

**Mercury
Metals Limited**

**2009-2010
ANNUAL REPORT**

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NOTICE

Notice is hereby given that the Annual General Meeting of the members of Mercury Metals Limited will be held on Wednesday, the 30th day of September, 2010 at 10.00 P.M. at Registered office of the company at 36, Advani Market, Outside Dariapur gate, Shahibag, Ahmedabad-380004 to transact the following business.

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Profits & Loss Account for the financial year ended on 31st March, 2010 and Balance Sheet as at that date and Report of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Amit Ajitkumar Vyas who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Auditors of the Company to hold office from the conclusion of this Annual General Meeting and to authorize the Board of Directors to fix their remuneration. In this context, to consider and if thought fit to pass with or without modifications following as an ordinary resolution.

"RESOLVED THAT M/s. Badrilal Punglia & Co. Chartered Accountants be and are hereby appointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting on such remuneration as may be decided by the Board of Directors of the Company."

Notes:

1. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and such a proxy need not be a member of the Company.
2. All valid proxies must be deposited at the Regd. Office of the company at least 48 hours before the commencement of the meeting.
3. An explanatory statement pursuant to provisions of section 173 is enclosed to this notice.
4. Members are requested to bring their copies of Annual Report to the meeting.
5. Register of members and share transfer books of the company will remain closed from 28/09/2010 to 29/09/2010 (both days inclusive).

By Order of the Board of Directors
For **MERCURY METALS LIMITED**

Sd/-	Sd/-
Govindram L. Kabra	Amit A. Vyas
Director	Director

Place: Ahmedabad
Date: 15/07/2010

DIRECTOR'S REPORT

Dear Members,

Your Directors have pleasure in presenting the Annual Report together with the Audited Accounts of the Company for the year ended on 31st March, 2010

1. FINANCIAL RESULTS:

The summarized financial results of the Company for the period ended 31st March, 2010. Are as follows:

Particulars	(Amount in Rs.)	
	2009-10	2008-09
Total Income (Net)	6653135	9207351
Total Expenditure	7060016	9404627
Gross Profit / (Loss)	(406881)	(197276)
Less : Depreciation	(27472)	(28917)
Net Profit / (Loss)	(434353)	(226193)

2. DIVIDEND:

Your directors are unable to recommend any dividend in view of weak financial position of the company

3. OPERATIONS:

The company has achieved during the year sales turnover of Rs. 66.50 Lacs and other income of Rs.0.027 Lacs compared to Rs.0.04 Lacs. The company has incurred net loss of Rs.4.34 Lacs compared to Rs. 2.26 Lacs in previous year. Your directors are optimistic of achieving much better results in the next year.

4. INSURANCE:

The company has taken sufficient insurance for the properties against risks of fire, strike, riot and earthquake.

5. DIRECTORS:

Shri Amit A. Vyas, director of the company, retires by rotation and being eligible offers themselves for reappointment.

6. PARTICULARS OF EMPLOYEES:

The particulars of the employee of the Company drawing total remuneration of Rs.24,00,000/- per annum or Rs.2,00,000/- per month as required U/S 217 (2A) of the Companies Act, 1956 is Nil.

7. FIXED DEPOSITS:

Your Company has not accepted any deposits and, as such, no amount of principal or interest was outstanding on the date of balance sheet.

8. DIRECTORS' RESPONSIBILITY STATEMENT - SECTION 217 (2AA) OF THE COMPANIES ACT, 1956:

The Board of Directors states:

- i. that in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- ii. that the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;

- iii. that the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- iv. that the Directors had prepared the annul accounts on a going concern basis.

9. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

Disclosures of particulars with respect to conversion of energy and technology absorption are not material, hence not annexed. There are no foreign exchange transactions during the year.

10. CORPORATE GOVERNANCE:

Your directors are pleased to inform you during the year provisions relating to the Corporate Governance as per listing Agreement has become applicable and has complied with the various requirements a report along with certificate is attached forming part of this report.

11. AUDITORS:

M/s. Badrilal Punglia & Co.,Chartered Accountants, Ahmedabad, statutory auditors retires at the end of ensuing Annual general meeting and being eligible, offer themselves for reappointment.

12. AUDITORS REPORT AND COMMNETS:

- i. The Net worth of the company has been eroded by more than 50%. However boards of directors are of the opinion that the company's position will be revived soon and therefore the company has not approached BIFR for registration as potentially sick company.
- ii. The Company has availed credit facility from the Charotar Nagrik Sahkari Bank Ltd., and The Bank of Rajasthan Ltd. In view of the adverse financial position of the Company, management has approached both the bankers for reschedulement and settlement of the financial assistance availed by the company.

13. ACKNOWLEDGEMENT

Your Directors would like to express their appreciation for the support extended by Bankers and Office bearers of Government Department and Financial Institutions. Your Directors also acknowledge the continued invaluable support extended by you our shareholders - and the confidence that you have placed in the company.

By Order of the Board of Directors
For **MERCURY METALS LIMITED**

Place: Ahmedabad
Date: 15/07/2010

Sd/-	Sd/-
Govindram L. Kabra	Amit A. Vyas
Director	Director

MANAGEMENT DISCUSSION AND ANALYSIS

1. Industry Structure and Development:

The Company is engaged in the business of trading of ferrous and non-ferrous metals. The Company intends to extend its area of operation to other metals including trading of precious metals. The metal industry in which the Company is dealing is recently having trends of volatility and there are very good chances for the Company to develop its area of operation in the metal industry.

2. Opportunities and Threats:

The Metal industry to which the Company belongs is high capital investment sector. Presently this sector is very volatile and needed experienced management to cope up with the increasing competition. This sector has good business opportunity looking to increasing demand from infrastructure sector. The present management of the Company is having required level of skill and looking to expansion plans the Company will include good mixture of experienced manpower at various levels. This sector is dominated by big players and requires huge investment to compete in highly volatile market. The management is also looking to restructure the capital base of the Company.

3. Internal Control system and their adequacy:

The Company has adequate system of internal controls commensurate with its size and operations to ensure orderly and efficient conduct of business. These control ensure safeguarding of assets, reduction and detection of frauds and error, adequacy and completeness of the accounting records and timely preparation of reliable financial information.

4. Financial performance with respect to operational performance:

The financial performance of the Company for the year 2009-10 is described in Directors Report.

5. Human Resources/ Industrial Relations:

Your Company has undertaken certain employees' Development initiatives which have very positive impact on the moral and team spirit of the employees. The Company has continued to give special attention to Human Resources/ Industrial Relations development. Industrial relations remained cordial throughout the year and there was no incidence of strike, lock-out etc.

6. Cautionary Statement:

Statement in this management Discussion and Analysis describing the company's objectives, projections, estimated and expectations are "forward looking statements" Actual results might differ, materially from those anticipated because of changing ground realities.

By Order of the Board of Directors
For **MERCURY METALS LIMITED**

Place: Ahmedabad
Date: 15/07/2010

Sd/-	Sd/-
Govindram L. Kabra	Amit A. Vyas
Director	Director

CORPORATE GOVERNANCE REPORT

(As required under Clause 49 of the Listing Agreements)

The Directors presents the Company's report on Corporate Governance in accordance with the provisions of clause 49 of the Listing Agreement with stock exchanges.

1. THE COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:

The Board has adopted the principles of good corporate governance and it is committed to adopting the same in future. It is true that the compulsion may initiate steps for compliance however voluntary adoption may take the same at its true place. We have taken steps for the good corporate governance practice, which will lead to the ethics of integrity, transparency and accountability.

2. THE BOARD OF DIRECTORS:

The Board of Directors comprises of four Directors all professionals in their own right. The composition of the Board of Director, the member of other directorship or board committees of which he is a member/ chairperson are as under:

Attendance at board Meetings:

Dates of Board Meetings: 30/04/2009, 08/07/2009, 30/10/2009, 29/01/2010

Name	Executive/ Non- Executive/ Independent	No. of other Directorships held in other pub. Companies	Board meetings attended	Membership in the committee of other companies	Chairmanship at the committee of other companies	Attended last AGM 30 th September, 2009
Mr. Ramprakash L. Kabra Chairman	Non Executive Director	0	04	0	0	Yes
Mr Govindram Kabra Managing Director	Executive Director	0	04	0	0	Yes
Mr. Amit Vyas Director	Non Executive Independent Director	0	04	0	0	Yes

The company held Four Board meeting during the year under preview.

3. AUDIT COMMITTEE:

i. Term of reference:

The terms of reference of the Audit committee, as specified by the Board, includes the whole as specified in the clause 49 of the listing agreement, including a review of audit procedures and techniques, financial reporting systems, internal control systems and procedures besides ensuring compliance with regulatory guidelines. The committee members are all non-executive and majority being the independent directors, collectively having requisite knowledge of finance, accounts and company law. The committee recommends the appointment of external auditors and their fees and payments and also takes an overview of the financial reporting process to ensure that financial statements are correct sufficient and credible. The report of the statutory auditors is reviewed along with managements' comments and action-taken reports.

ii. Composition of the committee:

The committee comprises of Shri Govindram Kabra as chairman and Shri Amit Vyas and Shri Ramprakash Kabra as members of the committee.

iii. Meetings and attendance during the year :

Sr. No.	Director	Status	No. of Meetings Attended
01	Mr. Govindram Kabra	Chairman	04
02	Mr. Amit Vyas	Member	04
03	Mr. Rampraksah Kabra	Member	04

4. REMUNERATION COMMITTEE:

The remuneration committee consists of 3 directors. The committee recommends the remuneration packages to the Managing/Executive Directors, to the senior officers, employees etc.

i. Composition :

It comprises of Shri Amit Vyas, as Chairman of the committee and Shri Ramprakash Kabra and Shri Govindram Kabra as members of the committee.

ii. Meetings and attendance during the year:

Since there were no agenda requiring decision to fix remuneration of directors, no meetings were held during the year under review.

5. SHARE TRANSFER AND SHAREHOLDER / INVESTOR GRIEVANCES COMMITTEE:

All the matters relating to Shareholders was reviewed as well as considered by the Share transfer Committee. However to adhere to the corporate Governance requirements, a new committee called Share transfer and shareholder/investors Grievances committee was formed and the responsibility of erstwhile Share Transfer committee was transferred to the new committee. This committee reviews, records and helps expedite transfer of shares and helps resolve and attend to any grievances of the investors.

i. Composition:

The committee comprises of Shri Ramprakash Kabra as chairman and Shri Amit Vyas and Shri Govindram Kabra as members of the committee.

ii. Meetings and Attendance during the year:

All the matters relating to share Department and investor services was handled by Share Transfer Committee. The Share Transfer committee met four times in the year. All the members were present at all the meeting. The company is also availing services of Shri Ashish Doshi, a practicing company secretary to advise the company for fulfillment of all the clauses of Listing Agreement and other related rules and laws and who also remains present the meetings of the committee.

However to adhere to the requirements of Corporate Governance this new committee was formed

To expeditiously meet the requirements of transfer of shares, The members of the committee has been given authority to deal with and approve the cases on fortnightly basis and place report before the committee meeting.

iii. Complaints:

During the year mainly there were no complaints regarding non receipt of dividend warrants and annual reports. As on date there is no pending complaints.

6. SHAREHOLDER INFORMATION & RELATIONS:

The main source of information for shareholders is the Annual Report which includes, inter-alia, the reports of the Directors and the Auditors, Audited Accounts, etc. Shareholders are intimated through print media of quarterly financial results within time periods stipulated from time to time by the stock exchanges.

i. General Body meetings:

The last 3 Annual General Meetings were held as follows.

Date	Time	Place
29/09/07	11.00 a.m.	39, Advani Market, O/s Delhi Gate Shahibaug, Ahmedabad-380004
30/09/08	11.00 a.m.	39, Advani Market, O/s Delhi Gate Shahibaug, Ahmedabad-380004
30/09/09	11.00 a.m.	39, Advani Market, O/s Delhi Gate Shahibaug, Ahmedabad-380004

The next AGM shall be held at the Registered Office of the company at 39, Advani Market, O/s Delhi Gate, Shahibaug, Ahmedabad-380004 at 11.00 am. on 30th September, 2010. The Book Closure will also be as per the dates mentioned elsewhere in the Notice calling Annual general Meeting.

ii. Means of Communications:

The company keeps shareholders informed via advertisements in appropriate newspapers of relevant dates and items requiring notice. The company is having in-house computerized share department.

The company regularly publishes quarterly financial results etc. in English (either in Western-Times or any other newspaper) and relevant vernacular print media in published in vernacular language (either in Western Times or any other news paper) The company had always held Annul General Meetings within the time limit prescribed by the law or regulatory.

7. DISCLOSURES:

i. Disclosures on materially significant related party transactions that may have potential conflict with the interests of the Company at large:

In terms of Section 299 (3) of the Companies Act, 1956, the General Notices of disclosure of interest are obtained from the Directors and accordingly, the Register of Contracts under Section 301 of the Companies Act, 1956 is tabled and signed.

ii. Details of non-compliance by the Company, penalties, and strictures imposed on the Company by Stock Exchanges or SEBI or any statutory authority, on any matter related to capital markets, during the last three years:

No strictures and penalties have ever been imposed on the Company by the Stock Exchanges or SEBI or any statutory authorities, on matters related to capital markets.

iii. The Company has adopted a Code of Conduct for its Directors and employees:

This Code of Conduct has been communicated to each of them.

iv. Regarding Dematerialization of Shares:

The Company does not have demat connectivity with any of the depositories.

v. The trading in Equity shares of the company has been suspended due to non compliance of listing agreement by the company.

vi. The company has implemented all the applicable mandatory requirement of clause 49 of listing agreement.

vii. Non Mandatory Requirements:

The clause 49 states that the non-mandatory requirement may be implemented as per the discretion of the management and is need based.

8. GENERAL SHAREHOLDERS INFORMATION :

i. Annual General meeting :

Day and Date : Thursday, 30th September, 2010,

Time : 11.00 a.m.

Venue : 39, Advani Market, O/s Delhi Gate, Shahibaug, Ahmedabad- 380004

ii. Financial Calendar for 2009-2010:

First Quarter : By end of next month of the succeeding quarter.

Second Quarter : By end of next month of the succeeding quarter.

Third Quarter : By end of next month of the succeeding quarter.

Fourth Quarter : By end of next month of the succeeding quarter.

iii. Book Closure:

28th September, 2010 to 29th September, 2010 (both days Inclusive)

- iv. Listing of Shares and Securities:
The company's shares are presently listed at Bombay Stock Exchange and Ahmedabad Stock exchange.
- v. Market Price Data:
As the trading in equity shares of the company is suspended the stock price data is not available.
- vi. Share transfer System:
The company is having in-house computerized Share Transfer department and has appointed.
- vii. Categories of Shareholding as on March 31, 2010.

Category	No. of Shares	Percentage (%)
Promoters	2931308	42.16
Non – Promoters :		
Bodies Corporate	225800	3.25
Individual	3795700	54.59
Total	6952808	100.00

- viii. Investor correspondence:
The investors can send all correspondence to the registered office of the company the address is as follows

Registered office:
39, Advani Market, O/s Delhi Gate, Shahibaug, Ahmedabad-380004.
Email Id: metal.mercury@gmail.com

9. Code of Conduct:

The Company's Board of Directors has adopted the code of conduct which governs the conduct of all directors/employees. All Directors and senior management personnel have affirmed compliance with respective codes for the year ended March 31, 2010. Declaration in this regard is attached with this report.

10. CEO/CFO Certification:

A certificate signed by Mr. Govindram L. Kabra, Managing Director is attached with this report

Certification under Clause 49 (I)(D) of the Listing Agreement

All the Board members and Senior Management personnel have affirmed compliance with the respective Codes of Conduct for Mercury Metals Limited for Financial year ended 31st March, 2010.

For Mercury Metals Limited

Sd/-

Govindram L. Kabra
Director

Place : Ahmedabad

Date : 15/07/2010

Certificate on Corporate Governance

The Members of
Mercury Metals Limited

We have examined the compliance of conditions of corporate governance by Mercury Metals Limited for the year ended on 31st March, 2010 as stipulated in clause 49 of the Listing Agreement of the Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company, for ensuring the compliance of the conditions of Corporate Governance.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

For **BADRILAL PUNGLIA & CO.**
Chartered Accountants

Sd/-

B. L. Punglia
Proprietor
Membership No. : 034230
FRN. : 100827W
PAN : AEHPP2017D

Place: Ahmedabad

Date: 15/07/2010

AUDITOR'S REPORT

To
The Members of M/s. **MERCURY METALS LIMITED.**

We have audited the attached Balance Sheet of **MERCURY METALS LIMITED** as at 31st March, 2010 and the Profit & Loss Account of the Company for the period/year ended on that date annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, and on the basis of the books and records of the company as we considered appropriate and according to the information and explanation give to us, we enclosed in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.

Further to our comments in the Annexure referred to above, we report that:

1. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
2. 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;
3. The Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of account;
4. In our opinion, the Balance Sheet and the Profit and Loss Account dealt by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
5. On the basis of written representations received from the directors, as on 31st March, 2010, and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2010 from being appointed as a Director in terms of clause (g) of sub-section(1) of section 274 of the Companies Act, 1956;
6. In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;
 - i. in the case of the Balance Sheet, of the state of affair of the company as at 31st March, 2010;
 - ii. in the case of the Profit and Loss Account, of the Loss for the year ended on that date;

For **BADRILAL PUNGLIA & CO.**
Chartered Accountants

Sd/-
B. L. Punglia
Proprietor
Membership No. : 034230
FRN. : 100827W
PAN : AEHPP2017D

Place: Ahmedabad
Date: 15/07/2010

MERCURY METALS LIMITED

ANNEXURE REFERRED TO IN PARAGRAPH (1) OF OUR REPORT OF EVEN DATE

Annexure referred to in paragraph 3 of the Auditor's Report of even date to the members of **MERCURY METALS LIMITED** on the financial statement for the year ended 31st March 2010.

1. The Company has maintained proper records of fixed assets showing full particulars including quantitative details and location. The company has a regular programme of physical verification of its fixed assets which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. In accordance with this programme, certain fixed assets were physically verified by Management during the year and no material discrepancies were noticed on such verification.

None of the fixed assets have been disposed off during the year.

2. As explained to us, the inventories have been physically verified by the management at reasonable intervals during the year. In our opinion, the frequency of such verification is reasonable having regard to the size of the Company and the nature of its business.

In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of the business.

The company has maintained proper records of inventory. As explained to us, there were no material discrepancies noticed on physical verification of the having regard to the size of the operations of the Company.

3. We are informed that the Company has not taken any loans, secured or unsecured, from/to companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956.

There is outstanding balance of Rs. 16600 granted to a company listed in the register maintained u/s 301. No stipulation for repayment of loan and interest.

4. In our opinion, and according to the information and explanation given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods. In our opinion and according to the information and explanations given to us, there is no continuing failure to correct major weakness in internal control.
5. In our opinion and according to the information and explanations given to us, there are no transaction made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 and aggregating during the year to Rs. 500000 or more in respect of any party.
6. The Company has not accepted any deposits from the public hence provision required U/s 58A & 58AA are not applicable.
7. In our opinion, the internal audit system of the Company is commensurate with its size and nature of its business.
8. The Central Government has not prescribed maintenance of cost Records under Section 209 (1) (d) of the Companies Act, 1956.
9. According to the information and explanations given to us, there are no undisputed statutory dues payable respect of Provident Fund, Investor Education and Protection Fund , Employees state Insurance , come-tax Sales-tax, Wealth Tax, Custom Duty, Exice duty, Cess which are outstanding as at 31st March,2010 for a period of more than six months from the date they became payable except C.S.T. Rs.4.75 Lacs and sales tax outstanding Rs.0.11 Lacs, which are pending for more than six months.
10. Comapany has registered for a period not less than five year, its accumulated losses at the end of the financial year Rs.15,47,78,181/- and during previous year it was Rs.15,43,43,827/-.
11. The company has defaulted in payment of secured loans to the Charotar Nagrik Sahkari Bank Ltd. amounting to Rs. 285.58 Lacs and The Bank of Rajsthan Ltd. amounting to Rs. 69.37 Lacs and accrued interest thereon.

12. The Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities and in our opinion, adequate documents and records are not required to maintained.
13. The company is not chit Fund, Nidhi and Mutual Fund society, hence requirements of item (Xiii) of paragraph 4 of the order are not applicable to the company.
14. According to the information and explanations given to us, proper records have been maintained in respect of transactions and contracts, in shares, securities, debentures and other investments and timely entries have been made therein. The shares and other securities have been held by the company in its own name.
15. According to the information and explanations given to us, the company has given guarantee for loans taken by Rupangi Impex Ltd.(company under liquidation) amounting to Rs.738 Lacs from bank or financial institutions.
16. The company has not taken any term loans and hence requirement of reporting regarding application of term loans does not arise.
17. No short term loan was applied for long term investment.
18. We are informed that the company has not made any preferential allotment of shares to companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956.
19. The company has not issued debentures and hence requirement of reporting regarding creation of securities in respect of debentures issued does not arise.
20. The company has not raised any money by public issue.
21. According to information and explanation given to us no fraud on or by the company has been noticed or reported during the course of audit.

For **BADRILAL PUNGLIA & CO.**
Chartered Accountants

Sd/-

B. L. Punglia

Proprietor

Membership No. : 034230

FRN. : 100827W

PAN : AEHPP2017D

Place: Ahmedabad

Date: 15/07/2010

CHIEF EXECUTIVE OFFICER (CEO) CERTIFICATION

I, Govindram L. Kabra, have reviewed to the best of our knowledge and belief certify that :

1. I have reviewed the Balance Sheet and Profit and loss account and all its schedules and notes on accounts, as well as cash flow statement and the directors report;
2. Based on our knowledge and information, these statements do not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the statements made;
3. Based on our knowledge and information, the financial statements and other financial information included in this report, present in all material respects, a true and fair view of, the company's affairs, the financial condition, results of operations and cash flows of the company as of, and for, the periods presented in this report, and are in compliance with the existing accounting standards and/or applicable laws and regulations;
4. To the best of our knowledge and belief, no transactions entered into by the company during the year are fraudulent, illegal or violative of the company's code of conduct.
5. I am responsible for establishing and maintaining internal controls over financial reporting for the company, and we have:
 - i. Designed such disclosure controls and procedures to ensure that material information relating to the company is made known to us by others within those entities, particularly during the period in which this report is being prepared.
 - ii. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and preparing of financial statements for external purposes in accordance with generally accepted accounting principles;
 - iii. Evaluated the effectiveness of the company's disclosure, controls and procedures and
 - iv. Disclosed in this report any change in the company's internal control over financial reporting that occurred during the company's most recent financial year that has materially affected, or is reasonably likely to materially affect, the company's internal control over financial reporting.
6. I have disclosed bad on our most recent evaluation, wherever applicable, to the company's auditors and the audit committee of the company's Board of directors.
 - i. significant changes in internal controls during the year covered by this report;
 - ii. Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements;
 - iii. instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system.
7. I further declare that all board members and senior managerial personnel have affirmed compliance with the code of conduct for the current year.

Place: Ahmedabad
Date : 15/07/2010

Govindram L. Kabra
Managing Director

MERCURY METALS LIMITED
BALANCE SHEET AS AT MARCH 31, 2010

(Amount in Rs.)

Particular	Schedule	Amount as at March 31, 2010	Amount as at March 31, 2009
SOURCE OF FUNDS			
CAPITAL A/C		184509580.00	184509580.00
SHARE CAPITAL	A	74656580.00	74656580.00
RESERVES & SURPLUS	B	109853000.00	109853000.00
LOAN FUNDS		35495148.94	35495148.94
SECURED LOANS	C	35495148.94	35495148.94
Total		220004728.94	220004728.94
APPLICATION OF FUNDS			
FIXED ASSETS	D	521960.73	549432.73
INVESTMENT	E	3001250.00	3001250.00
CURRENT ASSETS, LOANS AND ADVANCES		62233039.22	62724451.22
INVENTORIES (VALUED & CERTIFIED BY MANAGEMENT)		13566972.00	13566972.00
CLOSING STOCK		13566972.00	13566972.00
SUNDRY DEBTORS	F	44085316.04	44721783.04
CASH & BANK BALANCES	G	1540333.18	1391603.18
LOANS & ADVANCES	H	3040418.00	3044093.00
LESS : CURRENT LIABILITIES & PROVISIONS		(529701.15)	(614232.47)
CURRENT LIABILITIES	I	529701.15	613496.47
PROVISIONS	J	0.00	736.00
NET CURRENT ASSETS/LIABILITIES		61703338.07	62110218.75
MISCELLANEOUS EXPENDITURE (TO THE EXTENT NOT WRITTEN OFF/ADJUSTED)	K	154778180.14	154343826.82
Total		220004728.94	220004728.30

SIGNIFICANT ACCOUNTING POLICIES & NOTES TO THE ACCOUNT

As per our Report of even date attached

For, **BADRILAL PUNGLIA & CO.**

Chartered Accountants

Sd/-

BADRILAL PUNGLIA

Proprietor

Membership No. : 034230

Place : Ahmedabad

Date : 15/07/2010

Q

For and On Behalf of Board of Directors

Sd/-

Govindram L. Kabra

Director

Sd/-

Amit A. Vyas

Director

MERCURY METALS LIMITED
PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2010

(Amount in Rs.)

Particular	Schedule	Amount as at March 31, 2010	Amount as at March 31, 2009
I N C O M E S			
INCOME		<u>6653135.00</u>	<u>9207351.00</u>
SALES TURNOVER	L	6650475.00	9203376.00
OTHER INCOME	M	2660.00	3975.00
Total		6653135.00	9207351.00
E X P E N D I T U R E S			
DEPRICIATION ACCOUNT		27472.00	28917.00
EXPENSES		<u>7060016.32</u>	<u>9404627.12</u>
COST OF GOODS SOLD	N	6443750.00	8960368.00
DIRECT EXPENSES	O	0.00	675.00
ADMINISTRATIVE EXP.	P	616266.32	443584.12
Total		7087488.32	9433544.12
NET PROFIT BEFORE TAX		(434353.32)	(226193.12)
Balance B/F from Previous Year		(154343826.82)	(154117633.70)
BALANCE CARRIED TO BALANCE SHEET		(154778180.14)	(154343826.82)

SIGNIFICANT ACCOUNTING POLICIES & NOTES TO THE ACCOUNT

As per our Report of even date attached

For, **BADRILAL PUNGLIA & CO.**

Chartered Accountants

Sd/-

BADRILAL PUNGLIA

Proprietor

Membership No. : 034230

Place : Ahmedabad

Date : 15/07/2010

Q

For and On Behalf of Board of Directors

Sd/-

Govindram L. Kabra

Director

Sd/-

Amit A. Vyas

Director

MERCURY METALS LIMITED
SCHEDULE TO AND FORMING PART OF ACCOUNTS

(Amount in Rs.)

PARTICULARS	Year 2009-2010	Year 2008-2009
SCHEDULE 'A' : SHARE CAPITAL		
AUTHORISED		
10000000 EQUITY SHARES OF 10 EACH	100000000.00	100000000.00
ISSUED & SUBSCRIBED		
7978508 EQUITY SHARES OF RS. 10/- EACH	79785080.00	79785080.00
PAID UP SHARE CAPITAL		
6952808 EQUITY SHARES OF RS. 10/- EACH	69528080.00	69528080.00
Share Forfeiture A/C	5128500.00	5128500.00
Total	74656580.00	74656580.00

SCHEDULE 'B' : RESERVES & SURPLUS

SHARE PREMIUM		
SHARE PREMIUM	109841000.00	109841000.00
CAPITAL RESERVE		
CAPITAL A/C RESERVE	12000.00	12000.00
Total	109853000.00	109853000.00

SCHEDULE 'C' : SECURED LOANS

LOANS & ADVANCES	35495148.94	35495148.94
Total	35495148.94	35495148.94

SCHEDULE 'D' : FIXED ASSETS

Assets / Block of Assets	GROSS BLOCK				DEPRECIATION			NET BLOCK		
	As on 01/04/2009	Addition during the year	Adjustment during the year	Value as on 31/03/2010	As on 01/04/2009	For the year	Adjustment	As on 31/03/2010	As on 31/03/2010	As on 31/03/2009
Property [Agarwal Complex]	1127206.73			1127206.73	577774.00	27472.00		605246.00	521960.73	549432.73
TOTAL	1127206.73			1127206.73	577774.00	27472.00		605246.00	521960.73	549432.73

SCHEDULE 'E' : INVESTMENT

SHARES, DEBENTURES OR BONDS		
303100 SHARES OF MERCURRY FINSTOCK CO.LT	2998750.00	2998750.00
SHARE WITH CHAROTAR NAGRIC BANK	2500.00	2500.00
Total	3001250.00	3001250.00

MERCURY METALS LIMITED
SCHEDULE TO AND FORMING PART OF ACCOUNTS

SCHEDULE 'F' : SUNDRY DEBTORS

DEBTS OUTSTANDING FOR A PERIOD EXCEEDING SIX MONTHS		
APPOLO METACHEM PVT.LTD.	12813397.92	13248397.92
KAKHANI METALS	0.00	4290141.00
MADHAV METAL DISTIBRUTERS	18605486.12	18605486.12
RAJSHREE METALS	3982626.00	3982626.00
REAL BRASS IND.	2027910.25	2027910.25
SOHANGIRI METALS & ALLOYS PVT LTD	6655895.75	2567221.75
Total	44085316.04	44721783.04

SCHEDULE 'G' : CASH & BANK BALANCES

OTHER BANK BALANCE	'G1'	
BHUJ MER.CO OP BANK LTD.A\C 80683	51032.24	120382.24
CHAROTAR BANK (ANAND)	1000.00	1000.00
CHAROTAR BANK(N.V.G)	5642.45	5642.45
F.D.WITH CHAROTAR BANK	562500.00	562500.00
F.D.WITH CHAROTAR BANK DISCOUNT	594325.00	594325.00
	1214499.69	1283849.69
BANK BALANCES WITH SCHEDULED BANK	'G2'	
BANK OF RAJASTHAN LTD.C A\C NO.11811	4317.10	4317.10
BHARAT OVERSEAS BANK LTD.(DELHI)	3710.35	3710.35
BHARAT OVERSEAS BANK LTD.(MADRASH)	2271.61	2271.61
INDIAN OVERSEAS BANK LTD.(AH D)	2960.00	3106.00
VIJAYA BANK (DELHI)	1000.00	1000.00
VIJAYA BANK (JAMNAGAR)	3129.12	3129.12
VIJAYA BANK (RELIEF ROAD)	73.31	514.31
VIJAYA BANK (UNCLAIMED DIV. FY	3012.00	3012.00
VIJAYA BANK F.D.FOR S.TAX GAURANTEE	2000.00	2000.00
VIJAYA BANK KB,ND	6730.00	6730.00
	29203.49	29790.49
CASH BALANCE ON HAND	'G3'	
CASH BOOK BALANCE	296630.00	77963.00
	296630.00	77963.00
Total	1540333.18	1391603.18

MERCURY METALS LIMITED
SCHEDULE TO AND FORMING PART OF ACCOUNTS

SCHEDULE 'H' : LOANS & ADVANCES

ADVANCE TO SUPPLIERS	'H1'		
ARPIT INTERNATIONAL PVT. LTD		2894325.00	2900000.00
LOANS & ADVANCES (UNSECURED RECOVERABLE IN CASH OR KIND)	'H2'		
AHMEDABAD ELECTRICCITY CO.LTD.(DEPOSIT)		3000.00	3000.00
BANK ACCRUED INTEREST ON FDR		86303.00	86303.00
DEMATE DEPOSITE(RATNAKAR) 10018810		1000.00	1000.00
ELECTRIC DEPOSITE (BOMBAY)		4690.00	4690.00
NARESH PANCHAL (LOAN)		15500.00	13500.00
TELEPHONE DEPOSITE		19000.00	19000.00
		129493.00	127493.00
ADVANCES & LOANS TO SUBSIDIARIES	'H3'		
MERCURY METAX LTD.		16600.00	16600.00
Total		3040418.00	3044093.00

SCHEDULE 'I' : CURRENT LIABILITIES

SUNDRY CREDITORS FOR EXP.	'I1'		
ADWANI MARKET VEPARI MANDAL		0.00	1500.00
ASHISH C. DOSHI		0.00	10000.00
BADRILAL PUNGLIA & CO.		19800.00	36300.00
DIRECTORS REMUNATION PAYBLE		0.00	35540.00
H.R SHAH & CO. (ADVOCATE)		12455.75	12455.75
PROFESSIONAL TAX(EMPLOYEE)		1610.00	2690.00
RATNAKAR SECURITIES PVT.LTD.		83.88	83.88
SALARY PAYABLE		0.00	6680.00
SALES TAX A\C		10658.32	10658.32
UNPAID EXPENSES		0.00	9250.00
		44607.95	125157.95
OTHER LIABILITIES	'I2'		
C.S.T PAYABLE		474582.00	474582.00
DIVIDEND PAYABLE		3011.20	3011.20
SHARE APPLICATION MONEY REFUND		7500.00	7500.00
		485093.20	485093.20
DUTIES & TAXES	'I3'		
OUTPUT ADDITIONAL TAX @1%		0.00	649.42
OUTPUT VAT @4%		0.00	2595.90
		0.00	3245.32
Total		529701.15	613496.47

MERCURY METALS LIMITED
SCHEDULE TO AND FORMING PART OF ACCOUNTS

SCHEDULE 'J' : PROVISIONS

PROVISION FOR FBT	0.00	736.00
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SCHEDULE 'K' : MISCELLANEOUS EXPENDITURE (To the extent not written off/adjusted)

PROFIT & LOSS ACCOUNT	154778180.14	154343826.82
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SCHEDULE 'L' : SALES TURNOVER

SALES (METALS)	6650475.00	9203376.00
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SCHEDULE 'M' : OTHER INCOME

DIVIDEND RECD.	2650.00	3975.00
MISC. INCOME	10.00	0.00
Total	2660.00	3975.00

SCHEDULE 'N' : COST OF GOODS SOLD

(1) OPENING STOCK	13566972.00	13566972.00
(2) PURCHASE METALS	6443750.00	8960368.00
(3) CLOSING STOCK	(13566972.00)	(13566972.00)
Total	6443750.00	8960368.00

SCHEDULE 'O' : DIRECT EXPENSES

LOADING UNLOADING CHARGES	0.00	500.00
PACKING & FORWARDING EXPS.	0.00	175.00
Total	0.00	675.00

SCHEDULE 'P' : ADMINISTRATIVE EXP.

ACCIDENTAL INSURANCE EXP.	309.00	0.00
ADVERTISEMENT EXPS.	5832.00	17712.00
ANNUAL LISTING FEES	16545.00	15000.00
AUDIT FEES	16500.00	16500.00
BANK CHARGES	604.00	115.00
BONUS EXP.	3500.00	3000.00
CONVEYANCE ALLOWANCE	15615.00	14300.00
DEARNESS ALLOWANCE	1400.00	3150.00
DIRECTORS REMUNERATION	216000.00	216000.00
ELECTRICITY EXPS. 36,ADWANI MARKET	1723.00	2616.00
FBT EXP.	94.00	736.00
FILING FEES	1060.00	1084.00
INTEREST ON PROFESSIONAL TAX	398.00	202.00
KASARA & VATAV	0.32	0.00
MEDICAL ALLOWANCES	7200.00	6600.00

MERCURY METALS LIMITED
SCHEDULE TO AND FORMING PART OF ACCOUNTS

MISCELLANEOUS EXP.	145.00	15.00
MUNICIPAL TAX 36, ADWANI MARKET.	103000.00	3352.00
PETROL EXP.	4185.00	2100.00
POSTAGE EXPS.	0.00	36.00
PREVIOUS EXPENSES	6500.00	150.00
PROFESSIONAL & CONSULTANCY	126667.00	50000.00
PROFESSIONAL TAX CO.	2400.00	2400.00
REPAIR & MAINTANCE	3072.00	120.00
ROUND OFF	0.00	2.12
SALARY EXPS.	77244.00	74590.00
SERVICE TAX	0.00	1625.00
SPECIAL ALLOWANCE	2800.00	0.00
TAX AUDIT FEES	3300.00	3300.00
TELEPHONE EXP.	0.00	8839.00
ZEROX EXP.	173.00	40.00
Total	616266.32	443584.12

SCHEDULE 'Q' : SIGNIFICANT ACCOUNTING POLICIES & NOTES TO THE ACCOUNT

A. SIGNIFICANT ACCOUNTING POLICIES:

1. Basis of Accounting:

Financial statement is prepared under the historical cost conversion. The company follows mercantile system of accounting and recognizes income & expenditure on accrual basis except in case of significant uncertainties relating to income.

2. Revenue Recognition:

Sales are recognized on completion of sale of good and are recorded net of sales tax. Dividend on share and Stock are recorded on receipt basis.

3. Fixed Assets:

Fixed assets are stated at cost. Cost of acquisition is inclusive of freight, duties, taxes and other directly attributable cost incurred to bring the assets to their working condition for intended use.

4. Depreciation and Amortization:

i. Depreciation:

Depreciation is provided on Written Down Value Method on fixed assets at the rate specified in schedule XIV to the Companies Act, 1956.

ii. Amortization:

No Amortization of Preliminary or Preoperative expenses as there are no balances in these accounts.

5. Investment:

Investments are stated at cost.

6. Inventories:

Inventories of shares & securities are valued at cost.

7. Retirement Benefits:

Liabilities in respect of Gratuity are not provided on the basis of actuarial Valuation.

8. Conversion of transaction in foreign currency:

No foreign currency transaction done during the accounting year.

9. Conversion of transaction in foreign currency:

Depreciation is provided on Written Down Value Method on fixed assets at the rate specified in schedule XIV to the Companies Act, 1956.No foreign currency transaction done during the accounting year.

10. Contingent Liabilities:

Contingent liabilities are determined on the basis of available information and are disclosed by way of notes to the account.

11. Borrowing cost:

No term loan secured or unsecured taken for expansion and addition of fixed assets

12. Dividend:

Dividend income is recognized when the right to receive the same is established. Dividend is accounted on receipt basis.

13. Interest:

Interest on deposit placed with banks and interest on secured/unsecured loan has not been provided due to uncertainty of payment due to default in payment of secured loan to banks.

14. Tax Provision:

As company has incurred loss during the year no tax provision is made.

B. NOTES ON ACCOUNTS:

1. Contingent liabilities not provided for in respect of:

- i. Guarantee given by company on behalf of the Rupangi Impex Ltd. (Group Company) Rs. 738 Lacs.
- ii. Partly paid stock of shares of century coex Ltd. of Rs. Nil

2. Director Remuneration:

	2009-2010	2008-2009
	(Rs.)	(Rs.)
Amit Vyas	96000	96000
Govindbhai L. Kabra	120000	120000

3. Auditors Remuneration:

	2009-2010	2008-2009
	(Rs.)	(Rs.)
Audit Fees	16500	16500
Tax Audit Fees	3300	3300

4. In the opinion of the board, the current assets, loan & advances are approximately of the value stated therein, if realized in the ordinary course of business. The provision for all known liabilities are adequate and not in excess of the amount reasonably necessary. There are no contingent liabilities other than stated in the notes.

5. Foreign Exchange and outgo:

- i. Value of import on CIF bases in respect of material is NIL.(Previous year Rs. NIL)
- ii. Value of all imported materials & percentage of such material with total cost of material is Rs. NIL. (Previous year NIL).
- iii. Earning in foreign exchange NIL (Previous year NIL).

6. Quantity information of opening stock, closing stock, purchase & sales (As certified by the Director)

Detail relating to Shares.

Particular	Opening stock		Purchase		Sales		Closing Stock	
	Quantity	Value.Rs	Quantity	Value.Rs	Quantity	Value.Rs	Quantity	Value.Rs
Shares								
Century Cotex Ltd.	57100 (57100)	300000.00 (300000.00)	0.00	0.00	0.00	0.00	57100 (57100)	300000.00 (300000.00)
Gujarat Concast Ltd.	14200 (14200)	175920.00 (175920.00)	0.00	0.00	0.00	0.00	14200 (14200)	175920.00 (175920.00)
Gujarat Namada Fly. Ash Ltd.	62800 (62800)	1546950.00 (1546950.00)	0.00	0.00	0.00	0.00	62800 (62800)	1546950.00 (1546950.00)
Mercury Finstock Ltd	150000 (150000)	1432500.00 (1432500.00)	0.00	0.00	0.00	0.00	150000 (150000)	1432500.00 (1432500.00)
Milan Metals Pvt. Ltd	180000 (180000)	1800000.00 (1800000.00)	0.00	0.00	0.00	0.00	180000 (180000)	1800000.00 (1800000.00)
Moti Protins Ind. Ltd.	600 (600)	7590.00 (7590.00)	0.00	0.00	0.00	0.00	600 (600)	7590.00 (7590.00)
Panjon Finance Ltd	5000 (5000)	50000.00 (50000.00)	0.00	0.00	0.00	0.00	5000 (5000)	50000.00 (50000.00)
Riddhi Siddhi Starch & Chemical Ltd.	1325 (1325)	30882.00 (30882.00)	0.00	0.00	0.00	0.00	1325 (1325)	30882.00 (30882.00)
Rupangi Impex Ltd.	266500 (266500)	732875.00 (732875.00)	0.00	0.00	0.00	0.00	266500 (266500)	732875.00 (732875.00)
Satyam Cement Ltd.	396200 (396200)	7246280.00 (7246280.00)	0.00	0.00	0.00	0.00	396200 (396200)	7246280.00 (7246280.00)
Shriganesh Knit ltd.	1000 (1000)	30500.00 (30500.00)	0.00	0.00	0.00	0.00	1000 (1000)	30500.00 (30500.00)
Somani Cement Limited	100 (100)	475.00 (475.00)	0.00	0.00	0.00	0.00	100 (100)	475.00 (475.00)
Suzlon Fibres Ltd.	13000 (13000)	213000.00 (213000.00)	0.00	0.00	0.00	0.00	13000 (13000)	213000.00 (213000.00)
Total	1147825	13566972.00	0.00	0.00	0.00	0.00	1147825	13566972.00
Previous Year	(1147825)	(13566972.00)					(1147825)	(13566972.00)

Detail relating to Metals.

Metals Particular	Opening Stock		Purchase		Sales		Closing Stock	
	Quantity in K.G	Value In Rs.	Quantity in K.G	Value In Rs.	Quantity in K.G	Value In Rs.	Quantity in K.G	Value In Rs.
Brass Ingot	0 (0)	0 (0)	18995.00 (23984.50)	3799000.00 (4320050.00)	18995.00 (23984.50)	3893975.00 (4364453.75)	0 (0)	0 (0)
Ferro Tetanium	0 (0)	0 (0)	37250.00 (0.00)	2644750.00 (0.00)	37250.00 (0.00)	2756500.00 (0.00)	0 (0)	0 (0)
Total	0 (0)	0 (0)	56245.00 (23984.50)	6443750.00 (4320050.00)	56245.00 (0.00)	6650475.00 (0.00)	0 (0)	0 (0)

7. Balance of secured and unsecured loans, sundry creditor, sundry debtor and loans & advances are subject to confirmation & reconciliation. Bank advances are subject to confirmation as statements are not available. No provision made for doubtful debtor.
8. Investment and inventory of shares are subject to physical verification. In respect of shares held as investment or inventories by company / the same are stated at cost of acquisition. In respect of Quoted shares where market value is not available no provision is made for diminution in the value of shares, since in the opinion of management, such decline is a temporary phase and no provision would be necessary.
9. Company has filed its reply to the debt recovery tribunal, Ahmedabad in response of the application filed by the bank of Rajasthan against the company director and guarantors. DRT application was for Rs.126.3 lacs Being the amount outstanding as on as per banks records, plus interest thereon till the recovery.
10. The Charotar co. op. bank ltd. has filed a case against the company to register of nominee, board of nominee, Ahmedabad for recovery of debts of Rs 347.26 Lacs summary case no.1630/03 of court no.1 Ahmedabad the same has been ordered against the company. Order of board of nominee, Ahmedabad and file case no.1630/03 in honorable Gujarat high court interim relief has been granted by honorable Gujarat high court.
11. The liabilities of small scale industries for supplies & services in excess of Rs. 100000 are nil.
12. Due to loss in current year no MAT provision is required to be made by the company. Further in view of loss carry forward of the previous year no deferred tax provision is made by the company.
13. Previous years figures have been regrouped and rearranged wherever necessary.
14. No provision has been made for interest on secured loans as account statements and particulars of interest are not available and also accounts are in form of NPA.
15. Segment information for the year ended 31st march 2010.
Segment information is not applicable to company as company does not have turnover of Rs 50 crore or more.
16. Related party disclosure as required by AS-18 are given below:
 - i. Group companies are :-
 - a. Valley Indian leisure Ltd.
 - b. Milan metal Pvt. Ltd (in liquidation)
 - c. Gopal rice mill
 - d. Mercury Metex Ltd. (in liquidation)
 - ii. Director/ Ex Director :-
 - a. Shree Govindram L. kabra
 - b. Shree Ramprasad L kabra
 - c. Amit Vyas

Transaction during the year	2009-2010 (Rs.)	2008-2009 (Rs.)
Govindram L. kabra (Managing Director Remuneration)	120000	120000
Amit Vyas (Director Remuneration)	96000	96000

As per our Report of even date attached

For, **BADRILAL PUNGLIA & CO.**

Chartered Accountants

Sd/-

BADRILAL PUNGLIA

Proprietor

Membership No. : 034230

Place : Ahmedabad

Date : 15/07/2010

For and On Behalf of Board of Directors

Sd/-

Govindram L. Kabra

Director

Sd/-

Amit A. Vyas

Director

MERCURY METALS LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2010

(Amount in Rs.)

PARTICULARS	YEAR ENDED 31/03/2010	YEAR ENDED 31/03/2009
CASH FLOW STATEMENT FROM OPERATIONS :		
Profit/Loss as per P & L A/c	-434354	-226193
ADJUSTMENT FOR :		
Exces Provision Write Back	0	0
Depreciation	27472	28917
Dividend Income	-2660	-3975
Financial Charges	-604	-115
Provision for FBT	94	736
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	-410052	-200630
ADJUSTMENT FOR		
Trade and other receivable	636467	3841774
Loan & advances	3675	-2913300
Inventories	0	0
Trade payable	83795	-278034
FBT paid	830	0
CASH GENERATED FROM OPERATING ACTIVITY	555517	650440
Financial Charges	606	115
NET CASH GENERATED FROM OPERATING ACTIVITY	146071	449925
CASH FLOW FROM INVESTING ACTIVITY		
Dividend Income	2660	3975
NET CASH USED IN INVESTING ACTIVITY	2660	3975
CASH FLOW FROM FINANCIAL ACTIVITY		
Borrowing from Banks	0	-350000
NET CASH FLOW FROM FINANCIAL ACTIVITY	0	-350000
NET INCREASE/DECREASE IN CASH & CASH EQUIVALENTS	148731	103900
CASH & CASH EQUIVALENTS IN THE BEGINNING	1391603	1287703
CASH & CASH EQUIVALENTS IN THE END	1540334	1391603
Net Cash Generated	148731	103900

Note :- Corresponding figure for the previous year regrouped / rearranged wherever considered necessary.

For and On Behalf of Board of Directors

Place : Ahmedabad
Date : 15/07/2010

Sd/-
Govindram L. Kabra
Director

Sd/-
Amit A. Vyas
Director

AUDITORS CERTIFICATE

We have verified the above cash flow statement of Mercury Metals Ltd. For the year ended 31st March 2010. This statement has been prepared by company in accordance with requirements of listing agreement with the stock exchange and is based on and derived from the audited account of the company for the year ended on 31st March 2010.

For **BADRILAL PUNGLIA & CO.**
Chartered Accountants

Sd/-

B. L. Punglia

Proprietor

Membership No. : 034230

FRN. : 100827W

PAN : AEHPP2017D

Place: Ahmedabad

Date: 15/07/2010

STATEMENT PURSUANT TO IV OF SCHEDULE VI TO THE COMPANIES ACT, 1956
BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS

1. REGISTRATION DETAILS

Registration Number	8770
State code	04
Balance Sheet Date	31/03/2010

2. CAPITAL RAISED DURING THE YEAR RS ('000)

Public Issue	NIL
Rights Issue	NIL
Bonus Issue	NIL
Private Placement	NIL

3. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS RS ('000)

Total Liability	220004
Total Assets	220004
Source of Funds	
Paid up Capital	69528
Reserves & Surplus	114981
Secured Loans	35495
Unsecured Loans	NIL
Application of Funds	
Net Fixed Asset	522
Net Current Asset	61703
Investments	NIL
Misc. Expenditure	154778

4. PERFORMANCE OF THE COMPANY RS ('000)

Total Turnover / Income	6653
Total Expenditure	7087
Profit/Loss before Tax	-434
Profit/Loss after Tax	-434
Dividend rate %	NIL
Earning Per Share	NIL

5. GENERIC NAMES OF THREE PRINCIPAL PRODUCTS / SERVICES OF THE COMPANY (AS PER MONETARY TERMS)

N. A.

As per our Report of even date attached

For, **BADRILAL PUNGLIA & CO.**

Chartered Accountants

Sd/-

BADRILAL PUNGLIA

Proprietor

Membership No. : 034230

Place : Ahmedabad

Date : 15/07/2010

For and On Behalf of Board of Directors

Sd/-

Govindram L. Kabra

Director

Sd/-

Amit A. Vyas

Director

BOOK-POST

To,

**Mercury
Metals Limited**

If Undelivered please return to :
Mercury Metals Limited
36, Adwani Market, F F outside,
Delhi Gate, Shahibaug,
Ahmedabad — 380 004