominee, they must not seek to subscribe to the Rights Entitlement or Right Shares referred to in this Draft Letter of Offer, the Letter of Offer, Abridged Letter of Offer, Entitlement Letter and Application Form. Envelopes containing an Application Form should not be dispatched from any jurisdiction where it would be illegal to make an offer, and all persons subscribing for the Right Shares in this Issue must provide an Indian address.

No information in this Draft Letter of Offer should be considered to be business, financial, legal, tax or investment advice.

Any person who makes an application to acquire Rights Entitlement and the Right Shares offered in this Issue will be deemed to have declared, represented, warranted and agreed that such person is authorized to acquire the Rights Entitlement and the Right Shares in compliance with all applicable laws and regulations prevailing in his jurisdiction, without requirement for our Company, the Lead Manager or their respective affiliates to make any filing or registration (other than in India).

Neither the delivery of the Letter of Offer, Abridged Letter of Offer, Entitlement Letter and Application Form nor any sale or offer hereunder, shall under any circumstances create any implication that there has been no change in our Company's affairs from the date hereof or that the information contained herein is correct as at any time subsequent to the date of this Draft Letter of Offer or date of such information.

THE CONTENTS OF THIS DRAFT LETTER OF OFFER, THE LETTER OF OFFER AND ABRIDGED LETTER OF OFFER SHOULD NOT BE CONSTRUED AS LEGAL, TAX OR INVESTMENT ADVICE. PROSPECTIVE INVESTORS MAY BE SUBJECT TO ADVERSE FOREIGN, STATE OR LOCAL TAX OR LEGAL CONSEQUENCES AS A RESULT OF BUYING OR SELLING OF RIGHT SHARES OR RIGHTS ENTITLEMENTS. AS A RESULT, EACH INVESTOR SHOULD CONSULT ITS OWN COUNSEL, BUSINESS ADVISOR, AND TAX ADVISOR AS TO THE LEGAL, BUSINESS, TAX, AND RELATED MATTERS CONCERNING THE OFFER OF RIGHT SHARES OR RIGHTS ENTITLEMENTS. IN ADDITION, NEITHER OUR COMPANY NOR THE LEAD MANAGER NOR ANY OF THEIR RESPECTIVE AFFILIATES ARE MAKING ANY REPRESENTATION TO ANY OFFEREE OR PURCHASER OF THE RIGHT SHARES OR THE RIGHTS ENTITLEMENTS REGARDING THE LEGALITY OF AN INVESTMENT IN THE RIGHT SHARES OR THE RIGHTS ENTITLEMENTS BY SUCH OFFEREE OR PURCHASER UNDER ANY APPLICABLE LAWS OR REGULATIONS.



NO OFFER IN THE UNITED STATES

The rights entitlements and the right shares have not been and will not be registered under the United States securities act, 1933, as amended, or any U.S. State securities laws and may not be offered, sold, resold or otherwise transferred within the United States of America or the territories or possessions thereof or to, or for the account or benefit of, "U.S. Persons" (as defined in regulations under the securities act, except in a transaction exempt from the registration requirements of the securities act. The rights entitlements and right shares referred to in this draft letter of offer are being offered in India and in jurisdictions where such offer and sale of the right shares and/ or rights entitlements are permitted under laws of such jurisdictions, but not in the United States. The offering to which the draft letter of offer, this draft letter of offer, and abridged letter of offer relates is not, and under no circumstances is to be construed as, an offering of any securities or rights for sale in the United States or as a solicitation therein of an offer to buy any of the said securities or rights.

Accordingly, the draft letter of offer, this draft letter of offer, the abridged letter of offer, entitlement letter, and application form should not be forwarded to or transmitted in or into the United States at any time.

Neither our Company nor any person acting on behalf of our Company will accept subscriptions or renunciation from any person, or the agent of any person, who appears to be, or who our Company or any person acting on behalf of our Company has reason to believe, is in the United States when the buy order is made. No payments for subscribing for the Right Shares shall be made from US bank accounts and all persons subscribing for the Right Shares and wishing to hold such Right Shares in registered form must provide an address for registration of the Right Shares in India.

We, the Registrar, the Lead Manager or any other person acting on behalf of us, reserve the right to treat as invalid any Application Form which:

- a. Does not include the certification set out in the Application Form to the effect that the subscriber does not have a registered address (and is not otherwise located) in the United States and is authorized to acquire the Rights Entitlements and the Right Shares in compliance with all applicable laws and regulations;**
- b. Appears to us or its agents to have been executed in, electronically transmitted from or dispatched from the United States;**
- c. Where a registered Indian address is not provided;**
- d. Where we believe that Application Form is incomplete or acceptance of such Application Form may infringe applicable legal or regulatory requirements;**

And we shall not be bound to allot or issue any Right Shares in respect of any such Application Form. The Rights Entitlements may not be transferred or sold to any person in the United States.

INVESTOR GRIEVANCES AND REDRESSAL SYSTEM

1. Mechanism for Redressal of Investor Grievances

Our Company has made adequate arrangements for redressal of investor complaints in compliance with the corporate governance requirements under the SEBI (LODR) Regulations as well as a well-arranged correspondence system developed for letters of routine nature. We have been registered with the SEBI Complaints Redress System (SCORES) as required by the SEBI Circular bearing reference number 'CIR/OIAE/2/2011 dated June 3, 2011'. Consequently, investor grievances are also tracked online by our Company through the SCORES mechanism.

Our Company has a Stakeholders Relationship Committee comprising of 3 (three), members of the said committee, which meets at least once a year and as and when required. Its terms of reference include considering and resolving grievances of shareholders in relation to transfer of shares and effective exercise of voting rights. All investor grievances received by us have been handled by the Company Secretary and Compliance Officer.

The Investor complaints received by our Company are generally disposed of within 15 (Fifteen) days from the date of receipt of the complaint.



The average time taken by the Registrar to the Issue, Bigshare Services Private Limited, for attending to routine grievances will be within 30 (thirty) days from the date of receipt. In case of non-routine grievances where verification at other agencies is involved, it would be the endeavor of the Registrar to the Issue to attend to them as expeditiously as possible. We undertake to resolve the investor grievances in a time bound manner.

2. Investor Grievances arising out of this Issue

Our Company's investor grievances arising out of the Issue will be handled by **Bigshare Services Private Limited**, who is the Registrar to the Issue. The Registrar to the Issue will have a separate team of personnel handling only post- Issue correspondence.

The agreement between our Company and the Registrar to the Issue will provide for retention of records with the Registrar for a period of at least one year from the last date of dispatch of Allotment Advice to enable the Registrar to redress grievances of Investors.

All grievances relating to this Issue may be addressed to the Registrar to the Issue giving full details such as folio no., name and address, contact details, Email-ID of the first applicant, number and type of Equity Shares applied for, Application Form serial number, amount paid on application and the name of the bank and the branch where the application was deposited, along with a photocopy of the acknowledgement slip. In case of renunciation, the same details of the Renouncee should be furnished.

The average time taken by the Registrar to the Issue for attending to routine grievances will be seven to ten days from the date of receipt of complaints. In case of non-routine grievances where verification at other agencies is involved, it would be the endeavor of the Registrar to the Issue to attend to them as expeditiously as possible. Our Company undertakes to resolve the Investor grievances in a time bound manner.

Investors may contact the Company Secretary and Compliance Officer of our Company and/ or Registrar to the Issue at the below mentioned address in case of any pre-Issue/ post-Issue related problems such as non-receipt of allotment advice/ demat credit etc.

Investors may contact the Registrar to the Issue or the Company Secretary and Compliance Officer of our Company of our Company for any pre-Issue or post-Issue related matter. All grievances relating to the ASBA process may be addressed to the Registrar to the Issue, with a copy to the SCSBs (in case of ASBA process), giving full details such as name, address of the Applicant, contact number(s), e mail address of the sole/ first holder, folio number or demat account number, number of Right Shares applied for, amount blocked, ASBA Account number and the Designated Branch of the SCSBs where the Application Form or the plain paper application, as the case may be, was submitted by the Investors along with a photocopy of the acknowledgement slip. For details on the ASBA process, please refer to the section titled "Terms of the Issue" on page 137 of this Draft Letter of Offer.

The contact details of the Registrar to the Issue and the Company Secretary and Compliance Officer of our Company are as follows:

Company Secretary and Compliance officer	Registrar to the issue
<p>Mr. Mikil Nitinbhai Gohil Address: 367-368, GIDC, POR, VILLAGE: POR, Taluka: Vadodara, Vadodara, Gujarat - 391243. Contact Details: 9081234614 Email: info@mercurymetals.in Website: www.mercurymetals.in</p>	<p>Bigshare Services Private Limited Office No S6-2, 6th floor Pinnacle Business Park, Next to Ahura Centre, Mahakali Caves Road, Andheri (East) Mumbai - 400093, Maharashtra, India Tel: 022-62638200/22 E-mail: rightsissue@bigshareonline.com Investor grievance Email: investor@bigshareonline.com Website: www.bigshareonline.com Contact Person: Mr. Vijay Surana SEBI Registration Number: INR000001385</p>

In accordance with SEBI Rights Issue Circulars, frequently asked questions and online/ electronic dedicated investor helpdesk for guidance on the Application process and resolution of difficulties faced by the Investors will be available on the website of the Registrar at www.bigshareonline.com. Further, helpline numbers provided by the Registrar for guidance on the Application process and resolution of difficulties are (rightsissue@bigshareonline.com 022- 62638200/22).



SECTION IX – ISSUE INFORMATION

TERMS OF THE ISSUE

This section is for the information of the Investors proposing to apply in this Issue. Investors should carefully read the provisions contained in this Draft Letter of Offer, the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, and the Application Form, before submitting the Application Form. Our Company and the Lead Manager are not liable for any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of this Draft Letter of Offer. Investors are advised to make their independent investigation and ensure that the Application Form is correctly filled up. Unless otherwise permitted under the SEBI (ICDR) Regulations read with SEBI Rights Issue Circulars, Investors proposing to apply in this Issue can apply only through ASBA or by mechanism as disclosed in this section.

Investors are requested to note that application in this Issue can only be made through ASBA or by R-WAP facility. Further, this R-WAP facility in addition to ASBA is onetime relaxation made available by SEBI in view of the COVID-19 and shall not be a replacement of the existing process under the SEBI (ICDR) Regulations. For guidance on the application process through R-WAP and resolution of difficulties faced by investors, you are advised to read the frequently asked question (FAQ) on the website of the Registrar at www.bigshareonline.com.

OVERVIEW

This Issue and the Right Shares proposed to be issued on a rights basis, are subject to the terms and conditions contained in the Draft Letter of Offer, this Draft Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form, and the Memorandum of Association and the Articles of Association of our Company, the provisions of the Companies Act, 2013, FEMA, FEMA Rules, the SEBI (ICDR) Regulations, the SEBI (LODR) Regulations, and the guidelines, notifications and regulations issued by SEBI, the Government of India and other statutory and regulatory authorities from time to time, approvals, if any, from the RBI or other regulatory authorities, the terms of the Listing Agreements entered into by our Company with the BSE Limited and the terms and conditions as stipulated in the Allotment advice.

IMPORTANT

A. Dispatch and availability of Issue materials

In accordance with the SEBI (ICDR) Regulations, and the ASBA Circular, our Company will send/dispatch at least three days before the Issue Opening Date, the Abridged Letter of Offer, the Entitlement Letter, Application Form and other issue material ('Issue Materials') only to the Eligible Shareholders who have provided an India address to our Company and who are located in jurisdictions where the offer and sale of the Rights Entitlement or Right Shares is permitted under laws of such jurisdictions and does not result in and may not be construed as, a public offering in such jurisdictions. In case the Eligible Shareholders have provided their valid e-mail address, the Issue Materials will be sent only to their valid e-mail address and in case the Eligible Shareholders have not provided their e-mail address, then the Issue Materials will be dispatched, on a reasonable effort basis, to the India addresses provided by them.

Further, the Letter of Offer will be sent/dispatched, by the Registrar to the Issue on behalf of our Company to the Eligible Shareholders who have provided their Indian addresses and have made a request in this regard. In case such Eligible Shareholders have provided their valid e-mail address, the Letter of Offer will be sent only to their valid e-mail address and in case such Eligible Shareholders have not provided their e-mail address, then the Letter of Offer will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them or who are located in jurisdictions where the offer and sale of the Right Shares is permitted under laws of such jurisdictions and in each case who make a request in this regard.

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

1. Our Company's website at www.mercurymetals.in;
2. Registrar to the Issue's website at www.bigshareonline.com;
3. BSE Limited's website at www.bseindia.com;
4. Registrar's web-based application platform ('R-WAP') at www.bigshareonline.com;



Eligible Shareholders can obtain the details of their respective Rights Entitlements from the website of the Registrar to the Issue's website at www.bigshareonline.com by entering their DP-ID and Client-ID or Folio Number (in case of Eligible Equity Shareholders holding Equity Shares in physical form), and PAN. The link for the same shall also be available on the website of our Company at www.mercurymetals.in.

Further, our Company along with the Lead Manager will undertake all adequate steps to reach out the Eligible Shareholders who have provided their Indian address through other means, as may be feasible. In light of the current COVID-19 situation and pursuant to the SEBI Rights Issue Circulars, our Company, the Lead Manager, and the Registrar to the Issue will not be liable for non-dispatch of physical copies of Issue materials, including the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form attributable to the non-availability of the e-mail addresses of Eligible Shareholders or electronic transmission delays or failures, or if the Application Forms or the Rights Entitlement Letters are delayed or misplaced in transit.

B. Facilities for Application in this Issue

In accordance with Regulation 76 of the SEBI (ICDR) Regulations, SEBI - Rights Issue Circulars and ASBA Circulars, all Investors desiring to make an Application in this Issue are mandatorily required to use either the ASBA process or the optional mechanism instituted only for resident Investors in this Issue, i.e., R-WAP (instituted only for resident Investors in this Issue). Investors should carefully read the provisions applicable to such Applications before making their Application through ASBA or using the R-WAP. For details, please refer to the Paragraph titled 'Procedure for Application through the ASBA Process' and 'Procedure for Application through the R-WAP' on page 151 and 151 respectively of this Draft Letter of Offer.

1. ASBA facility

Investors can submit either the Application Form in physical mode to the Designated Branches of the SCSBs or online/ electronic Application through the website of the SCSBs (if made available by such SCSB) authorizing the SCSB to block the Application Money in an ASBA Account maintained with the SCSB. Application through ASBA facility in electronic mode will only be available with such SCSBs who provide such facility.

Investors should note that the ASBA process involves procedures that are different from the procedure under the R-WAP process. Investors applying through the ASBA facility should carefully read the provisions applicable to such Applications before making their Application through the ASBA process. For details, Paragraph titled '**Procedure for Application through the ASBA Process**' on page 151 of this Draft Letter of Offer.

Please note that subject to SCSBs complying with the requirements of SEBI circular bearing reference number CIR/CFD/DIL/13/2012 dated September 25, 2012, within the periods stipulated therein, Applications may be submitted at the Designated Branches of the SCSBs.

Further, in terms of the SEBI circular bearing reference number CIR/CFD/DIL/1/2013 dated January 02, 2013, it is clarified that for making Applications by SCSBs on their own account using ASBA facility, each such SCSB should have a separate account in its own name with any other SEBI registered SCSB(s). Such account shall be used solely for the purpose of making an Application in this Issue and clear demarcated funds should be available in such account for such an Application.

2. Registrar's Web-based Application Platform (R-WAP)

In accordance with R-WAP Circulars issued by SEBI bearing reference numbers SEBI/HO/CFD/DIL2/CIR/P/2020/78 dated May 6, 2020, SEBI/HO/CFD/DIL1/CIR/P/2020/136 dated July 24, 2020, SEBI/HO/CFD/DIL1/CIR/P/2021/13 dated January 19, 2021, and SEBI/HO/CFD/DIL2/CIR/P/2021/552 dated April 22, 2021, a separate web-based application platform, i.e., the R-WAP facility accessible at www.bigshareonline.com has been instituted for making an Application in this Issue by resident Investors. Further, R-WAP is only an additional option and not a replacement of the ASBA process. At the R-WAP, resident Investors can access and submit the online Application Form in electronic mode using the R-WAP and make online payment using their internet banking or UPI facility from their own bank account thereat. Prior to making an Application, such Applicants should enable the internet banking or UPI facility of their respective bank accounts and such Investors should ensure that the respective bank accounts have sufficient funds.



PLEASE NOTE THAT ONLY RESIDENT INVESTORS CAN SUBMIT AN APPLICATION USING THE R-WAP. R-WAP FACILITY WILL BE OPERATIONAL FROM THE ISSUE OPENING DATE. FOR RISKS ASSOCIATED WITH THE R-WAP PROCESS, SEE 'RISK FACTOR - THE R-WAP PAYMENT MECHANISM FACILITY PROPOSED TO BE USED FOR THIS ISSUE MAY BE EXPOSED TO RISKS, INCLUDING RISKS ASSOCIATED WITH PAYMENT GATEWAYS' ON PAGE 21 OF THIS DRAFT LETTER OF OFFER.

For guidance on the Application process through R-WAP and resolution of difficulties faced by the Investors, the Investors are advised to carefully read the frequently asked questions, visit the online/ electronic dedicated investor helpdesk at www.bigshareonline.com or call helpline number 022-62638200/22 For details, see '**Procedure for Application through the R-WAP**' on page 151 of this Draft Letter of Offer.

Applicants should note that they should very carefully fill-in their depository account details and PAN in the Application Form or while submitting application through online/electronic Application through the website of the SCSBs (if made available by such SCSB) and R-WAP. Please note that incorrect depository account details or PAN or Application Forms without depository account details (except in case of Eligible Equity Shareholders who hold Equity Shares in physical form and are applying in this Issue in accordance with the SEBI Rights Issue Circulars through R-WAP) shall be treated as incomplete and shall be rejected. For details see '**Grounds for Technical Rejection**' on page 162 of this Draft Letter of Offer. Our Company, the Lead Manager, the Registrar and the SCSBs shall not be liable for any incomplete or incorrect demat details provided by the Applicants.

Additionally, in terms of Regulation 78 of the SEBI (ICDR) Regulations, Investors may choose to accept the offer to participate in this Issue by making plain paper Applications. Please note that Eligible Shareholders making an application in this Issue by way of plain paper applications shall not be permitted to renounce any portion of their Rights Entitlements. For details, see '**Application on Plain Paper under ASBA processes**' on page 154 of this Draft Letter of Offer.

3. Credit of Rights Entitlements in demat accounts of Eligible Shareholders

In accordance with Regulation 77A of the SEBI (ICDR) Regulations read with the SEBI - Rights Issue Circular, the credit of Rights Entitlements and Allotment of Right Shares shall be made in dematerialized form only.

Prior to the Issue Opening Date, our Company shall credit the Rights Entitlements to:

- a. The demat accounts of the Eligible Shareholders holding the Equity Shares in dematerialised form; and
- b. A demat suspense escrow account (namely, '[●]') opened by our Company, for the Eligible Shareholders which would comprise Rights Entitlements relating to:
 - (i) Equity Shares held in a demat suspense account pursuant to Regulation 39 of the SEBI (LODR) Regulations; or
 - (ii) Equity Shares held in the account of IEPF authority; or
 - (iii) The demat accounts of the Eligible Equity Shareholder which are frozen or details of which are unavailable with our Company or with the Registrar on the Record Date; or
 - (iv) Credit of the Rights Entitlements returned/ reversed/ failed; or
 - (v) Equity Shares held by Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date where details of demat accounts are not provided by Eligible Equity Shareholders to our Company; or
 - (vi) The ownership of the Equity Shares currently under dispute, including any court proceedings, as applicable.
 - (vii) Eligible Equity Shareholders who have not provided their Indian addresses

Eligible Shareholders whose Rights Entitlements are credited in demat suspense escrow account opened by our Company as on Record Date are requested to provide relevant details (such as copies of self-attested PAN and client master sheet of demat account etc., details/ records confirming the legal and beneficial ownership of their respective Equity Shares) to the Company or the Registrar to the Issue not later than 2 (Two) Working Days prior to the Issue Closing Date, i.e., by [●], to enable the credit of their Rights Entitlements by way of transfer from the demat



suspense escrow account to their demat account at least 1 (One) day before the Issue Closing Date, to enable such Eligible Shareholders to make an application in this Issue, and this communication shall serve as an intimation to such Eligible Shareholders in this regard. Such Eligible Shareholders are also requested to ensure that their demat account is active, details of which have been provided to the Company or the Registrar to the Issue, to facilitate the aforementioned transfer. Eligible Equity Shareholders holding Equity Shares in physical form can update the details of their demat accounts on the website of the Registrar (i.e. www.bigshareonline.com). Such Eligible Equity Shareholders can make an Application only after the Rights Entitlements is credited to their respective demat accounts.

In accordance with the SEBI Rights Issue Circulars, the Resident Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have not furnished the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date i.e. 25th January, 2021 shall not be eligible to make an Application for Rights Equity Shares against their Rights Entitlements with respect to the equity shares held in physical form.

Eligible Equity Shareholders can obtain the details of their Rights Entitlements from the website of the Registrar (i.e. www.bigshareonline.com) by entering their DP ID and Client ID or Folio Number (in case of Eligible Equity Shareholders holding Equity Shares in physical form) and PAN. The link for the same shall also be available on the website of our Company (i.e. www.mercurymetals.in).

4. Application by Eligible Shareholders holding Equity Shares in physical form

Please note that in accordance with Regulation 77A of the SEBI (ICDR) Regulations read with the SEBI Rights Issue Circulars, the credit of Rights Entitlements and Allotment of Equity Shares shall be made in dematerialised form only. Accordingly, Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date and desirous of subscribing to Equity Shares in this Issue are advised to furnish the details of their demat account to our Company or Registrar at least two Working Days prior to the Issue Closing Date, to enable the credit of their Rights Entitlements in their respective demat accounts at least one day before the Issue Closing Date.

In accordance with the SEBI Rights Issue Circulars, (a) the Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date; or (b) the Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have not furnished the details of their demat account to our Company or Registrar at least two Working Days prior to the Issue Closing Date, desirous of subscribing to Rights Shares may also apply in this Issue during the Issue Period. Application by such Eligible Equity Shareholders is subject to following conditions:

- a. The Eligible Equity Shareholders apply only through R-WAP;
- b. The Eligible Equity Shareholders are residents;
- c. The Eligible Equity Shareholders are not making payment from non-resident account;
- d. The Eligible Equity Shareholders shall not be able to renounce their Rights Entitlements; and
- e. The Eligible Equity Shareholders shall receive Rights Shares, in respect of their Application, only in demat mode.

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

Accordingly, such resident Eligible Equity Shareholders are required to send a communication to our Company containing the name(s), Indian address, email address, contact details and the details of their demat account along with copy of self- attested PAN and self-attested client master sheet of their demat account either by post, speed post, courier, electronic mail, or hand delivery, to enable process of credit of Rights Shares in such demat account.



5. Application for Additional Equity Shares

Investors are eligible to apply for additional Equity Shares over and above their Rights Entitlements, provided that they are eligible to apply for Equity Shares under applicable law and they have applied for all the Equity Shares forming part of their Rights Entitlements without renouncing them in whole or in part. Where the number of additional Equity Shares applied for exceeds the number available for Allotment, the Allotment would be made as per the Basis of Allotment finalised in consultation with the Designated Stock Exchange. Applications for additional Equity Shares shall be considered and Allotment shall be made in accordance with the SEBI ICDR Regulations and in the manner as set out in “**Basis of Allotment**” beginning on page 165.

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

Investors to kindly note that after purchasing the Rights Entitlements through On Market Renunciation / Off Market Renunciation, an Application has to be made for subscribing to the Rights Equity Shares. If no such Application is made by the renouncee on or before Issue Closing Date, then such Rights Entitlements will get lapsed and shall be extinguished after the Issue Closing Date and no Rights Equity Shares for such lapsed Rights Entitlements will be credited. For procedure of Application by shareholders who have purchased the Right Entitlement through On Market Renunciation / Off Market Renunciation, please refer to the heading titled “Procedure for Application through the ASBA process” and “Procedure for Application through R-WAP” on pages 151 and 151 of this Letter of Offer.

OTHER IMPORTANT LINKS AND HELPLINE

The Investors can visit following links for the below-mentioned purposes:

1. Frequently asked questions and online/ electronic dedicated investor helpdesk for guidance on the Application process and resolution of difficulties faced by the Investors: www.bigshareonline.com;
2. Updating of Indian address/ e-mail address/ mobile number in the records maintained by the Registrar to the Issue or our Company: rightsissue@bigshareonline.com
3. Updation of demat account details by Eligible Equity Shareholders holding shares in physical form: rightsissue@bigshareonline.com
4. Submission of self-attested PAN, client master sheet and demat account details by non-resident Eligible Shareholders: www.bigshareonline.com;

RENOUCEES

All rights and obligations of the Eligible Shareholders in relation to Applications and refunds pertaining to this Issue shall apply to the Renouncee(s) as well.

AUTHORITY FOR THE ISSUE

The Issue has been authorized by a resolution of Board of Directors of our Company passed at their meeting held on June 22, 2022, in accordance with the provisions of Section 62(1)(a) of the Companies Act.

The Board of Directors in their meeting held on [●], have determined the Issue Price at ₹[●] per Equity Share and the Rights Entitlement as [●]([●]) Right Share(s) for every [●] ([●]) Equity Shares held on the Record Date.

The Issue Price has been arrived at in consultation with the Lead Manager.

BASIS FOR THIS ISSUE

The Right Shares are being offered for subscription for cash to the Eligible Shareholders whose names appear as beneficial owners as per the list to be furnished by the Depositories in respect of our Equity Shares held in dematerialised form and on the register of members at the close of business hours on the Record Date.



RIGHTS ENTITLEMENTS

Eligible Shareholders whose names appear as a beneficial owner in respect of the issued and paid-up Equity Shares held in dematerialised form or appears in the register of members of our Company as an Eligible Equity Shareholder in respect of our Equity Shares held in physical form, as on the Record Date, you may be entitled to subscribe to the number of Rights Equity Shares as set out in the Rights Entitlement Letter.

The Registrar will send/dispatch a Rights Entitlement Letter along with the Abridged Letter of Offer and the Application Form to all Eligible Equity Shareholders who have provided an Indian address to our Company and who are located in jurisdictions where the offer and sale of the Rights Entitlements or Rights Shares is permitted under laws of such jurisdiction and does not result in and may not be construed as, a public offering in such jurisdictions, which will contain details of their Rights Entitlements based on their shareholding as on the Record Date.

Eligible Shareholders can also obtain the details of their respective Rights Entitlements from the Registrar to the Issue's website at www.bigshareonline.com by entering their DP-ID and Client-ID and PAN. The link for the same shall also be available on our Company's website at www.mercurymetals.in.

Rights Entitlements shall be credited to the respective demat accounts of Eligible Shareholders before the Issue Opening Date only in dematerialised form. If Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date, have not provided the details of their demat accounts to our Company or to the Registrar, they are required to provide their demat account details to our Company or the Registrar not later than two Working Days prior to the Issue Closing Date, to enable the credit of the Rights Entitlements by way of transfer from the demat suspense escrow account to their respective demat accounts, at least one day before the Issue Closing Date. Such Eligible Equity Shareholders holding shares in physical form can update the details of their respective demat accounts on the website of the Registrar (i.e., www.bigshareonline.com). Such Eligible Equity Shareholders can make an application only after the Rights Entitlements is credited to their respective demat accounts.

Our Company is undertaking this Issue on a rights basis to the Eligible Shareholders and will send the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, and the Application Form only to email addresses of Eligible Shareholders who have provided their Indian address to our Company or who are located in jurisdictions where this Issue and sale of the Rights Entitlements or Right Shares is permitted under laws of such jurisdiction and does not result in and may not be construed as, a public offering in such jurisdictions. The Letter of Offer will be provided, only through email, by the Registrar on behalf of our Company and the Lead Manager to the Eligible Shareholders who have provided their Indian addresses to our Company or who are located in jurisdictions where the offer and sale of the Rights Entitlement or Right Shares is permitted under laws of such jurisdiction and does not result in and may not be construed as, a public offering in such jurisdictions and in each case who make a request in this regard.

The Letter of Offer, the Abridged Letter of Offer and the Application Form may also be accessed on the websites of the Registrar, our Company, and the Lead Manager through a link contained in the aforementioned email sent to email addresses of Eligible Shareholders (provided that the Eligible Equity Shareholder is eligible to subscribe for the Right Shares under applicable securities laws) and on the BSE Limited's website. The distribution of the Letter of Offer, Abridged Letter of Offer, the Rights Entitlement Letter and the issue of Right Shares on a rights basis to persons in certain jurisdictions outside India is restricted by legal requirements prevailing in those jurisdictions. No action has been, or will be, taken to permit this Issue in any jurisdiction where action would be required for that purpose, except that the Letter of Offer filed with BSE Limited and the Letter of Offer to be filed with SEBI and the BSE Limited. Accordingly, the Rights Entitlements and Right Shares may not be offered or sold, directly or indirectly, and the Draft Letter of Offer, the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form or any Issue related materials or advertisements in connection with this Issue may not be distributed, in any jurisdiction, except in accordance with legal requirements applicable in such jurisdiction. Receipt of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form (including by way of electronic means) will not constitute an offer in those jurisdictions in which it would be illegal to make such an offer and, in those circumstances, the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form must be treated as sent for information only and should not be acted upon for making an Application and should not be copied or re-distributed. Accordingly, persons receiving a copy of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, or the Application Form should not, in connection with the issue of the Right Shares or the Rights Entitlements, distribute or send the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form in or into any jurisdiction where to do so, would, or might, contravene local securities laws or regulations. If the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Forms received by any person in any such jurisdiction, or by



their agent or nominee, they must not seek to make an Application or acquire the Rights Entitlements referred to in the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form. Any person who acquires Rights Entitlements or makes and Application will be deemed to have declared, warranted and agreed, by accepting the delivery of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form, that it is entitled to subscribe for the Right Shares under the laws of any jurisdiction which apply to such person.

PRINCIPAL TERMS OF THIS ISSUE

1. Face Value

Each Right Shares will be having face value of ₹ 1/- (Rupee One Only).

2. Issue Price

Each Rights Share is being offered at a price of ₹[●] (Rupees [●] Only) per Rights Share (including a premium of ₹[●] (Rupees [●] Only) per Rights Share) in this Issue.

The Issue Price for Right Shares has been arrived at by our Company in consultation with the Lead Manager and has been decided prior to the determination of the Record Date.

3. Rights Entitlements Ratio

The Right Shares are being offered on a rights basis to the Eligible Shareholders in the ratio of [●] ([●]) Rights Share(s) for every [●] ([●]) Equity Share(s) held by the Eligible Shareholders as on the Record Date.

4. Mode of Payment of Dividend

In the event of declaration of dividend, our Company shall pay dividend to the shareholders of our Company as per the provisions of the Companies Act and the provisions of the Articles of Association.

5. Terms of Payment

Amount payable per Right Equity Share	Face Value	Premium	Amount
On Application	₹ 1/-	₹ [●]	₹ [●]

Each Rights Share is being offered at a price of ₹[●]/- per Rights Share (including a premium of ₹[●]/- per Rights Share), for every [●] Rights Share allotted in this Issue.

Where an Applicant has applied for additional Right Shares and is allotted a lesser number of Right Shares than applied for, the excess Application Money paid/blocked shall be refunded/unblocked. The un-blocking of ASBA funds / refund of monies shall be completed be within such period as prescribed under the SEBI (ICDR) Regulations. In the event that there is a delay in making refunds beyond such period as prescribed under applicable law, our Company shall pay the requisite interest at such rate as prescribed under applicable law.

6. Renunciation of Rights Entitlements

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

The renunciation from non-resident Eligible Equity Shareholder(s) to resident Indian(s) and vice versa shall be subject to provisions of FEMA Rules and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to time. However, the facility of renunciation shall not be available to or operate in favour of an Eligible Shareholders being an erstwhile OCB unless the same is in compliance with the FEMA Rules and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to time.

The renunciation of Rights Entitlements credited in your demat account can be made either by sale of such Rights Entitlements, using the secondary market platform of the BSE or through an off-market transfer. For details, see '**Procedure for Renunciation of Rights Entitlements**' on page 153 of this Draft Letter of Offer.



In accordance with SEBI Right Issue circulars the Eligible Shareholders, who hold Equity Shares in physical form as on Record Date and who have not furnished the details of their demat account to the Registrar or our Company at least 2 (Two) Working Days prior to the Issue Closing Date, will not be able to renounce their Rights Entitlements.

7. Process of Credit of Rights Entitlements in dematerialized account

In accordance with Regulation 77A of the SEBI (ICDR) Regulations read with the SEBI Issue Circulars, the credit of Rights Entitlements and Allotment of Right Shares shall be made in dematerialized form only. Prior to the Issue Opening Date, our Company shall credit the Rights Entitlements to:

- a. The demat accounts of the Eligible Shareholders holding the Equity Shares in dematerialized form; and
- b. A demat suspense escrow account (namely, [●]) opened by our Company, for the Eligible Shareholders which would comprise Rights Entitlements relating to:
 - (i) Equity Shares held in a demat suspense account pursuant to Regulation 39 of the SEBI (LODR) Regulations; or
 - (ii) Equity Shares held in the account of IEPF authority; or
 - (iii) The demat accounts of the Eligible Equity Shareholder which are frozen or details of which are unavailable with our Company or with the Registrar on the Record Date; or
 - (iv) Equity Shares held by Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date where details of demat accounts are not provided by Eligible Equity Shareholders to our Company or Registrar;
 - (v) Credit of the Rights Entitlements returned/ reversed/ failed; or
 - (vi) The ownership of the Equity Shares currently under dispute, including any court proceedings, as applicable.

In this regard, our Company has made necessary arrangements with NSDL and CDSL for the crediting of the Rights Entitlements to the demat accounts of the Eligible Shareholders in a dematerialized form. A separate ISIN for the Rights Entitlements has also been generated which is [●]. The said ISIN shall remain frozen (for debit) till the Issue Opening Date and shall become active on the Issue Opening Date and remain active for renunciation or transfer during the Renunciation Period. It is clarified that the Rights Entitlements shall not be available for transfer or trading post the Renunciation Period. The said ISIN shall be suspended for transfer by the Depositories post the Issue Closing Date.

Eligible Shareholders whose Rights Entitlement are credited in demat suspense account, are requested to provide relevant details (such as copies of self-attested PAN and client master sheet of demat account etc., details/ records confirming the legal and beneficial ownership of their respective Equity Shares) to the Company or the Registrar not later than [●]([●]) Working Days prior to the Issue Closing Date, i.e., [●], by to enable the credit of their Rights Entitlements by way of transfer from the demat suspense escrow account to their demat account at least 1 (One) day before the Issue Closing Date, to enable such Eligible Shareholders to make an application in this Issue, and this communication shall serve as an intimation to such Eligible Shareholders in this regard. Such Eligible Shareholders are also requested to ensure that their demat account, details of which have been provided to the Company or the Registrar account is active to facilitate the aforementioned transfer.

Additionally, our Company will submit the details of the total Rights Entitlements credited to the demat accounts of the Eligible Shareholders and the demat suspense escrow account to the BSE after completing the corporate action. The details of the Rights Entitlements with respect to each Eligible Shareholders can be accessed by such respective Eligible Shareholders on the website of the Registrar after keying in their respective details along with other security control measures implemented thereat. Eligible Equity Shareholders holding Equity Shares in physical form can update the details of their demat accounts on the website of the Registrar (i.e. www.bigshareonline.com). Such Eligible Equity Shareholders can make an application only after the Rights Entitlements is credited to their respective demat accounts.

PLEASE NOTE THAT CREDIT OF THE RIGHTS ENTITLEMENTS IN THE DEMAT ACCOUNT DOES NOT, PER SE, ENTITLE THE INVESTORS TO THE RIGHTS SHARES AND THE INVESTORS HAVE TO SUBMIT APPLICATION FOR THE RIGHTS SHARES ON OR BEFORE THE ISSUE CLOSING DATE AND MAKE PAYMENT OF THE APPLICATION MONEY. FOR DETAILS, PLEASE REFER TO THE PARAGRAPH TITLED 'Procedure for Application through the ASBA Process' AND 'Procedure for Application through the R-WAP' ON PAGE 151 RESPECTIVELY OF THIS DRAFT LETTER OF OFFER.



8. Fractional Entitlements

The Right Shares are being offered on a rights basis to existing Eligible Shareholders in the ratio of [●] ([●]) Right Shares for every [●] ([●]) Equity Shares held as on the Record Date. As per SEBI Rights Issue Circulars, the fractional entitlements are to be ignored. Accordingly, if the shareholding of any of the Eligible Shareholders is less than [●] ([●]) Equity Shares or is not in the multiple of [●] ([●]) Equity Shares, the fractional entitlements of such Eligible Shareholders shall be ignored by rounding down of their Rights Entitlements. However, the Eligible Shareholders whose fractional entitlements are being ignored, will be given preferential consideration for the Allotment of one additional Rights Security if they apply for additional Right Shares over and above their Rights Entitlements, if any, subject to availability of Right Shares in this Issue post allocation towards Rights Entitlements applied for.

For example, if an Eligible Equity Shareholder holds [●] ([●]) Equity Shares, such Equity Shareholder will be entitled to [●] ([●]) Rights Share(s) and will also be given a preferential consideration for the Allotment of one additional Rights Share if such Eligible Equity Shareholder has applied for additional Right Shares, over and above his/ her Rights Entitlements, subject to availability of Right Shares in this Issue post allocation towards Rights Entitlements applied for.

Further, the Eligible Shareholders holding less than [●] ([●]) Equity Shares shall have 'zero' entitlement for the Right Shares. Such Eligible Shareholders are entitled to apply for additional Right Shares and will be given preference in the Allotment of one Right Shares, if such Eligible Shareholders apply for additional Right Shares, subject to availability of Right Shares in this Issue post allocation towards Rights Entitlements applied for. However, they cannot renounce the same in favour of third parties.

9. Ranking of Equity Shares

The Right Shares to be issued and Allotted pursuant to this Issue shall be subject to the provisions of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form, and the Memorandum of Association and the Articles of Association, the provisions of the Companies Act, 2013, FEMA, the SEBI (ICDR) Regulations, the SEBI (LODR) Regulations, and the guidelines, notifications and regulations issued by SEBI, the Government of India and other statutory and regulatory authorities from time to time, the terms of the Listing Agreements entered into by our Company with the Stock Exchange and the terms and conditions as stipulated in the Allotment advice.

The Right Shares being issued and allotted shall be subject to the provisions of the Memorandum of Association and Articles of Association. The Right Shares shall rank pari-passu, in all respects including dividend, with our existing Equity Shares.

The voting rights in a poll, whether present in person or by representative or by proxy shall be in proportion to the paid-up value of the Shares held, and no voting rights shall be exercisable in respect of moneys paid in advance, if any.

10. Trading of the Rights Entitlements

In accordance with the ASBA Circulars and SEBI Rights Issue Circulars, the Rights Entitlements credited shall be admitted for trading on the BSE Limited under ISIN [●] . Prior to the Issue Opening Date, our Company will obtain the approval from the BSE Limited for trading of Rights Entitlements. Investors shall be able to trade their Rights Entitlements either through On Market Renunciation or through Off Market Renunciation. The trades through On Market Renunciation and Off Market Renunciation will be settled by transferring the Rights Entitlements through the depository mechanism.

The On Market Renunciation shall take place electronically on the secondary market platform of the BSE on T+2 rolling settlement basis, where T refers to the date of trading. The transactions will be settled on trade-for-trade basis. The Rights Entitlements shall be tradable in dematerialized form only. The market lot for trading of Rights Entitlements is one Rights Entitlement.

The On Market Renunciation shall take place only during the Renunciation Period for On Market Renunciation, i.e., from [●] to [●] (both days inclusive). No assurance can be given regarding the active or sustained On Market Renunciation or the price at which the Rights Entitlements will trade. Eligible Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renounees on or prior to the Issue Closing Date. For details, see '**Procedure for Renunciation of Rights Entitlements – On Market Renunciation**' and '**Procedure for Renunciation of Rights Entitlements – Off Market Renunciation**' on page 153 and 154 of this Draft Letter of Offer.



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

11. Listing and trading of the Right Shares to be issued pursuant to this Issue

Subject to receipt of the listing and trading approvals, the Right Shares proposed to be issued on a rights basis shall be listed and admitted for trading on the Stock Exchange. Unless otherwise permitted by the SEBI (ICDR) Regulations, the Right Shares Allotted pursuant to this Issue will be listed as soon as practicable and all steps for completion of necessary procedures for listing and commencement of trading in the Right Shares will be taken within such period prescribed under the SEBI (ICDR) Regulations. Our Company has received in-principle approval from the BSE through letter bearing reference number '[●]' dated [●]. Our Company will apply to the BSE Limited for final approvals for the listing and trading of the Right Shares subsequent to their Allotment. No assurance can be given regarding the active or sustained trading in the Right Shares or the price at which the Right Shares offered under this Issue will trade after the listing thereof.

The Right Shares shall be listed and admitted for trading on the BSE Limited under separate ISINs for Right Shares. The procedures for listing and trading of Right Shares shall be completed within 7 (Seven) Working Days from the date of finalization of the Basis of Allotment.

The process of corporate action for crediting the fully paid-up Right Shares to the Investors' demat accounts, may take such time as is customary or as prescribed under applicable law from the last date of payment of the amount.

The existing Equity Shares are listed and traded on BSE Limited bearing Scrip Code '**MERMETL**' under ISIN **INE763M01028**. The Rights Shares shall be credited to temporary ISINs which will be frozen until the receipt of the final listing/ trading approvals from the Stock Exchange. Upon receipt of such listing and trading approvals, the Right Shares shall be debited from such temporary ISINs and credited to the existing ISIN as fully paid up Equity share of our company.

The listing and trading of the Right Shares issued pursuant to this Issue shall be based on the current regulatory framework then applicable. Accordingly, any change in the regulatory regime would affect the listing and trading schedule.

In case our Company fails to obtain listing or trading permission from the BSE Limited, we shall refund through verifiable means/unblock the respective ASBA Accounts, the entire monies received/blocked within 4 (Four) days of receipt of intimation from the BSE Limited, rejecting the application for listing of the Right Shares, and if any such money is not refunded/ unblocked within 4 (Four) days after our Company becomes liable to repay it, our Company and every director of our Company who is an officer -in-default shall, on and from the expiry of the eighth day, be jointly and severally liable to repay that money with interest at rates prescribed under applicable law.

12. Subscription to this Issue by our Promoter and our Promoter Group

For details of the intent and extent of subscription by our Promoter and the Promoter Group, see the paragraph titled '**Intention and extent of participation by our Promoter and Promoter Group**' under the section titled '**Capital Structure**' on page 43 of this Draft Letter of Offer.

13. Rights of holders of Right Shares of our Company

Subject to applicable laws, holders of the Right Shares shall have the following rights:

- a. The Right Shares shall rank *pari-passu* with the existing Equity Shares in all respects;
- b. The right to receive dividend, if declared;
- c. The right to vote in person, or by proxy, except in case of Right Shares credited to the demat suspense account for resident Eligible Shareholders;
- d. The right to receive surplus on liquidation;
- e. The right to free transferability of Right Shares;
- f. The right to attend general meetings of our Company and exercise voting powers in accordance with law; and
- g. Such other rights as may be available to a shareholder of a listed public Company under the Companies Act, 2013, the Memorandum of Association and the Articles of Association.

Subject to applicable law and Articles of Association, holders of Right Shares shall be entitled to the above rights in proportion to amount paid-up on such Right Shares in this Issue.



GENERAL TERMS OF THE ISSUE

1. Market Lot

The Right Shares of our Company shall be tradable only in dematerialized form. The market lot for the Right Shares in dematerialized mode is 1 (One) Equity Share.

2. Minimum Subscription

In accordance with Regulation 86 of SEBI (ICDR) Regulations, if our Company does not receive the minimum subscription of at least 90% of the Issue of the Equity Shares being offered under this Issue, on an aggregate basis, our Company shall refund the entire subscription amount received within 4 (four) days from the Issue Closing Date. If there is delay in making refunds beyond such period as prescribed by applicable laws, our Company will pay interest for the delayed period at rates prescribed under applicable laws.

3. Joint Holders

Where two or more persons are registered as the holders of any Equity Shares, they shall be deemed to hold the same as the joint holders with the benefit of survivorship subject to the provisions contained in our Articles of Association. In case of Equity Shares held by joint holders, the Application submitted in physical mode to the Designated Branch of the SCSBs would be required to be signed by all the joint holders (in the same order as appearing in the records of the Depository) to be considered as valid for allotment of Right Shares offered in this Issue.

4. Nomination

Nomination facility is available in respect of the Right Shares in accordance with the provisions of the Section 72 of the Companies Act, 2013 read with Rule 19 of the Companies (Share Capital and Debenture) Rules, 2014. Since the Allotment is in dematerialized form, there is no need to make a separate nomination for the Right Shares to be allotted in this Issue. Nominations registered with the respective Depository Participants of the Investors would prevail. Any Investor holding Equity Shares in dematerialized form and desirous of changing the existing nomination is requested to inform its Depository Participant.

5. Arrangements for Disposal of Odd Lots

The Right Shares are traded in dematerialized form only and therefore the marketable lot is 1 (One) Equity Share and hence no arrangements for disposal of odd lots are required.

6. Restrictions on transfer and transmission of shares and on their consolidation/splitting

There are no restrictions on transfer and transmission and on their consolidation/splitting of shares issued pursuant to this Issue. However, the Investors should note that pursuant to provisions of the SEBI (LODR) Regulations, with effect from April 1, 2019, except in case of transmission or transposition of securities, the request for transfer of securities shall not be affected unless the securities are held in the dematerialized form with a depository.

7. Notices

In accordance with the SEBI (ICDR) Regulations, SEBI Rights Issue Circulars and MCA General Circular No. 21/2020, our Company will send the Abridged Letter of Offer, the Rights Entitlement Letter, Application Form and other issue material only to the Eligible Shareholders who have provided an Indian address to our Company and who are located in jurisdictions where the offer and sale of the Rights Entitlement or Right Shares is permitted under laws of such jurisdiction and does not result in and may not be construed as, a public offering in such jurisdictions. In case the Eligible Shareholders have provided their valid e-mail address, the Issue Materials will be sent only to their valid e-mail address and in case the Eligible Shareholders have not provided their e-mail address, then the Issue Materials will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

The Letter of Offer will be provided by the Registrar to the Issue on behalf of our Company to the Eligible Shareholders who have provided their Indian addresses to our Company and who make a request in this regard. In



case the Eligible Shareholders have provided their valid e-mail address, the Letter of Offer will be sent only to their valid e-mail address and in case the Eligible Shareholders have not provided their email address, then the Letter of Offer will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

All notices to the Eligible Shareholders required to be given by our Company shall be published in one English language national daily newspaper with wide circulation, one Hindi language national daily newspaper with wide circulation and one Gujarati language daily newspaper with wide circulation (Gujarati being the regional language of Vadodara where our Registered Office is situated).

The Letter of Offer, the Abridged Letter of Offer and the Application Form shall also be submitted with the Stock Exchange for making the same available on their website.

OFFER TO NON-RESIDENT ELIGIBLE SHAREHOLDERS/INVESTORS

As per Rule 7 of the FEMA Rules, the RBI has given general permission to Indian companies to issue Right Shares to non-resident shareholders including additional Right Shares. Further, as per the Master Direction on Foreign Investment in India dated January 4, 2018 issued by the RBI, non-residents may, amongst other things:

1. Subscribe for additional Equity Shares over and above their Rights Entitlements;
2. Renounce the Right Shares offered to them either in full or in part thereof in favour of a person named by them;
or
3. Apply for the Equity Shares renounced in their favour.

Applications received from NRIs and non-residents for allotment of Right Shares shall be, amongst other things, subject to the conditions imposed from time to time by the RBI under FEMA in the matter of Application, refund of Application Money, Allotment of Right Shares and issue of Rights Entitlements Letters/ letters of Allotment/Allotment advice. If a non-resident or NRI Investor has specific approval from RBI, in connection with his shareholding in our Company, such person should enclose a copy of such approval with the Application details and send it to the Registrar by email on www.bigshareonline.com or physically/postal means at the address of the Registrar mentioned on the cover page of this Draft Letter of Offer. It will be the sole responsibility of the investors to ensure that the necessary approval from the RBI or the governmental authority is valid in order to make any investment in the Issue and the Lead Manager and our Company will not be responsible for any such allotments made by relying on such approvals.

The Abridged Letter of Offer, the Rights Entitlement Letter and Application Form shall be sent to the e-mail address of non-resident Eligible Shareholders who have provided an Indian address to our Company or who are located in jurisdictions where the offer and sale of the Right Shares is permitted under laws of such jurisdictions. Investors can access the Letter of Offer, the Abridged Letter of Offer and the Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe for the Right Shares under applicable securities laws) from the websites of the Registrar, our Company, the Lead Manager and the BSE. The Board of Directors may at its absolute discretion, agree to such terms and conditions as may be stipulated by the RBI while approving the Allotment. The Right Shares purchased by non-residents shall be subject to the same conditions including restrictions in regard to the repatriation as are applicable to the original Equity Shares against which Right Shares are issued on rights basis.

In case of change of status of holders, i.e., from resident to non-resident, a new demat account must be opened. Any Application from a demat account which does not reflect the accurate status of the Applicant is liable to be rejected at the sole discretion of our Company and the Lead Manager.

Please note that only resident Investors can submit an Application using the R-WAP facility.

Please also note that pursuant to Circular No. 14 dated September 16, 2003, issued by the RBI, Overseas Corporate Bodies (hereinafter referred to as 'OCBs') have been derecognized as an eligible class of investors and the RBI has subsequently issued the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCBs)) Regulations, 2003. Any Investor being an OCB is required not to be under the adverse notice of the RBI and to obtain prior approval from RBI for applying in this Issue.

The non-resident Eligible Shareholders can update their Indian address in the records maintained by the Registrar through email at www.bigshareonline.com and our Company through email at www.mercurymetals.in by submitting their respective copies of self-attested proof of address, passport, etc.



PROCEDURE FOR APPLICATION

How to Apply

In accordance with Regulation 76 of the SEBI (ICDR) Regulations, SEBI Rights Issue Circulars and ASBA Circulars, all Investors desiring to make an Application in this Issue are mandatorily required to use either the ASBA process or the optional mechanism instituted only for resident Investors in this Issue, i.e., R-WAP. Investors should carefully read the provisions applicable to such Applications before making their Application through ASBA or using the R-WAP.

The Lead Manager, our Company, its directors, its employees, affiliates, associates and their respective directors and officers and the Registrar shall not take any responsibility for acts, mistakes, errors, omissions and commissions etc. in relation to Applications accepted by SCSBs, Applications uploaded by SCSBs, Applications accepted but not uploaded by SCSBs or Applications accepted and uploaded without blocking funds in the ASBA Accounts.

Application Form

The Application Form for the Right Shares offered as part of this Issue would be sent to the Eligible Shareholders only to:

- (i) E-mail addresses of resident Eligible Shareholders who have provided their e-mail addresses;
- (ii) Indian addresses of the resident Eligible Shareholders, on a reasonable effort basis, whose e-mail addresses are not available with our Company or the Eligible Shareholders have not provided the valid email address to our Company;
- (iii) Indian addresses of the non-resident Eligible Shareholders, on a reasonable effort basis, who have provided an Indian address to our Company; and
- (iv) E-mail addresses of foreign corporate or institutional shareholders.

The Application Form along with the Abridged Letter of Offer and the Rights Entitlement Letter shall be sent through email or physical delivery, as applicable, at least 3 (Three) days before the Issue Opening Date.

In case of non-resident Eligible Shareholders, the Application Form along with the Abridged Letter of Offer and the Rights Entitlement Letter shall be sent through e-mail address if they have provided an Indian address to our Company or who are located in jurisdictions where the offer and sale of the Right Shares is permitted under laws of such jurisdictions.

Please note that neither our Company nor the Registrar nor the Lead Manager shall be responsible for delay in the receipt of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form attributable to non-availability of the e-mail addresses of Eligible Shareholders or electronic transmission delays or failures, or if the Application Forms or the Rights Entitlement Letters are delayed or misplaced in the transit or there is a delay in physical delivery (where applicable).

To update the respective e-mail addresses/ mobile numbers in the records maintained by the Registrar or our Company, Eligible Shareholders should visit www.bigshareonline.com. Investors can access the Letter of Offer, the Abridged Letter of Offer and the Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe for the Right Shares under applicable securities laws) from the websites of:

- (i) Our Company at www.mercurymetals.in;
- (ii) The Registrar at www.bigshareonline.com;
- (iii) The Lead Manager at www.kunvarji.com;
- (iv) The Stock Exchange at www.bseindia.com;
- (v) The Registrar's web-based application platform ('R-WAP') at www.bigshareonline.com;



The Eligible Shareholders can obtain the details of their respective Rights Entitlements from the website of the Registrar at www.bigshareonline.com by entering their DP-ID and Client-ID and PAN. The link for the same shall also be available on the website of our Company at www.mercurymetals.in.

The Application Form can be used by the Eligible Shareholders as well as the Renounees, to make Applications in this Issue on the basis of the Rights Entitlements credited in their respective demat accounts or demat suspense escrow account, as applicable. Please note that one single Application Form shall be used by the Investors to make Applications for all Rights Entitlements available in a particular demat account or entire respective portion of the Rights Entitlements in the demat suspense escrow account in case of resident Eligible Shareholders applying in this Issue, as applicable.

In case of Investors who have provided details of demat account in accordance with the SEBI (ICDR) Regulations, such Investors will have to apply for the Right Shares from the same demat account in which they are holding the Rights Entitlements and in case of multiple demat accounts, the Investors are required to submit a separate Application Form for each demat account.

Investors may accept this Issue and apply for the Right Shares by:

- (i) Submitting the Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorizing such SCSB to block Application Money payable on the Application in their respective ASBA Accounts, or
- (ii) Filling the online Application Form available on R-WAP and make online payment using the internet banking or UPI facility from their own bank account thereat. **Please note that Applications made with payment using third party bank accounts are liable to be rejected.**

Investors are also advised to ensure that the Application Form is correctly filled up stating therein:

- (i) The ASBA Account (in case of Application through ASBA process) in which an amount equivalent to the amount payable on Application as stated in the Application Form will be blocked by the SCSB; or
- (ii) The requisite internet banking or UPI details (in case of Application through R-WAP, which is available only for resident Investors).

Please note that Applications without depository account details shall be treated as incomplete and shall be rejected.

Applicants should note that they should very carefully fill-in their depository account details and PAN number in the Application Form or while submitting application through online/electronic Application through the website of the SCSBs (if made available by such SCSB) and R-WAP. Incorrect depository account details or PAN number could lead to rejection of the Application. For details see 'Grounds for Technical Rejection' on page 162 of this Draft Letter of Offer. Our Company, the Lead Manager, the Registrar and the SCSB shall not be liable for any incorrect demat details provided by the Applicants.

Additionally, in terms of Regulation 78 of the SEBI (ICDR) Regulations, Investors may choose to accept the offer to participate in this Issue by making an Application that is available on the website of the Registrar, BSE, and Lead Manager or on a plain paper with the same details as per the Application Form available online. Please note that Eligible Shareholders making an application in this Issue by way of plain paper applications shall not be permitted to renounce any portion of their Rights Entitlements. For details, see '**Application on Plain Paper under ASBA process**' on page 154 of this Draft Letter of Offer.

OPTIONS AVAILABLE TO THE ELIGIBLE SHAREHOLDERS

The Rights Entitlement Letter will clearly indicate the number of Right Shares that the Eligible Equity Shareholder is entitled to.

If the Eligible Equity Shareholder applies in this Issue, then such Eligible Equity Shareholder can:

1. Apply for its Right Shares to the full extent of its Rights Entitlements; or



2. Apply for its Right Shares to the extent of part of its Rights Entitlements (without renouncing the other part); or
3. Apply for Right Shares to the extent of part of its Rights Entitlements and renounce the other part of its Rights Entitlements; or
4. Apply for its Right Shares to the full extent of its Rights Entitlements and apply for additional Right Shares; or
5. Renounce its Rights Entitlements in full.

PROCEDURE FOR APPLICATION THROUGH THE ASBA PROCESS

An investor, wishing to participate in this Issue through the ASBA facility, is required to have an ASBA enabled bank account with an SCSB, prior to making the Application. Investors desiring to make an Application in this Issue through ASBA process, may submit the Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorizing such SCSB to block Application Money payable on the Application in their respective ASBA Accounts.

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

Self-Certified Syndicate Banks

For the list of banks which have been notified by SEBI to act as SCSBs for the ASBA process, please refer to <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34>. For details on Designated Branches of SCSBs collecting the Application Form, please refer the above-mentioned link.

Please note that subject to SCSBs complying with the requirements of SEBI Circular bearing reference number 'CIR/CFD/DIL/13/2012' dated September 25, 2012 within the periods stipulated therein, ASBA Applications may be submitted at the Designated Branches of the SCSBs, in case of Applications made through ASBA facility.

PROCEDURE FOR APPLICATION THROUGH THE R-WAP

Resident Investors, making an Application through R-WAP, shall make online payment using internet banking or UPI facility. Prior to making an Application, such Investors should enable the internet banking or UPI facility of their respective bank accounts and such Investors should ensure that the respective bank accounts have sufficient funds. Our Company, the Registrar and the Lead Manager shall not be responsible if the Application is not successfully submitted or rejected during Basis of Allotment on account of failure to be in compliance with the same. R-WAP facility will be operational from the Issue Opening Date. For risks associated with the R-WAP process, see the risk factor ***'The R-WAP payment mechanism facility proposed to be used for this Issue may be exposed to risks, including risks associated with payment gateways'*** on page 29 of this Draft Letter of Offer.

Set out below is the procedure followed using the R-WAP

Prior to making an Application, the Investors should enable the internet banking or UPI facility of their respective bank accounts and the Investors should ensure that the respective bank accounts have sufficient funds. If the funds available in the bank account are less than total amount payable on submission of online Application Form, such Application shall be rejected. Please note that R-WAP is a non-cash mode mechanism in accordance with the SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2020/78 dated May 6, 2020 read with SEBI Circular No. SEBI/HO/CFD/DIL1/CIR/P/2020/136 dated July 24, 2020 and SEBI/HO/CFD/DIL1/CIR/P/2021/13 dated January 19, 2021.

1. Resident Investors should visit R-WAP accessible at www.bigshareonline.com and fill the online Application Form available on R-WAP in electronic mode. Please ensure to provide correct DP-ID, Client-ID, Folio number (only for resident Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date), PAN details and all other details sought for while submitting the online Application Form;



2. Non-resident Investors are not eligible to apply in this Issue through R-WAP and only resident Investors are eligible to apply in this Issue through R-WAP;
3. The Investors should ensure that Application process is verified through the email / mobile number. Post due verification, the Investors can obtain details of their respective Rights Entitlements and apply in this Issue by filling up the online Application Form which, among others, will require details of total number of Right Shares to be applied for. Please note that the Application Money will be determined based on number of Right Shares applied for;
4. The Investors who are Renounees should select the category of 'Renounee' at the application page 154 of R-WAP and provide DP ID, Client ID, PAN and other required demographic details for validation. The Renounees shall also be required to provide the required Application details, such as total number of Right Shares to be applied for. Shareholder who has purchased Rights Entitlement from the BSE or through off-market transaction, should select 'Eligible Equity Shareholder' category;
5. Investors applying in the Issue through UPI facility should accept the debit/ payment request in the relevant mobile application for which the UPI ID details were provided;
6. The Investors shall make online payment using internet banking or UPI facility from their own bank account only. Such Application Money will be adjusted for either Allotment or refund. Applications made using payment from third party bank accounts will be rejected. Prior to making an Application, the Investors should enable the internet banking or UPI facility of their respective bank accounts and the Investors should ensure that the respective bank accounts have sufficient funds. If the funds available in the bank account are less than total amount payable on submission of online Application Form, such Application shall be rejected. Please note that R-WAP is a non-cash mode mechanism in accordance with the SEBI Rights Issue Circulars;
7. Verification in respect of Application through Investors' own bank account, shall be done through the latest beneficial position data of our Company containing Investor's bank account details, beneficiary account details provided to the depository, penny drop, cancelled cheque for joint holder verification and such other industry accepted and tested methods for online payment.
8. The Application Money collected through Applications made on the R-WAP will be credited to the Escrow Account, opened by our Company with the Escrow Collection Bank.

ACCEPTANCE OF THIS ISSUE

Investors may accept this Issue and apply for the Right Shares:

1. Submitting the Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorizing such SCSB to block Application Money payable on the Application in their respective ASBA Accounts, or
2. Filling the online Application Form available on R-WAP and make online payment using their internet banking or UPI facility from their own bank account thereat.
3. Please note that on the Issue Closing Date:
4. Applications through ASBA process will be uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the BSE Limited, and
5. The R-WAP facility will be available until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the BSE.

Applications submitted to anyone other than the Designated Branches of the SCSB or using R-WAP are liable to be rejected.

Investors can also make Application on plain paper under ASBA process mentioning all necessary details as mentioned under the section '**Application on Plain Paper under ASBA processes**' on page 154 of this Draft Letter of Offer.



ADDITIONAL RIGHT SHARES

Investors are eligible to apply for additional Right Shares over and above their Rights Entitlements, provided that they are eligible to apply for Right Shares under applicable law and they have applied for all the Right Shares forming part of their Rights Entitlements without renouncing them in whole or in part. The Rights Entitlements comprise of 1 Right Shares. Where the number of additional Right Shares applied for exceeds the number available for Allotment, the Allotment would be made as per the Basis of Allotment finalized in consultation with the Designated Stock Exchange. Applications for additional Right Shares shall be considered and Allotment shall be made in accordance with the SEBI (ICDR) Regulations and in the manner prescribed under the section '**Basis of Allotment**' on page 165 of this Draft Letter of Offer.

Eligible Shareholders who renounce their Rights Entitlements cannot apply for additional Right Shares.

Resident Eligible Equity Shareholders who hold Equity Shares in physical form as on the Record Date cannot renounce until the details of their demat account are provided to our Company or the Registrar and the dematerialized Rights Entitlements are transferred from suspense escrow demat account to the respective demat accounts of such Eligible Equity Shareholders within prescribed timelines. However, such Eligible Equity Shareholders, where the dematerialized Rights Entitlements are transferred from the suspense escrow demat account to the respective demat accounts within prescribed timelines, can apply for additional Rights Shares while submitting the Application through ASBA process or using the R-WAP facility.

PROCEDURE FOR RENUNCIATION OF RIGHTS ENTITLEMENTS

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

Investors may be subject to adverse foreign, state or local tax or legal consequences as a result of trading in the Rights Entitlements. Investors who intend to trade in the Rights Entitlements should consult their tax advisor or stock broker regarding any cost, applicable taxes, charges and expenses (including brokerage) that may be levied for trading in Rights Entitlements.

THE LEAD MANAGER AND OUR COMPANY ACCEPT NO RESPONSIBILITY TO BEAR OR PAY ANY COST, APPLICABLE TAXES, CHARGES, AND EXPENSES (INCLUDING BROKERAGE), AND SUCH COSTS WILL BE INCURRED SOLELY BY THE INVESTORS.

PLEASE NOTE THAT THE RIGHTS ENTITLEMENTS WHICH ARE NEITHER RENOUNCED NOR SUBSCRIBED BY THE INVESTORS ON OR BEFORE THE ISSUE CLOSING DATE SHALL LAPSE AND SHALL BE EXTINGUISHED AFTER THE ISSUE CLOSING DATE.

(i) On Market Renunciation

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

In this regard, in terms of provisions of the SEBI (ICDR) Regulations and the SEBI Rights Issue Circulars, the Rights Entitlements credited to the respective demat accounts of the Eligible Shareholders shall be admitted for trading on the BSE under the ISIN that shall be allotted for the Rights Entitlement subject to requisite approvals. The details for trading in Rights Entitlements will be as specified by the BSE from time to time.

The Rights Entitlements are tradable in dematerialized form only. The market lot for trading of Rights Entitlements is one Rights Entitlements.

The On Market Renunciation shall take place only during the Renunciation Period for On Market Renunciation, i.e., from [●] to [●] (both days inclusive).



The Investors holding the Rights Entitlements who desire to sell their Rights Entitlements will have to do so through their registered stock brokers by quoting the ISIN [●] (for Rights Entitlement) that shall be allotted for the Rights Entitlement and indicating the details of the Rights Entitlements they intend to sell. The Investors can place order for sale of Rights Entitlements only to the extent of Rights Entitlements available in their demat account.

The On Market Renunciation shall take place electronically on secondary market platform of BSE under automatic order matching mechanism and on 'T+2 rolling settlement bases, where 'T' refers to the date of trading. The transactions will be settled on trade-for-trade basis. Upon execution of the order, the stock broker will issue a contract note in accordance with the requirements of the BSE and the SEBI.

(ii) Off Market Renunciation

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

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

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

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

APPLICATION ON PLAIN PAPER UNDER ASBA PROCESS

An Eligible Equity Shareholder who is eligible to apply under the ASBA process may make an Application to subscribe to this Issue on plain paper. An Eligible Equity Shareholder shall submit the plain paper Application to the Designated Branch of the SCSB for authorizing such SCSB to block Application Money in the said bank account maintained with the same SCSB.

Applications on plain paper will not be accepted from any address outside India

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

PLEASE NOTE THAT APPLICATION ON PLAIN PAPER CANNOT BE SUBMITTED THROUGH R-WAP.

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

- (i) Name of our Company, being '*Mercury Metals Limited*';
- (ii) Name and address of the Eligible Equity Shareholder including joint holders (in the same order and as per specimen recorded with our Company or the Depository);
- (iii) Registered Folio No./DP and Client ID No.;
- (iv) Number of Equity Shares held as on Record Date;



- (v) Allotment option – only dematerialized form;
- (vi) Number of Right Shares entitled to;
- (vii) Total number of Right Shares applied for;
- (viii) Number of additional Right Shares applied for, if any;
- (ix) Total number of Right Shares applied for;
- (x) Total amount paid at the rate of ₹[●]/- for Right Shares issued in one Rights Entitlement;
- (xi) Details of the ASBA Account such as the account number, name, address and branch of the relevant SCSB;
- (xii) In case of non-resident Eligible Shareholders making an application with an Indian address, details of the NRE/FCNR/NRO Account such as the account number, name, address, branch of the SCSB with which the account is maintained and a copy of the RBI approval obtained pursuant to Rule 7 of the FEMA Rules.
- (xiii) Except for Applications on behalf of the Central or State Government, the residents of Sikkim and the officials appointed by the courts, PAN of the Eligible Equity Shareholder and for each Eligible Equity Shareholder in case of joint names, irrespective of the total value of the Right Shares applied for pursuant to this Issue;
- (xiv) Authorization to the Designated Branch of the SCSB to block an amount equivalent to the Application Money in the ASBA Account;
- (xv) Signature of the Eligible Equity Shareholder (in case of joint holders, to appear in the same sequence and order as they appear in the records of the SCSB); and
- (xvi) In addition, all such Eligible Shareholders are deemed to have accepted the following:

“I/ We understand that neither the Rights Entitlement nor the Equity Shares have been, or will be, registered under the United States Securities Act of 1933, as amended (the “US Securities Act”) or any United States state securities laws, and may not be offered, sold, resold or otherwise transferred within the United States or to the territories or possessions thereof (the “United States”) except in a transaction exempt from, or not subject to, the registration requirements of the US Securities Act. I/ we understand the offering to which this application relates is not, and under no circumstances is to be construed as, an offering of any Equity Shares or Rights Entitlement for sale in the United States, or as a solicitation therein of an offer to buy any of the said Equity Shares or Rights Entitlement in the United States. Accordingly, I/ we understand that this application should not be forwarded to or transmitted in or to the United States at any time. I/ we understand that none of the Company, the Registrar, the Lead Manager, or any other person acting on behalf of the Company will accept subscriptions from any person, or the agent of any person, who appears to be, or who we, the Registrar, the Lead Manager or any other person acting on behalf of the Company has reason to believe is in the United States, or if such person is outside India and the United States, such person is not a corporate shareholder, or is ineligible to participate in the Issue under the securities laws of their jurisdiction. I/ We will not offer, sell or otherwise transfer any of the Equity Shares which may be acquired by us in any jurisdiction or under any circumstances in which such offer or sale is not authorized or to any person to whom it is unlawful to make such offer, sale or invitation except under circumstances that will result in compliance with any applicable laws or regulations. We satisfy, and each account for which we are acting satisfies, all suitability standards for investors in investments of the type subscribed for herein imposed by the jurisdiction of our residence.

I/ We understand and agree that the Rights Entitlement and Equity Shares may not be reoffered, resold, pledged or otherwise transferred except in an offshore transaction in compliance with Regulation S under the US Securities Act (hereinafter referred to as ‘**Regulation S**’), or otherwise pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act. I/We (i) am/are, and the person, if any, for whose account I/we am/are acquiring such Rights Entitlement, and/or the Equity Shares, is/are outside the United States, and (ii) is/are acquiring the Rights Entitlement and/or the Equity Shares in an offshore transaction meeting the requirements of Regulation S.



I/ We acknowledge that the Company, the Lead Manager, their affiliates and others will rely upon the truth and accuracy of the foregoing representations and agreements.” In cases where multiple Application Forms are submitted for Applications pertaining to Rights Entitlements credited to the same demat account or in demat suspense escrow account, including cases where an Investor submits Application Forms along with a plain paper Application, such Applications shall be liable to be rejected. Investors are requested to strictly adhere to these instructions. Failure to do so could result in an Application being rejected, with our Company, the Lead Manager and the Registrar not having any liability to the Investor. The plain paper Application format will be available on the website of the Registrar at www.bigshareonline.com.

I/ We acknowledge that Our Company, the Lead Manager and the Registrar shall not be responsible if the Applications are not uploaded by SCSB or funds are not blocked in the Investors’ ASBA Accounts on or before the Issue Closing Date.”

MODE OF PAYMENT

All payments against the Application Forms shall be made only through

1. ASBA facility; or
2. Internet banking or UPI facility if applying through R-WAP.

The Registrar will not accept any payments against the Application Forms, if such payments are not made through ASBA facility or internet banking or UPI facility if applying through R-WAP.

In case of Application through ASBA facility, the Investor agrees to block the entire amount payable on Application with the submission of the Application Form, by authorizing the SCSB to block an amount, equivalent to the amount payable on Application, in the Investor’s ASBA Account.

After verifying that sufficient funds are available in the ASBA Account, details of which are provided in the Application Form, the SCSB shall block an amount equivalent to the Application Money mentioned in the Application Form until the Transfer Date. On the Transfer Date, upon receipt of intimation from the Registrar, pursuant to the finalization of the Basis of Allotment as approved by the Designated Stock Exchange, the SCSBs shall transfer such

amount as per the Registrar’s instruction from the ASBA Account into the Allotment Account which shall be a separate bank account maintained by our Company, other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act, 2013. The balance amount remaining after the finalization of the Basis of Allotment on the Transfer Date shall be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the respective SCSB.

The Investors would be required to give instructions to the respective SCSBs to block the entire amount payable on their Application at the time of the submission of the Application Form.

The SCSB may reject the application at the time of acceptance of Application Form if the ASBA Account, details of which have been provided by the Investor in the Application Form does not have sufficient funds equivalent to the amount payable on Application mentioned in the Application Form. After the acceptance of the Application by the SCSB, our Company would have a right to reject the Application on technical grounds as set forth hereinafter.

For details of mode of payment in case of Application through R-WAP, please see ‘Procedure for Application through R-WAP’ on page 151 of this Draft Letter of Offer.

Instructions issued in this regard by the Registrar to the respective SCSB.

1. Mode of payment for Resident Investors

All payments on the Application Forms shall be made only through ASBA facility or internet banking or UPI facility if applying through R-WAP. Applicants are requested to strictly adhere to these instructions.



2. Mode of payment for non-resident Investors

As regards the Application by non-resident Investors, the following conditions shall apply:

- (i) Individual non-resident Indian Applicants who are permitted to subscribe to Right Shares by applicable local securities laws can obtain Application Forms on the websites of the Registrar, our Company and the Lead Manager;

Note: In case of non-resident Eligible Shareholders, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form shall be sent to (i) the Indian addresses of the non-resident Eligible Shareholders, on a reasonable effort basis, who have provided an Indian address to our Company; and (ii) the e-mail addresses of the foreign corporate or institutional shareholders.

The Letter of Offer will be provided by the Registrar on behalf of our Company or the Lead Manager to the Eligible Shareholders at (i) the Indian addresses of the non-resident Eligible Shareholders, on a reasonable effort basis, who have provided an Indian address to our Company; and (ii) the e-mail addresses of the foreign corporate or institutional shareholders, in each case who make a request in this regard.

- (ii) Application Forms will not be accepted from non-resident Investors in any jurisdiction where the offer or sale of the Rights Entitlements and Right Shares may be restricted by applicable securities laws;
- (iii) Payment by non-residents must be made only through ASBA facility and using permissible accounts in accordance with FEMA, FEMA Rules and requirements prescribed by the RBI;

Notes

- (i) In case where repatriation benefit is available, interest, dividend, sales proceeds derived from the investment in Right Shares can be remitted outside India, subject to tax, as applicable according to the Income-tax Act;
- (ii) In case Right Shares are allotted on a non-repatriation basis, the dividend and sale proceeds of the Right Shares cannot be remitted outside India;
- (iii) In case of an Application Form received from non-residents, Allotment, refunds and other distribution, if any, will be made in accordance with the guidelines and rules prescribed by the RBI as applicable at the time of making such Allotment, remittance and subject to necessary approvals;
- (iv) Application Forms received from non-residents/ NRIs, or persons of Indian origin residing abroad for Allotment of Right Shares shall, amongst other things, be subject to conditions, as may be imposed from time to time by RBI under FEMA, in respect of matters including Refund of Application Money and Allotment;
- (v) In the case of NRIs who remit their Application Money from funds held in FCNR/NRE Accounts, refunds and other disbursements, if any shall be credited to such account;
- (vi) Non-resident Renounces who are not Eligible Shareholders must submit regulatory approval for applying for additional Right Shares;

APPLICATION BY ELIGIBLE SHAREHOLDERS HOLDING EQUITY SHARES IN PHYSICAL FORM

Please note that in accordance with Regulation 77A of the SEBI (ICDR) Regulations read with the SEBI Rights Issue Circulars, the credit of Rights Entitlements and Allotment of Rights Shares shall be made in dematerialized form only. Accordingly, Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date and desirous of subscribing to Rights Shares in this Issue are advised to furnish the details of their demat account to the Registrar or our Company at least 2 (Two) Working Days prior to the Issue Closing Date, to enable the credit of their Rights Entitlements in their respective demat accounts at least one day before the Issue Closing Date.

Prior to the Issue Opening Date, the Rights Entitlements of those resident Eligible Equity Shareholders, among others, who hold Equity Shares in physical form, and whose demat account details are not available with our Company or the Registrar, shall be credited in a demat suspense escrow account opened by our Company. In the event, the relevant details of the demat accounts of such Eligible Equity Shareholders are not received during the Issue Period, then their Rights Entitlements kept in the suspense escrow demat account shall lapse.



To update respective email addresses/ mobile numbers in the records maintained by the Registrar or our Company, Eligible Equity Shareholders should visit www.bigshareonline.com.

PROCEDURE FOR APPLICATION BY ELIGIBLE EQUITY SHAREHOLDERS HOLDING EQUITY SHARES IN PHYSICAL FORM

Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have opened their demat accounts after the Record Date, shall adhere to following procedure for participating in this Issue:

- a. The Eligible Equity Shareholders shall send a letter to the Registrar containing the name(s), address, email address, contact details and the details of their demat account along with copy of self-attested PAN and self-attested client master sheet of their demat account either by email, post, speed post, courier, or hand delivery so as to reach to the Registrar no later than 2 (Two) Working Days prior to the Issue Closing Date;
- b. The Registrar shall, after verifying the details of such demat account, transfer the Rights Entitlements of such Eligible Equity Shareholders to their demat accounts at least 1 (One) day before the Issue Closing Date;
- c. The Eligible Equity Shareholders can access the Application Form from:
 - (i) Our Company at www.mercurymetals.in;
 - (ii) The Registrar at www.bigshareonline.com;
 - (iii) The Lead Manager at www.kunvarji.com;
 - (iv) The BSE at www.bseindia.com;
 - (v) The Registrar's web-based application platform ('R-WAP') www.bigshareonline.com

The Eligible Shareholders can obtain the details of their respective Rights Entitlements from the website of the Registrar at www.bigshareonline.com by entering their DP-ID and Client-ID and PAN. The link for the same shall also be available on the website of our Company at, www.mercurymetals.in.

- d. The Eligible Equity Shareholders shall, on or before the Issue Closing Date (i) submit the Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts or (ii) fill the online Application Form available on R-WAP and make online payment using their internet banking or UPI facility from their own bank account thereat.

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

ALLOTMENT OF THE RIGHT SHARES IN DEMATERIALIZED FORM

PLEASE NOTE THAT THE RIGHT SHARES APPLIED FOR IN THIS ISSUE CAN BE ALLOTTED ONLY IN DEMATERIALIZED FORM AND TO THE SAME DEPOSITORY ACCOUNT IN WHICH OUR EQUITY SHARES ARE HELD BY SUCH INVESTOR ON THE RECORD DATE. FOR DETAILS, SEE 'ALLOTMENT ADVICE OR REFUND/ UNBLOCKING OF ASBA ACCOUNTS' ON PAGE 166 OF THIS DRAFT LETTER OF OFFER.

GENERAL INSTRUCTIONS FOR INVESTORS

1. Please read this Draft Letter of Offer carefully to understand the Application process and applicable settlement process;
2. Please read the instructions on the Application Form sent to you;
3. The Application Form can be used by both the Eligible Shareholders and the Renounees;



4. Application should be made only through the ASBA facility or using R-WAP;
5. Application should be complete in all respects. The Application Form found incomplete with regard to any of the particulars required to be given therein, and/or which are not completed in conformity with the terms of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form are liable to be rejected. The Application Form must be filled in English;
6. In case of non-receipt of Application Form, Application can be made on plain paper mentioning all necessary details as mentioned under the section 'Application on Plain Paper under ASBA processes on page 154 of this Draft Letter of Offer;
7. In accordance with Regulation 76 of the SEBI (ICDR) Regulations, SEBI Rights Issue Circulars and ASBA Circulars, all Investors desiring to make an Application in this Issue are mandatorily required to use either the ASBA process or the optional mechanism instituted only for resident Investors in this Issue, i.e., R-WAP. Investors should carefully read the provisions applicable to such Applications before making their Application through ASBA or using the R-WAP;
8. An Investor, wishing to participate in this Issue through the ASBA facility, is required to have an ASBA enabled bank account with an SCSB, prior to making the Application.
9. In case of Application through R-WAP, the Investors should enable the internet banking or UPI facility of their respective bank accounts;
10. Applications should be (i) submitted to the Designated Branch of the SCSB or made online/electronic through the website of the SCSBs (if made available by such SCSB) for authorizing such SCSB to block Application Money payable on the Application in their respective ASBA Accounts, or (ii) filled on the R-WAP. Please note that on the Issue Closing Date, (i) Applications through ASBA process will be uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the BSE, and (ii) the R-WAP facility will be available until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the BSE Limited;
11. Applications should not be submitted to the Bankers to the Issue or Escrow Collection Bank (assuming that such Escrow Collection Bank is not an SCSB), our Company or the Registrar or the Lead Manager;
12. In case of Application through ASBA facility, Investors are required to provide necessary details, including details of the ASBA Account, authorization to the SCSB to block an amount equal to the Application Money in the ASBA Account mentioned in the Application Form;
13. All Applicants, and in the case of Application in joint names, each of the joint Applicants, should mention their PAN allotted under the Income-tax Act, irrespective of the amount of the Application. Except for Applications on behalf of the Central or the State Government, the residents of Sikkim and the officials appointed by the courts, Applications without PAN will be considered incomplete and are liable to be rejected. With effect from August 16, 2010, the demat accounts for Investors for which PAN details have not been verified shall be "suspended for credit" and no Allotment and credit of Right Shares pursuant to this Issue shall be made into the accounts of such Investors. Further, in case of Application in joint names, each of the joint Applicants should sign the Application Form;
14. In case of Application through ASBA facility, all payments will be made only by blocking the amount in the ASBA Account. Furthermore, in case of Applications submitted using the R-WAP facility, payments shall be made using internet banking or UPI facility. Cash payment or payment by cheque or demand draft or pay order or NEFT or RTGS or through any other mode is not acceptable for application through ASBA process. In case payment is made in contravention of this, the Application will be deemed invalid and the Application Money will be refunded and no interest will be paid thereon;
15. For physical Applications through ASBA at Designated Branches of SCSB, signatures should be either in English or Hindi or in any other language specified in the Eighth Schedule to the Constitution of India. Signatures other than in any such language or thumb impression must be attested by a Notary Public or a Special Executive Magistrate under his/her official seal. The Investors must sign the Application as per the specimen signature recorded with the SCSB;



16. In case of joint holders and physical Applications through ASBA process, all joint holders must sign the relevant part of the Application Form in the same order and as per the specimen signature(s) recorded with the SCSB. In case of joint Applicants, reference, if any, will be made in the first Applicant's name and all communication will be addressed to the first Applicant;
17. All communication in connection with Application for the Right Shares, including any change in address of the Eligible Shareholders should be addressed to the Registrar prior to the date of Allotment in this Issue quoting the name of the first/sole Applicant, folio numbers/DP ID and Client ID and Application Form number, as applicable; In case of any change in address of the Eligible Shareholders, the Eligible Shareholders should also send the intimation for such change to the respective depository participant, or to our Company or the Registrar;
18. Please note that subject to SCSBs complying with the requirements of SEBI Circular bearing reference number 'CIR/CFD/DIL/13/2012 dated September 25, 2012' within the periods stipulated therein, Applications made through ASBA facility may be submitted at the Designated Branches of the SCSBs. Application through ASBA facility in electronic mode will only be available with such SCSBs who provide such facility;
19. In terms of the SEBI circular CIR/CFD/DIL/1/2013 dated January 02, 2013, it is clarified that for making applications by banks on their own account using ASBA facility, SCSBs should have a separate account in own name with any other SEBI registered SCSB(s). Such account shall be used solely for the purpose of making application in public/ rights issues and clear demarcated funds should be available in such account for ASBA applications;
20. Investors are required to ensure that the number of Right Shares applied for by them do not exceed the prescribed limits under the applicable law;
21. An Applicant being an OCB is required not to be under the adverse notice of the RBI and must submit approval from RBI for applying in this Issue;

Do's:

1. Ensure that the Application Form and necessary details are filled in. In place of Application number, Investors can mention the reference number of the e-mail received from Registrar informing about their Rights Entitlement or last eight digits of the demat account. Alternatively, SCSBs may mention their internal reference number in place of application number;
2. Except for Application submitted on behalf of the Central or the State Government, residents of Sikkim and the officials appointed by the courts, each Applicant should mention their PAN allotted under the Income-tax Act;
3. Ensure that the demographic details such as address, PAN, DP ID, Client ID, bank account details and occupation ("Demographic Details") are updated, true and correct, in all respects;
4. Investors should provide correct DP-ID and client-ID/ folio number while submitting the Application. Such DP-ID and Client-ID/ folio number should match the demat account details in the records available with Company and/or Registrar, failing which such Application is liable to be rejected. Investor will be solely responsible for any error or inaccurate detail provided in the Application. Our Company, the Lead Manager, SCSBs or the Registrar will not be liable for any such rejections.

Don'ts:

1. Do not apply if you are ineligible to participate in this Issue under the securities laws applicable to your jurisdiction;
2. Do not submit the GIR number instead of the PAN as the application is liable to be rejected on this ground;
3. Avoid applying on the Issue Closing Date due to risk of delay/ restrictions in making any physical Application;
4. Do not pay the Application Money in cash, by money order, pay order or postal order;
5. Do not submit multiple Applications.



Do's for Investors applying through ASBA:

1. Ensure that the details about your Depository Participant and beneficiary account are correct and the beneficiary account is activated as the Right Shares will be Allotted in the dematerialized form only;
2. Ensure that the Applications are submitted with the Designated Branch of the SCSBs and details of the correct bank account have been provided in the Application;
3. Ensure that there are sufficient funds (equal to {number of Right Shares (including additional Right Shares) applied for} X {Application Money of Right Shares}) available in ASBA Account mentioned in the Application Form before submitting the Application to the respective Designated Branch of the SCSB;
4. Ensure that you have authorized the SCSB for blocking funds equivalent to the total amount payable on application mentioned in the Application Form, in the ASBA Account, of which details are provided in the Application and have signed the same;
5. Ensure that you have a bank account with an SCSB providing ASBA facility in your location and the Application is made through that SCSB providing ASBA facility in such location;
6. Ensure that you receive an acknowledgement from the Designated Branch of the SCSB for your submission of the Application Form on a plain paper Application;
7. Ensure that the name(s) given in the Application Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case the Application Form is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the Application Form and the Rights Entitlement Letter;

Do's for Investors applying through R-WAP:

1. Ensure that the details of the correct bank account have been provided while making payment along with submission of the Application;
2. Ensure that there are sufficient funds (equal to {number of Right Shares (including additional Right Shares) applied for} X {Application Money of Right Shares}) available in the bank account through which payment is made using the R-WAP;
3. Ensure that you make the payment towards your application through your bank account only and not use any third party bank account for making the payment. In case you are using a bank account which is not linked with your demat account, please make sure to attach a copy of cheque at the time of submitting the Application;
4. Ensure that you receive a confirmation email on successful transfer of funds;
5. Ensure you have filled in correct details of PAN, folio number, DP ID and Client ID, as applicable, and all such other details as may be required;
6. Ensure that you receive an acknowledgement from the R-WAP for your submission of the Application;

Don'ts for Investors applying through ASBA:

1. Do not apply if you are not eligible to participate in this Issue under the securities laws applicable to your jurisdiction;
2. Do not submit the Application Form after you have submitted a plain paper Application to a Designated Branch of the SCSB or vice versa;



3. Do not send your physical Application to the Lead Manager, the Registrar, the Escrow Collection Bank (assuming that such Escrow Collection Bank is not an SCSB), a branch of the SCSB which is not a Designated Branch of the SCSB or our Company; instead submit the same to a Designated Branch of the SCSB only;
4. Do not instruct the SCSBs to unblock the funds blocked under the ASBA process;

Don'ts for Investors applying through R-WAP:

1. Do not apply from bank account of third parties;
2. Do not apply if you are a non-resident Investor;
3. Do not apply from non-resident account;
4. Do not apply from corporate account;

GROUND FOR TECHNICAL REJECTION

Applications made in this Issue are liable to be rejected on the following grounds:

1. DP-ID and Client-ID mentioned in Application not matching with the DP-ID and Client ID records available with the Registrar;
2. Sending an Application to the Lead Manager, Registrar, Escrow Collection Banks (assuming that such Escrow Collection Bank is not a SCSB), to a branch of a SCSB which is not a Designated Branch of the SCSB or our Company;
3. Insufficient funds are available in the ASBA Account with the SCSB for blocking the Application Money;
4. Funds in the ASBA Account whose details are mentioned in the Application Form having been frozen pursuant to regulatory orders;
5. Account holder not signing the Application or declaration mentioned therein;
6. Submission of more than one Application Forms for Rights Entitlements available in a particular demat account;
7. Multiple Application Forms, including cases where an Investor submits Application Forms along with a plain paper Application;
8. Submitting the GIR number instead of the PAN (except for Applications on behalf of the Central or State Government, the residents of Sikkim and the officials appointed by the courts);
9. Applications by persons not competent to contract under the Indian Contract Act, 1872, except Applications by minors having valid demat accounts as per the demographic details provided by the Depositories;
10. Applications by SCSB on own account, other than through an ASBA Account in its own name with any other SCSB;
11. Application Forms which are not submitted by the Investors within the time periods prescribed in the Application Form and this Draft Letter of Offer;
12. Physical Application Forms not duly signed by the sole or joint Investors;
13. Application Forms accompanied by stock invest, outstation cheques, post-dated cheques, and money order, postal order or outstation demand drafts;
14. If an Investor is (a) debarred by SEBI; or (b) if SEBI has revoked the order or has provided any interim relief then failure to attach a copy of such SEBI order allowing the Investor to subscribe to their Rights Entitlements;
15. Applications which: (i) appears to our Company or its agents to have been executed in, electronically transmitted from or dispatched from the United States (other than from persons in the United States who are U.S. QIBs) or



other jurisdictions where the offer and sale of the Right Shares is not permitted under laws of such jurisdictions; (ii) does not include the relevant certifications set out in the Application Form, including to the effect that the person submitting and/or renouncing the Application Form is (a) outside India and the United States and is a foreign corporate or institutional shareholder eligible to subscribe for the Rights Share under the applicable securities laws or (b) a U.S. QIB in the United States, and in each case such person is complying with laws of jurisdictions applicable to such person in connection with this Issue; or (iii) where either a registered Indian address is not provided or where our Company believes acceptance of such Application Form may infringe applicable legal or regulatory requirements; and our Company shall not be bound to issue or allot any Right Shares in respect of any such Application Form;

16. Applications which have evidence of being executed or made in contravention of applicable securities laws;

17. Details of PAN mentioned in the Application does not match with the PAN records available with the Registrar;

18. Applications by a non-resident without the approval from RBI with respect to Rule 7 of the FEMA Rules;

Applications under the R-WAP process are liable to be rejected on the following grounds (in addition to above applicable grounds):

1. Applications by non-resident Investors;
2. Payment from third party bank accounts;

Our Company may, in consultation with the Lead Manager and Designated Stock Exchange, decide to relax any of the grounds of technical rejection mentioned hereinabove.

DEPOSITORY ACCOUNT AND BANK DETAILS FOR INVESTORS HOLDING SHARES IN DEMAT ACCOUNTS AND APPLYING IN THIS ISSUE.

IT IS MANDATORY FOR ALL THE INVESTORS APPLYING UNDER THIS ISSUE TO APPLY THROUGH THE ASBA PROCESS OR THROUGH THE R-WAP PROCESS (AVAILABLE ONLY FOR RESIDENT INVESTORS), TO RECEIVE THEIR RIGHT SHARES DEMATERIALIZED FORM AND TO THE SAME DEPOSITORY ACCOUNT/ CORRESPONDING PAN IN WHICH THE EQUITY SHARES ARE HELD BY THE INVESTOR AS ON THE RECORD DATE. ALL INVESTORS APPLYING UNDER THIS ISSUE SHOULD MENTION THEIR DEPOSITORY PARTICIPANT'S NAME, DP-ID AND BENEFICIARY ACCOUNT NUMBER/ FOLIO NUMBER IN THE APPLICATION FORM. INVESTORS MUST ENSURE THAT THE NAME GIVEN IN THE APPLICATION FORM IS EXACTLY THE SAME AS THE NAME IN WHICH THE DEPOSITORY ACCOUNT IS HELD. IN CASE THE APPLICATION FORM IS SUBMITTED IN JOINT NAMES, IT SHOULD BE ENSURED THAT THE DEPOSITORY ACCOUNT IS ALSO HELD IN THE SAME JOINT NAMES AND ARE IN THE SAME SEQUENCE IN WHICH THEY APPEAR IN THE APPLICATION FORM OR PLAIN PAPER APPLICATIONS, AS THE CASE MAY BE.

Investors applying under this Issue should note that on the basis of name of the Investors, Depository Participant's name and identification number and beneficiary account number provided by them in the Application Form or the plain paper Applications, as the case may be, the Registrar will obtain Demographic Details from the Depository. Hence, Investors applying under this Issue should carefully fill in their Depository Account details in the Application.

These Demographic Details would be used for all correspondence with such Investors including mailing of the letters intimating unblocking of bank account of the respective Investor and/or refund. The Demographic Details given by the Investors in the Application Form would not be used for any other purposes by the Registrar. Hence, Investors are advised to update their Demographic Details as provided to their Depository Participants.

By signing the Application Forms, the Investors would be deemed to have authorized the Depositories to provide, upon request, to the Registrar, the required Demographic Details as available on its records.



The Allotment advice and the email intimating unblocking of ASBA Account or refund (if any) would be emailed to the address of the Investor as per the email address provided to our Company or the Registrar or Demographic Details received from the Depositories. The Registrar will give instructions to the SCSBs for unblocking funds in the ASBA Account to the extent Right Shares are not allotted to such Investor. Please note that any such delay shall be at the sole risk of the Investors and none of our Company, the SCSBs, Registrar or the Lead Manager shall be liable to compensate the Investor for any losses caused due to any such delay or be liable to pay any interest for such delay.

In case no corresponding record is available with the Depositories that match three parameters, (a) names of the Investors (including the order of names of joint holders), (b) the DP ID, and (c) the beneficiary account number, then such Application Forms are liable to be rejected.

MULTIPLE APPLICATIONS

In case where multiple Applications are made in respect the Rights Entitlements using same demat account, such Applications shall be liable to be rejected. However supplementary applications in relation to further Right Shares with/without using additional Rights Entitlements will not be treated as multiple application. A separate Application can be made in respect of each scheme of a mutual fund registered with SEBI and such Applications shall not be treated as multiple applications. For details, see **'Procedure for Applications by Mutual Funds'** below. Cases where Investor submits Application Forms along with plain paper or multiple plain paper Applications for same Rights Entitlements shall be treated as multiple applications.

In cases where multiple Application Forms are submitted, such Applications shall be treated as multiple applications, including cases where an Investor submits Application Forms along with a plain paper Application or multiple plain paper Applications, such Applications shall be treated as multiple applications and are liable to be rejected.

LAST DATE FOR APPLICATION

The last date for submission of the duly filled in the Application Form or a plain paper Application is [●] day, [●], 2022 Issue Closing Date. The Board of Directors may extend the said date for such period as it may determine from time to time, subject to the Issue Period not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Opening Date).

If the Application Form is not submitted with an SCSB, uploaded with the BSE and the Application Money is not blocked with the SCSB or if the Application Form is not accepted at the R-WAP, on or before the Issue Closing Date or such date as may be extended by the Board of Directors, the invitation to offer contained in this Draft Letter of Offer shall be deemed to have been declined and the Board of Directors shall be at liberty to dispose of the Right Shares hereby offered, as provided under the section, **'Basis of Allotment'** on page 165 of this Draft Letter of Offer.

Please note that on the Issue Closing Date, (i) Applications through ASBA process will be uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the BSE Limited, and (ii) the R-WAP facility will be available until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the BSE Limited.

Please ensure that the Application Form and necessary details are filled in. In place of Application number, Investors can mention the reference number of the e-mail received from Registrar informing about their Rights Entitlement or last eight digits of the demat account. Alternatively, SCSBs may mention their internal reference number in place of application number.

WITHDRAWAL OF APPLICATION

An Investor who has applied in this Issue may withdraw their Application at any time during Issue Period by approaching the SCSB where application is submitted or sending the email withdrawal request to rightsissue@bigshareonline.com in case of Application through R-WAP facility. However, no Investor, whether applying through ASBA facility or R-WAP facility, may withdraw their Application post the Issue Closing Date.



ISSUE SCHEDULE

Last date for Credit of Rights Entitlements	[●]
Issue Opening Date	[●]
Last Date for On Market Renunciation*	[●]
Issue Closing Date	[●]
Finalization of Basis of Allotment (on or about)	[●]
Date of Allotment (on or about)	[●]
Date of Credit (on or about)	[●]
Date of Listing (on or about)	[●]

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

Our Board of Directors may however decide to extend the Issue Period as it may determine from time to time but not exceeding 30 (Thirty) days from the Issue Opening Date (inclusive of the Issue Opening Date).

Please note that if Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date, have not provided the details of their demat accounts to our Company or to the Registrar, they are required to provide their demat account details to our Company or the Registrar not later than two Working Days prior to the Issue Closing Date, i.e., [●], to enable the credit of the Rights Entitlements by way of transfer from the demat suspense escrow account to their respective demat accounts, at least one day before the Issue Closing Date.

BASIS OF ALLOTMENT

Subject to the provisions contained in the Draft Letter of Offer, this Draft Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form, the Articles of Association and the approval of the Designated Stock Exchange, our Board will proceed to allot the Right Shares in the following order of priority:

1. Full Allotment to those Eligible Shareholders who have applied for their Rights Entitlements of Right Shares either in full or in part and also to the Renounee(s) who has or have applied for Right Shares renounced in their favour, in full or in part.
2. Eligible Shareholders whose fractional entitlements are being ignored and Eligible Shareholders with zero entitlement, would be given preference in allotment of one additional Rights Share each if they apply for additional Right Shares. Allotment under this head shall be considered if there are any unsubscribed Right Shares after allotment under (a) above. If number of Right Shares required for Allotment under this head are more than the number of Right Shares available after Allotment under (a) above, the Allotment would be made on a fair and equitable basis in consultation with the Designated Stock Exchange and will not be a preferential allotment.
3. Allotment to the Eligible Shareholders who having applied for all the Right Shares offered to them as part of this Issue, have also applied for additional Right Shares. The Allotment of such additional Right Shares will be made as far as possible on an equitable basis having due regard to the number of Equity Shares held by them on the Record Date, provided there are any unsubscribed Right Shares after making full Allotment in (1) and (2) above. The Allotment of such Right Shares will be at the sole discretion of our Board in consultation with the Designated Stock Exchange, as a part of this Issue and will not be a preferential allotment.
4. Allotment to Renounees who having applied for all the Right Shares renounced in their favour, have applied for additional Right Shares provided there is surplus available after making full Allotment under (1), (2) and (3) above. The Allotment of such Right Shares will be made on a proportionate basis in consultation with the Designated Stock Exchange, as a part of this Issue and will not be a preferential allotment.
5. Allotment to any other person, that our Board may deem fit, provided there is surplus available after making Allotment under (1), (2), (3) and (4) above, and the decision of our Board in this regard shall be final and binding. After taking into account Allotment to be made under (1) to (4) above, if there is any unsubscribed portion, the same shall be deemed to be 'unsubscribed'.

Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar shall send to the Controlling Branches, a list of the Investors who have been allocated Right Shares in this Issue, along with:



1. The amount to be transferred from the ASBA Account to the separate bank account opened by our Company for this Issue, for each successful Application;
2. The date by which the funds referred to above, shall be transferred to the aforesaid bank account; and
3. The details of rejected ASBA applications, if any, to enable the SCSBs to unblock the respective ASBA Accounts.

For Applications through R-WAP, instruction will be sent to Escrow Collection Bank with list of Allottees and corresponding amount to be transferred to the Allotment Account. Further, the list of Applicants eligible for refund with corresponding amount will also be shared with Escrow Collection Bank to refund such Applicants.

ALLOTMENT ADVICE OR REFUND/ UNBLOCKING OF ASBA ACCOUNTS

Our Company will e-mail Allotment advice, refund intimations (including in respect of Applications made through R-WAP facility) or demat credit of Right Shares and/or letters of regret, along with crediting the Allotted Right Shares to the respective beneficiary accounts (only in dematerialized mode) or in a demat suspense account or issue instructions for unblocking the funds in the respective ASBA Accounts, if any, within a period of 15 (Fifteen) days from the Issue Closing Date. In case of failure to do so, our Company and the Directors who are “officers in default” shall pay interest at 15% (Fifteen Percent) p.a. and such other rate as specified under applicable law from the expiry of such 15 (Fifteen) days’ period.

In case of Applications through R-WAP, refunds, if any, will be made to the same bank account from which Application Money was received. Therefore, the Investors should ensure that such bank accounts remain valid and active.

In accordance with the SEBI Circular bearing number SEBI/HO/CFD/DIL2/CIR/P/2021/552 dated April 22, 2021, in case of Applications made through the R-WAP facility, refunds, if any for un-allotted or partially allotted applications shall be completed on or before T+1 day (T being the date of finalisation of Basis of Allotment).

The Rights Entitlements will be credited in the dematerialized form using electronic credit under the depository system and the Allotment advice shall be sent, through email, to the email address provided to our Company or at the address recorded with the Depository.

In the case of non-resident Investors who remit their Application Money from funds held in the NRE or the FCNR Accounts, refunds and/or payment of interest or dividend and other disbursements, if any, shall be credited to such accounts.

Where an Applicant has applied for additional Equity Shares in the Issue and is allotted a lesser number of Equity Shares than applied for, the excess Application Money paid/blocked shall be refunded/unblocked. The unblocking of ASBA funds / refund of monies shall be completed be within such period as prescribed under the SEBI (ICDR) Regulations. In the event that there is a delay in making refunds beyond such period as prescribed under applicable law, our Company shall pay the requisite interest at such rate as prescribed under applicable law.

PAYMENT OF REFUND

Mode of making refunds

The payment of refund, if any, including in the event of oversubscription or failure to list or otherwise would be done through any of the following modes. Please note that payment of refund in case of Applications made through R-WAP, shall be through modes under (2) to (7) below.

1. Unblocking amounts blocked using ASBA facility.
2. National Automated Clearing House (hereinafter referred to as ‘NACH’) – National Automated Clearing House is a consolidated system of electronic clearing service. Payment of refund would be done through NACH for Applicants having an account at one of the centers specified by the RBI, where such facility has been made available. This would be subject to availability of complete bank account details including MICR code wherever applicable from the depository. The payment of refund through NACH is mandatory for Applicants having a bank account at any of the centers where NACH facility has been made available by the RBI (subject to availability of all information for



crediting the refund through NACH including the MICR code as appearing on a cheque leaf, from the depositories), except where Applicant is otherwise disclosed as eligible to get refunds through NEFT or Direct Credit or RTGS.

3. National Electronic Fund Transfer (hereinafter referred to as 'NEFT') – Payment of refund shall be undertaken through NEFT wherever the Investors' bank has been assigned the Indian Financial System Code (hereinafter referred to as 'IFSC Code'), which can be linked to a MICR, allotted to that particular bank branch. IFSC Code will be obtained from the website of RBI as on a date immediately prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the Investors have registered their nine digit MICR number and their bank account number with the Registrar to our Company or with the Depository Participant while opening and operating the demat account, the same will be duly mapped with the IFSC Code of that particular bank branch and the payment of refund will be made to the Investors through this method.
4. Direct Credit – Investors having bank accounts with the Bankers to the Issue shall be eligible to receive refunds through direct credit. Charges, if any, levied by the relevant bank(s) for the same would be borne by our Company.
5. RTGS – If the refund amount exceeds ₹2,00,000, the Investors have the option to receive refund through RTGS. Such eligible Investors who indicate their preference to receive refund through RTGS are required to provide the IFSC Code in the Application Form. In the event the same is not provided, refund shall be made through NACH or any other eligible mode. Charges, if any, levied by the refund bank(s) for the same would be borne by our Company.
6. Charges, if any, levied by the Investor's bank receiving the credit would be borne by the Investor.
7. For all other Investors, the refund orders will be dispatched through speed post or registered post subject to applicable laws. Such refunds will be made by cheques, pay orders or demand drafts drawn in favor of the sole/first Investor and payable at par.
8. Credit of refunds to Investors in any other electronic manner, permissible by SEBI from time to time.

In case of Application through R-WAP, refunds, if any, will be made to the same bank account from which Application Money was received. Therefore, the Investors should ensure that such bank accounts remain valid and active.

Refund payment to non-residents

The Application Money will be unblocked in the ASBA Account of the non-resident Applicants, details of which were provided in the Application Form.

ALLOTMENT ADVICE OR DEMAT CREDIT OF SHARES

The demat credit of Shares to the respective beneficiary accounts or the demat suspense account (pending receipt of demat account details for Eligible Shareholders holding Equity Shares in physical form/ with IEPF authority/ in suspense, etc.) will be credited within 15 days from the Issue Closing Date or such other timeline in accordance with applicable laws.

RECEIPT OF THE RIGHT SHARES IN DEMATERIALIZED FORM

PLEASE NOTE THAT THE RIGHT SHARES APPLIED FOR UNDER THIS ISSUE CAN BE ALLOTTED ONLY IN DEMATERIALIZED FORM AND TO

1. THE SAME DEPOSITORY ACCOUNT/ CORRESPONDING PAN IN WHICH THE EQUITY SHARES ARE HELD BY SUCH INVESTOR ON THE RECORD DATE, OR
2. THE DEPOSITORY ACCOUNT, DETAILS OF WHICH HAVE BEEN PROVIDED TO OUR COMPANY OR THE REGISTRAR AT LEAST TWO WORKING DAYS PRIOR TO THE ISSUE CLOSING DATE BY THE ELIGIBLE EQUITY SHAREHOLDER HOLDING EQUITY SHARES IN PHYSICAL FORM AS ON THE RECORD DATE, OR
3. DEMAT SUSPENSE ACCOUNT PENDING RECEIPT OF DEMAT ACCOUNT DETAILS FOR RESIDENT ELIGIBLE SHAREHOLDERS/ WHERE THE CREDIT OF THE RIGHTS ENTITLEMENTS RETURNED/REVERSED/FAILED.
4. INVESTORS SHALL BE ALLOTTED THE RIGHT SHARES IN DEMATERIALIZED (ELECTRONIC) FORM.



INVESTORS MAY PLEASE NOTE THAT THE RIGHT SHARES CAN BE TRADED ON THE BSE LIMITED ONLY IN DEMATERIALIZED FORM

The procedure for availing the facility for Allotment of Right Shares in this Issue in the dematerialized form is as under:

1. Open a beneficiary account with any depository participant (care should be taken that the beneficiary account should carry the name of the holder in the same manner as is registered in the records of our Company. In the case of joint holding, the beneficiary account should be opened carrying the names of the holders in the same order as registered in the records of our Company). In case of Investors having various folios in our Company with different joint holders, the Investors will have to open separate accounts for such holdings. Those Investors who have already opened such beneficiary account(s) need not adhere to this step.
2. It should be ensured that the depository account is in the name(s) of the Investors and the names are in the same order as in the records of our Company or the Depositories.
3. ~~With the~~ responsibility for correctness of information filled in the Application Form vis-a-vis such information with the Investor's depository participant, would rest with the Investor. Investors should ensure that the names of the Investors and the order in which they appear in Application Form should be the same as registered with the Investor's depository participant.
4. If incomplete or incorrect beneficiary account details are given in the Application Form, the Investor will not get any Right Shares and the Application Form will be rejected.
5. The Right Shares will be allotted to Applicants only in dematerialized form and would be directly credited to the beneficiary account as given in the Application Form after verification or demat suspense account (pending receipt of demat account details for resident Eligible Shareholders with IEPF authority/ in suspense, etc.). Allotment advice, refund order (if any) would be sent directly to the Applicant by email and, if the printing is feasible, through physical dispatch, by the Registrar but the Applicant's depository participant will provide to him the confirmation of the credit of such Right Shares to the Applicant's depository account.
6. Non-transferable Allotment advice/ refund intimation will be directly sent to the Investors by the Registrar, by email and, if the printing is feasible, through physical dispatch.
7. Renounees will also have to provide the necessary details about their beneficiary account for Allotment of Right Shares in this Issue. In case these details are incomplete or incorrect, the Application is liable to be rejected.

PROCEDURE FOR APPLICATION BY CERTAIN CATEGORIES OF INVESTORS

1. Procedure for Applications by FPIs

In terms of applicable FEMA Rules and the SEBI FPI Regulations, investments by FPIs in the Equity Shares is subject to certain limits, i.e., the individual holding of an FPI (including its investor group (which means multiple entities registered as foreign portfolio investors and directly and indirectly having common ownership of more than 50% of common control)) shall be below 10% of our post -Offer Equity Share capital. In case the total holding of an FPI or investor group increases beyond 10% of the total paid-up Equity Share capital of our Company, on a fully diluted basis or 10% or more of the paid-up value of any series of debentures or preference shares or share warrants that may be issued by our Company, the total investment made by the FPI or investor group will be re-classified as FDI subject to the conditions as specified by SEBI and the RBI in this regard and our Company and the investor will also be required to comply with applicable reporting requirements. Further, the aggregate limit of all FPIs investments, with effect from April 1, 2020, is up to the sectoral cap applicable to the sector in which our Company operates.

FPIs are permitted to participate in this Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time. The FPIs who wish to participate in the Offer are advised to use the Application Form for non-residents. Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 21 of the SEBI FPI Regulations, an FPI may issue, subscribe to or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by an FPI against Shares held by it that are listed or proposed to be listed on any recognized stock exchange in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons registered as Category I FPI under the SEBI FPI



Regulations; (ii) such offshore derivative instruments are issued only to persons who are eligible for registration as Category I FPIs (where an entity has an investment manager who is from the Financial Action Task Force member country, the investment manager shall not be required to be registered as a Category I FPI); (iii) such offshore derivative instruments are issued after compliance with 'know your client' norms; and (iv) compliance with other conditions as may be prescribed by SEBI.

An FPI issuing offshore derivative instruments is also required to ensure that any transfer of offshore derivative instruments issued by or on its behalf, is carried out subject to inter alia the following conditions: (a) such offshore derivative instruments are transferred only to persons in accordance with the SEBI FPI Regulations; and (b) prior consent of the FPI is obtained for such transfer, except when the persons to whom the offshore derivative instruments are to be transferred to are pre - approved by the FPI.

2. Procedure for Applications by AIFs, FVCIs and VCFs

The SEBI VCF Regulations and the SEBI FVCI Regulations prescribe, among other things, the investment restrictions on VCFs and FVCIs registered with SEBI. Further, the SEBI AIF Regulations prescribe, among other things, the investment restrictions on AIFs.

As per the SEBI VCF Regulations and SEBI FVCI Regulations, VCFs and FVCIs are not permitted to invest in listed companies pursuant to rights issues. Accordingly, applications by VCFs or FVCIs will not be accepted in this Issue. Venture capital funds registered as Category I AIFs, as defined in the SEBI AIF Regulations, are not permitted to invest in listed companies pursuant to rights issues. Accordingly, applications by venture capital funds registered as category I AIFs, as defined in the SEBI AIF Regulations, will not be accepted in this Issue. Other categories of AIFs are permitted to apply in this Issue subject to compliance with the SEBI AIF Regulations. Such AIFs having bank accounts with SCSBs that are providing ASBA in cities / centres where such AIFs are located are mandatorily required to make use of the ASBA facility or using R -WAP (available only for residents). Otherwise, applications of such AIFs are liable for rejection.

3. Procedure for Applications by NRIs

Investments by NRIs are governed by the FEMA Rules. Applications will not be accepted from NRIs that are ineligible to participate in this Issue under applicable securities laws.

As per the FEMA Rules, an NRI or Overseas Citizen of India ("OCI") may purchase or sell capital instruments of a listed Indian Company on repatriation basis, on a recognized stock exchange in India, subject to the conditions, inter alia, that the total holding by any individual NRI or OCI will not exceed 5% of the total paid - up equity capital on a fully diluted basis or should not exceed 5% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian Company and the total holdings of all NRIs and OCIs put together will not exceed 10% of the total paid-up equity capital on a fully diluted basis or shall not exceed 10% of the paid-up value of each series of debentures or preference shares or share warrants. The aggregate ceiling of 10% may be raised to 24%, if a special resolution to that effect is passed by the general body of the Indian company.

Further, in accordance with press note 3 of 2020, the FDI Policy has been recently amended to state that all investments by entities incorporated in a country which shares land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country ("Restricted Investors"), will require prior approval of the Government of India. It is not clear from the press note whether or not an issuance of the Right Shares to Restricted Investors will also require a prior approval of the Government of India and each Investor should seek independent legal advice about its ability to participate in the Issue. In the event such prior approval of the Government of India is required and such approval has been obtained, the Investor shall intimate our Company and the Registrar about such approval within the Issue Period.

4. Procedure for Applications by Mutual Funds

A separate application can be made in respect of each scheme of an Indian mutual fund registered with SEBI and such applications shall not be treated as multiple applications. The applications made by asset management companies or custodians of a mutual fund should clearly indicate the name of the concerned scheme for which the application is being made.

5. Procedure for Applications by Systemically Important Non-Banking Financial Companies ("NBFC-SI")



In case of an application made by NBFC-SI registered with the RBI, (a) the certificate of registration issued by the RBI under Section 45IA of the RBI Act, 1934 and (b) net-worth certificate from its statutory auditors or any independent chartered accountant based on the last audited financial statements is required to be attached to the application.

IMPERSONATION

As a matter of abundant caution, attention of the Investors is specifically drawn to the provisions of Section 38 of the Companies Act, 2013 which is reproduced below:

“Any person who makes or abets making of an application in a fictitious name to a Company for acquiring, or subscribing for, its Shares; or makes or abets making of multiple applications to a Company in different names or in different combinations of his name or surname for acquiring or subscribing for its Shares; or otherwise induces directly or indirectly a Company to allot, or register any transfer of, Shares to him, or to any other person in a fictitious name, shall be liable for action under Section 447.”

The liability prescribed under Section 447 of the Companies Act for fraud involving an amount of at least ₹ 10 lakhs or 1% of the turnover of the company, whichever is lower, includes imprisonment for a term of not less than six months extending up to 10 years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount.

In case the fraud involves (i) an amount which is less than ₹10 lakhs or 1% of the turnover of the company, whichever is lower; and (ii) does not involve public interest, then such fraud is punishable with an imprisonment for a term extending up to five years or a fine of an amount extending up to ₹50 lakhs or with both.

PAYMENT BY STOCKINVEST

In terms of RBI Circular DBOD No. FSC BC 42/24.47.00/2003- 04 dated November 5, 2003, the stock invest scheme has been withdrawn. Hence, payment through stock invest would not be accepted in this Rights Issue.

DISPOSAL OF APPLICATION AND APPLICATION MONEY

No acknowledgment will be issued for the Application Money received by our Company. However, the Designated Branch of the SCSBs receiving the Application Form will acknowledge its receipt by stamping and returning the acknowledgment slip at the bottom of each Application Form and the R-WAP platform would generate an electronic acknowledgment to the Eligible Shareholders upon submission of the Application.

Our Board of Directors of the Company reserves its full, unqualified and absolute right to accept or reject any Application, in whole or in part, and in either case without assigning any reason thereto.

In cases where refunds are applicable, such refunds shall be made within a period of 15 days. In case of failure to do so, our Company and the Directors who are “officers in default” shall pay interest at the prescribed rate. In case an Application is rejected in full, the whole of the Application Money will be unblocked in the respective ASBA Accounts, in case of Applications through ASBA or refunded to the Investors in the same bank account through which Application Money was received, in case of an application using the R-WAP facility. Wherever an Application is rejected in part, the balance of Application Money, if any, after adjusting any money due on Right Shares Allotted, will be refunded / unblocked in the respective bank accounts from which Application Money was received / ASBA Accounts of the Investor within a period of 15 days from the Issue Closing Date. In case of failure to do so, our Company shall pay interest at such rate and within such time as specified under applicable law.

For further instructions, please read the Application Form carefully.

UNDERTAKINGS BY OUR COMPANY

Our Company undertakes the following:

1. The complaints received in respect of the issue shall be attended to by our Company expeditiously and satisfactorily;



2. All steps for completion of the necessary formalities for listing and commencement of trading at BSE Limited, where the Right Shares are to be listed are taken within the time limit specified by the SEBI;
3. The funds required for making refunds to unsuccessful applicants as per the mode(s) disclosed shall be made available to the Registrar by our Company;
4. Where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within 15 (Fifteen) days of closure of the issue giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;
5. Where release of block on the application amount for unsuccessful bidders or part of the application amount in case of proportionate allotment, a suitable communication shall be sent to the applicants;
6. Adequate arrangements shall be made to collect all ASBA applications and record all Applications made through R-WAP process;

UTILIZATION OF ISSUE PROCEEDS

Our Board declares that:

1. All monies received out of issue of this Right Equity Issue to the public shall be transferred to a separate bank account.
2. Details of all monies utilized out of this Right Issue referred to in clause (A) above shall be disclosed under an appropriate separate head in the balance sheet of our Company indicating the purpose for which such monies had been utilized; and
3. Details of all unutilized monies out of this Right Issue referred to in clause (A) above, if any, shall be disclosed under an appropriate separate head in the balance sheet of our Company indicating the form in which such unutilized monies have been invested.

IMPORTANT

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

Bigshare Services Private Limited

Office No S6-2, 6th floor Pinnacle Business Park, Next to Ahura Centre,
Mahakali Caves Road, Andheri (East) Mumbai - 400093,
Maharashtra, India

Contact Details: 022-62638200/22

Email-ID: rightsissue@bigshareonline.com

Investor Grievance Email-ID: investor@bigshareonline.com

Website: www.bigshareonline.com

Contact Person: Mr. Vijay Surana

SEBI Registration Number: INR000001385

3. In accordance with SEBI Rights Issue Circulars, frequently asked questions and online/ electronic dedicated investor helpdesk for guidance on the Application process and resolution of difficulties faced by the Investors will be available on the website of the Registrar (www.bigshareonline.com). Further, helpline numbers provided by the Registrar for guidance on the Application process and resolution of difficulties are 022 - 62638200/22.
4. This Issue will remain open for a minimum 15 (Fifteen) days. However, the Board of Directors will have the right to extend the Issue Period as it may determine from time to time but not exceeding 30 (Thirty) days from the Issue Opening Date (inclusive of the Issue Closing Date).



RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

There are two routes through which foreign investors may invest in India. One is the 'automatic route', where no government approval is required under Indian foreign exchange laws to make an investment as long as it is within prescribed thresholds for the relevant sector. The other route is the "government route", where an approval is required under foreign exchange laws from the relevant industry regulator, prior to the investment.

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991, of the Government of India and FEMA. While the Industrial Policy, 1991, of the Government of India, prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise way such investment may be made. The Union Cabinet, as provided in the Cabinet Press Release dated May 24, 2017, has given its approval for phasing out the FIPB. Under the Industrial Policy, 1991, unless specifically restricted, foreign investment is freely permitted in all sectors of the Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. Accordingly, the process for foreign direct investment and approval from the Government of India will now be handled by the concerned ministries or departments, in consultation with the Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India (formerly known as the Department of Industrial Policy and Promotion), Ministry of Finance, Department of Economic Affairs, FIPB section, through a memorandum dated June 5, 2017, has notified the specific ministries handling relevant sectors.

The Government has, from time to time, made policy pronouncements on FDI through press notes and press releases. The DPIIT issued the Consolidated FDI Policy Circular of 2020 (**'FDI Circular 2020'**), which, with effect from October 15, 2020, consolidated and superseded all previous press notes, press releases and clarifications on FDI issued by the DPIIT that were in force and effect as on October 15, 2020. The Government proposes to update the consolidated circular on FDI policy once every year and therefore, FDI Circular 2020 will be valid until the DPIIT issues an updated circular.

The Government of India has from time to time made policy pronouncements on FDI through press notes and press releases which are notified by RBI as amendments to FEMA. In case of any conflict, the relevant notification under Foreign Exchange Management (Non-Debt Instruments) Rules, 2019 will prevail. The payment of inward remittance and reporting requirements are stipulated under the Foreign Exchange Management (Mode of Payment and Reporting of Non-Debt Instruments) Regulations, 2019 issued by RBI. The FDI Circular 2020, issued by the DPIIT, consolidates the policy framework in place as on October 15, 2020, and supersedes all previous press notes, press releases and clarifications on FDI issued by the DPIIT that were in force and effect as on October 15, 2020.

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of RBI, provided that:

1. The activities of the investee company falls under the automatic route as provided in the FDI Policy and FEMA and transfer does not attract the provisions of the SEBI (SAST) Regulations;
2. The non- resident shareholding is within the sectoral limits under the FDI Policy; and
3. The pricing is in accordance with the guidelines prescribed by SEBI and RBI.

No investment under the FDI route (i.e., any investment which would result in the investor holding 10% or more of the fully diluted paid-up equity share capital of the Company or any FDI investment for which an approval from the government was taken in the past) will be allowed in the Issue unless such application is accompanied with necessary approval or covered under a pre-existing approval from the government. It will be the sole responsibility of the investors to ensure that the necessary approval or the pre-existing approval from the government is valid to make any investment in the Issue.

The Lead Manager to the Issue and our Company will not be responsible for any allotments made by relying on such approvals. Please also note that pursuant to Circular no. 14 dated September 16, 2003, issued by RBI, Overseas Corporate Bodies have been derecognized as an eligible class of investors and RBI has subsequently issued the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCBs)) Regulations, 2003. Any Investor being an OCB is required not to be under the adverse notice of RBI and in order to apply for this issue as a incorporated non-resident must do so in accordance with the FDI Circular 2020 and Foreign Exchange Management (Non-Debt Instrument) Rules, 2019. Further, while investing in the Issue, the Investors are deemed to have obtained the necessary approvals, as required, under applicable laws and the obligation to obtain such approvals shall be upon the Investors. Our Company shall



not be under an obligation to obtain any approval under any of the applicable laws on behalf of the Investors and shall not be liable in case of failure on part of the Investors to obtain such approvals.

The above information is given for the benefit of the Applicants / Investors. Our Company and the Lead Manager to the Issue are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of the Letter of Offer. Investors are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws or regulations.



SECTION X – OTHER INFORMATION

Please note that the Right Shares applied for under this Issue can be allotted only in dematerialised form and to (a) the same depository account/ corresponding pan in which the Equity Shares are held by such Investor on the Record Date, or (b) the depository account, details of which have been provided to our Company or the Registrar at least two working days prior to the Issue Closing Date by the Eligible Equity Shareholder, or (c) demat suspense account where the credit of the Rights Entitlements returned/reversed/failed.

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following material documents and contracts (not being contracts entered into in the ordinary course of business carried on by our Company or entered into more than 2 (Two) years prior to the date of this Draft Letter of Offer) which are or may be deemed material have been entered or are to be entered into by our Company. Copies of the abovementioned contracts and also the documents for inspection referred to hereunder, may be inspected at the Registered and Corporate Office between 10 a.m. and 5 p.m. on all working days from the date of filing of the Letter of Offer until the Issue Closing Date. The copies of these contracts and also the documents for inspection referred to hereunder, would be available on the website of the Company at, <http://www.mercurymetals.in> from the date of this Draft Letter of Offer until the Issue Closing Date.

MATERIAL CONTRACTS FOR THE ISSUE

1. Issue Agreement dated June 25, 2022 between our Company and the Lead Manager.
2. Registrar Agreement dated June 23, 2022;
3. Bankers to the Issue Agreement dated [●]; amongst our Company and the Registrar to the Issue and the Escrow Collection Bank(s).
4. Tripartite Agreement between our Company, National Securities Depository Ltd. (NSDL) and Registrar to the Issue;
5. Tripartite Agreement between our Company, Central Depository Services (India) Limited (CDSL) and Registrar to the Issue;

MATERIAL DOCUMENTS IN RELATION TO THE ISSUE

1. Certified copies of the updated Memorandum of Association and Articles of Association of our Company;
2. Certificate of incorporation of our Company;
3. Copies of Audited financial statement and the annual report of our Company for the last 3 (Three) Financial Years for the Financial Year ending March 31, 2022, March 31, 2021 and March 31, 2020;
4. Resolution of our Board of Directors dated June 22, 2022 approving the Rights Issue;
5. Resolution of our Board of Directors dated [●], finalizing the terms of the Issue including Issue Price, Record Date and the Rights Entitlement Ratio;
6. Resolution of our Board dated July 01, 2022, approving the Draft Letter of Offer;
7. Resolution of our Board of Directors dated [●], approving the Letter of Offer;
8. Consents of our Directors, Lead Manager, Bankers to our Company, Bankers to the Issue, and the Registrar to the Issue for inclusion of their names in the Letter of Offer to act in their respective capacities;
9. Report on Statement of Special Tax Benefits dated June 18, 2022 for our Company from the Statutory Auditors of our Company;
10. In-principle approval issued by BSE Limited dated [●] dated [●];



Any of the contracts or documents mentioned in this Draft Letter of Offer may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without notice to the Eligible Shareholders subject to compliance of the provisions contained in the Companies Act and other relevant statutes.



DECLARATION

We hereby declare that no statement made in this Draft Letter of Offer contravenes any of the provisions of the Companies Act, 2013, and the rules made thereunder. We further certify that all the legal requirements connected with the Issue as also the guidelines, instructions, etc., issued by SEBI, Government of India and any other competent authority in this behalf, have been duly complied with. We further certify that all disclosures made in this Draft Letter of Offer are true and correct.

SIGNED BY THE DIRECTORS OF OUR COMPANY

Sd/- MR. KAVIT JAYESHBHAI THAKKAR Managing Director	Sd/- MR. ARVINDKUMAR BABULAL THAKKAR Independent Director
Sd/- MR. JAYESH VIMAL CHELLANI Independent Director	Sd/- MR. DHRUV DEEPAK YARDI Chief financial Officer
Sd/- MS. MANSI ABHAY JAIN Additional Independent Director	Sd/- MR. HARIT GOPALBHAI SHAH Executive Director

SIGNED BY THE COMPANY SECRETARY & COMPLIANCE OFFICER OF OUR COMPANY

Sd/-

MR. MIKIL NITINBHAI GOHIL
Company Secretary & Compliance Officer

Place: Vadodara

Date: July 01, 2022