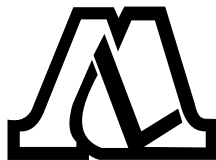


26th
ANNUAL REPORT
2011-2012



MERCURY METALS LIMITED

**TWENTY SIXTH ANNUAL REPORT 2011-12****BOARD OF DIRECTORS**

Govindram L. Kabra	<i>Executive Director (w.e.f. 13/08/2012)</i>
Rampraksash L. Kabra	<i>Director</i>
Mahendra G. Prajapati	<i>Director</i>
Bhupendrasingh N. Rajput	<i>Additional Director (w.e.f. 14/02/2012)</i>
Amit A. Vyas	<i>Director (Upto 14/02/2012)</i>

AUDITORS

M/s. Badrilal Punglia & Co.,
Chartered Accountant,
Ahmedabad

BANKERS

The Bhuj Mercantile Co-operative Bank Ltd.

REGISTRAR & SHARE TRANSFER AGENT

MCS Ltd.
101, Shatdal Complex, 1st Floor,
Ashram Road, Navrangpura,
Ahmedabad-380009
Tel. No. : 079-26582878
Email : mcsamd@relianceemail.net

REGISTERED OFFICE

36, Advani Market,
O/s Delhi Gate, Shahibaug,
Ahmedabad-380004
Tel No. : 079-65425275
Fax No. : 079-26302231
Email : metal.mercury@gmail.com

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**NOTICE**

NOTICE is hereby given that the 26th Annual General Meeting of the Members of Mercury Metals Limited will be held on Tuesday, 25th day of September, 2012 at 11.00 A.M. at Ground Floor, Advani Market O/S Delhi Gate, Shahibaug, Ahmedabad -380004 to transact the following business.

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Statement of Profits & Loss, Cash Flow Statement for the financial year ended on 31st March, 2012 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. Mahendra G Prajapati who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Auditors and fix their remuneration.

SPECIAL BUSINESS:

4. Appointment of Mr. Bhupendrasingh N. Rajput as a Director of the Company.

To Consider and if thought fit to pass with or without modification(s) the following resolution as an Ordinary Resolution:

“RESOLVED THAT Mr. Bhupendrasingh N. Rajput who was appointed by the Board of Directors as an Additional Director of the Company with effect from 14th February, 2012 and who holds office up to the date of this Annual General Meeting of the Company in terms of Section 260 of the Companies Act, 1956 and in respect of whom the Company has received a notice in writing from a Member under Section 257 of the Act proposing his candidature for the office of Director of the Company, be and is hereby appointed as a Director of the Company liable to retire by rotation.”

5. Alteration of Articles of Associations of the Company

“RESOLVED THAT pursuant to the provision of section 31 and other applicable provision, if any, of the Companies Act, 1956, the existing Articles of Association of the Company be and hereby altered by inserting the following as Articles 30(A) to 30(I) after the existing Article 30.

30. (A) Definitions

Beneficial Owner “Beneficial Owner” means a person whose name is recorded as such with a Depository.

SEBI “SEBI” means the Securities and Exchange Board of India as established under section 3 of Securities and Exchange Board of India Act, 1992.

Bye-Laws “Bye-Laws” mean bye-laws made by a depository under Section 26 of the Depositories Act, 1996;

Depositories Act “Depositories Act” means the Depositories Act, 1996 including any statutory modifications or re-enactment thereof for the time being in force;

Depository “Depository” means a company formed and registered under the Companies Act, 1956 and which has been granted a certificate of registration under sub-section (1A) of Section 12 of the Securities and Exchange Board of India Act, 1992;

Record “Record” includes the records maintained in the form of books or stored in a computer or in such other form as may be determined by the regulations made by SEBI;

Regulations “Regulations” mean the regulations made by SEBI;

Security/ Securities “Security” means such security/ securities as may be specified by SEBI.

**30. (B) Dematerialisation of securities**

Either on the Company or on the investor exercising an option to hold his securities with a depository in a dematerialised form, the Company shall enter into an agreement with the depository to enable the investor to dematerialise the Securities, in which event the rights and obligations of the parties concerned shall be governed by the Depositories Act.

30. (C) Options to receive security certificates or hold securities with depository

Every person subscribing to securities offered by the Company shall have the option to receive the Security certificates or hold securities with a depository.

Where a person opts to hold a Security with a depository, the Company shall intimate such depository the details of allotment of the Security, and on receipt of such information the depository shall enter in its record the name of the allotted as the Beneficial Owner of that Security.

30. (D) Securities in depositories to be in fungible form

All Securities held by a Depository shall be dematerialised and shall be in a fungible form; nothing contained in Sections 153, 153A, 153B, 187B, 187C and 372 of the Act shall apply to a Depository in respect of the Securities held by it on behalf of the Beneficial Owners.

30. (E) Rights of depositories and beneficial owners

(1) Notwithstanding anything to the contrary contained in the Articles, a Depository shall be deemed to be a registered owner for the purposes of effecting transfer of ownership of Security on behalf of the Beneficial Owner;

(2) Save as otherwise provided in (1) above, the Depository as a registered owner shall not have any voting rights or any other rights in respect of Securities held by it;

(3) Every person holding equity share capital of the Company and whose name is entered as Beneficial Owner in the Records of the Depository shall be deemed to be a Member of the Company. The Beneficial Owner shall be entitled to all the rights and benefits and be subjected to all the liabilities in respect of the Securities held by a Depository.

30. (F) Depository to furnish information

Every Depository shall furnish to the Company information about the transfer of Securities in the name of the Beneficial Owner at such intervals and in such manner as may be specified by the bye-laws and the Company in that behalf.

30. (G) Service of documents

Notwithstanding anything in the Act or these Articles to the contrary, where securities are held in a depository, the records of the beneficial ownership may be served by such depository on the Company by means of electronics mode or by delivery of floppies or discs.

30. (H) Option to opt out in respect of any security

If a Beneficial Owner seeks to opt out of a Depository in respect of any Security, the Beneficial Owner shall inform the Depository accordingly. The Depository shall on receipt of information as above make appropriate entries in its Records and shall inform the Company. The Company shall, within stipulated time from the receipt of intimation from the depository and on fulfillment of such conditions and on payment of such fees as may be specified by the regulations, issue the certificate of securities to the Beneficial Owner or the transferee as the case may be.

30. (I) Notwithstanding anything to the contrary contained in the Articles,

(1) Section 83 of the Act shall not apply to the Shares held with a Depository;



(2) Section 108 of the Act shall not apply to transfer of Security effected by the transferor and the transferee both of whom are entered as Beneficial Owners in the Records of a Depository.

RESOLVED FURTHER THAT Mr. Govindram L. Kabra, Executive Director of the Company be and is hereby, authorised to do all such acts, deeds and take such steps as may be required to give effect to the above resolution.”

6. Appointment of Mr. Govindram L. Kabra as a Wholetime Director of Company not liable to retire by rotation designated as an Executive Director

To consider and if thought fit, to pass with or without modification(s), the following Resolution as a Special Resolution

“**RESOLVED FURTHER THAT** in accordance with the provisions of Sections 198, 269, 309 and 314 read with Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956 or any statutory modification(s) or re-enactment thereof, approval of the Company be and is hereby accorded to the appointment of Mr. Govindram L. Kabra as a Whole time Director designated as an Executive Director of the Company, for a period of 3(Three) years with effect from 13th August, 2012 on the terms and conditions including remuneration as set out in Explanatory Statement annexed to the Notice convening this Meeting, with liberty to the Board of Directors (hereinafter referred to as “the Board” which term shall be deemed to include any Committee of the Board constituted to exercise its powers, including the powers conferred by this Resolution) to alter and vary the terms and conditions of appointment and/or remuneration, subject to the same not exceeding the limits specified under Schedule XIII to the Companies Act, 1956 or any statutory modification(s) or re-enactment thereof.”

“**RESOLVED FURTHER THAT** the Board be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this Resolution.”

Regd. Office :
36, Advani Market
O/S Delhi Municipal Market,
Ahmedabad-380004
Date : 13/08/2012
Place : Ahmedabad

On behalf of the Board
For, **Mercury Metals Ltd.**

Govindram L. Kabra
Executive Director

Notes:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE TIME OF MEETING.
2. Pursuant to section 154 of the Companies Act, 1956, Register of Members and Share Transfers Books of the Company will remain closed from 13th September 2012 to 25th September, 2012 (both days inclusive).
3. Members intending to require information about accounts at the meeting are requested to write to the Company at least 10 days in advance of the Annual general Meeting.
4. Members are requested to :
 - a) Intimate, if shares are held in the same name or in the order and names, but in more than one account to enable the Company to club the said account into one account.
 - b) Notify immediately the change in their registered address, if any, to the Company.
5. The Equity Shares of the Company are now available for dematerialisation, as the Company has entered into Agreement with National Securities Depository Limited (NSDL). Those shareholders who wish to hold shares in electronic form may approach their Depository Participant. **The ISIN No. of the Equity Shares is INE763M01010. The Company is yet to sign tripartite agreement with Central Depository Services (India) Ltd. (CDSL).**

**Brief resume of the Director seeking re-election at the 26th Annual General Meeting**

Name	Mr. Mahendra G Prajapati
Age (Date of Birth)	05/12/1972
Date of Appointment	01/04/2011
Qualification and experience in specific functional area	M.A, L.L.M. with experience of more than 8 years of Taxation and Accounting.
Directorship held in other Ltd. companies	None
Membership/Chairmanships of Committee in other Public Companies	None

***Pvt. Ltd. Companies excluded.**

Brief resume of the Director seeking election at the 26th Annual General Meeting

Name	Mr. Bhupendrasingh N. Rajput
Age (Date of Birth)	12/02/1972
Date of Appointment	14/02/2012
Qualification and experience in specific functional area	Chartered Accountant in practice with more than 13 years of experience.
Directorship held in other Ltd. companies	Shree Metalloys Limited
Membership/Chairmanships of Committee in other Public Companies	Shree Metalloys Limited

***Pvt. Ltd. Companies excluded.**

Brief resume of the Whole-time Director designated as Executive Director seeking election at the 26th Annual General Meeting

Name	Mr. Govindram L. Kabra
Age (Date of Birth)	02/03/1954
Date of Appointment	01/11/2000
Qualification and experience in specific functional area	B.Com, L.L.B.
Directorship held in other Ltd. companies	None
Membership/Chairmanships of Committee in other Public Companies	None

***Pvt. Ltd. Companies excluded.**

**ANNEXURE TO THE NOTICE:****EXPLANATORY STATEMENT AS REQUIRED UNDER SECTION 173(2) OF THE COMPANIES ACT, 1956.**

In conformity with the provisions of section 173(2) of the Companies Act, 1956, following Explanatory Statement sets out all material facts relating to the Special Business mentioned at Item No. 4 to 6 of the accompanying notice dated 13th August, 2012 should be taken as forming part of Notice.

Item No. 4

Under section 260 of the Companies Act, 1956, Mr. Bhupendrasingh N. Rajput was appointed as an Additional Director of the Company in the Meeting of the Board of Directors held on 14th Feb, 2012. Mr. Bhupendrasingh N. Rajput holds his office up to the date of ensuing Annual General Meeting. Due notice under section 257 of the Companies Act, 1956, has been received along with requisite fee from a member proposing the appointment of Mr. Bhupendrasingh N. Rajput as Director of the Company, liable to retire by rotation.

None of the Director of the Company except Mr. Bhupendrasingh N. Rajput is concerned or interested in this resolution. The Board of Directors recommends the resolution for approval of shareholders.

Item No. 5

Your Directors considered that the existing Articles of Association of the Company do not cover latest amendments and it is proposed to amend the existing Article of Association by inserting the following as Articles 30(A) to 30(I) after the existing Article 30 of Articles of Association of the Company.

In terms of Section 31 of the Companies Act, 1956, the consent of the Members by way of Special Resolution is required for alteration of Articles of Association of the Company.

A copy of the proposed set of Articles of Association of the Company would be available for inspection at the Registered Office of the Company during the office hours on all working days, except Saturdays, between 11.00 a.m. and 1.00 p.m. up to the date of the Annual General Meeting and during the Annual General Meeting.

The Board recommends the resolution as set out in item no.5 for members' approval. None of the Directors is interested or concerned in this resolution.

Item No. 6

The Board of Directors in their meeting held on 13th August, 2012 and also on the basis of recommendation of the Remuneration Committee of the Company in their meeting held on 13th August, 2012 it has been proposed to appoint Mr. Govindram L. Kabra, as Whole-time Director designated as Executive Director of the Company for a period of 3 years with effect from 13th August, 2012.

Mr. Govindram L. Kabra, aged 58 years, is having very wide experience in relation to the Metals and metallic products. It would be in the interest of the Company to appoint him as a Executive Director of the Company.

The major terms and conditions of his appointment as recommended by the Remuneration Committee are as under:

I. PERIOD:

For a period of 3 years from 13th August, 2012

II. REMUNERATION:**1. SALARY:**

He shall be entitled to salary upto Rs.35,000/- per month.

2. PERQUISITES:

- HRA : upto Rs.2500/- per month



- City Allowance : upto Rs. 1000/-per month
- Conveyance : upto Rs.2000/- per month
- Medical Allowance : upto Rs.1000/- per month
- Special Allowance : upto Rs.1500/- per month

III. The Whole-time Director shall be entitled to reimbursement of expenses incurred by him in connection with the business of the Company.

IV. The Whole-time Director shall not, so long as he functions as such, become interested or Otherwise concerned directly or through his wife and/or minor children in any selling Agency of the Company without the prior approval of the Central Government.

V. DUTIES:

Subject to the superintendence, direction, and control of the Board of Directors of the Company, the Whole time Director Shall be entrusted with substantial power of management and also such other duties and responsibilities as may be entrusted to him By the Board of Directors from time to time. The headquarter of the Whole-time Director shall be at Ahmedabad or at such place as the Board of Directors may decided from time to time.

VI. TERMINATION:

The Whole-time Director may be removed from his office for gross negligence, breach of Duty or trust if a special Resolution to that effect is passed by the Company in its General Meeting. The Wholetime Director may resign from his office by giving 90 days' Notice to the Company.

VII. COMPENSATION:

In the event of termination of office of Whole-time Director takes place before the expiration of tenure thereof, Whole-time Director shall be entitled to receive compensation from the Company for loss of office to extent and subject to limitation as provided under Section 318 of the Companies Act, 1956.

As per the provision of Section 198, 269, 309, 314 and all other applicable provisions, if any, of the Companies Act, 1956 consent of the Company accorded by Special Resolution is necessary for holding office as Whole-time Director of the Company on remuneration.

The terms and conditions mentioned in the above Explanatory Statement may be treated as abstract of the terms of the proposed contract under Section 302 of the Companies Act, 1956.

Resolution of the Board of Directors and Draft agreement of appointment are open for inspection at the registered office of the Company between 11.00 A.M to 1.00 P.M.

None of the Director of the Company except Mr. Govindram L. Kabra and Ramprakash L. Kabra is concerned or interested in this resolution. The Board of Directors recommends the resolution for approval of shareholders.

Regd. Office :
36, Advani Market
O/S Delhi Municipal Market,
Ahmedabad-380004
Date : 13/08/2012
Place : Ahmedabad

On behalf of the Board
For, **Mercury Metals Ltd.**

Govindram L. Kabra
Executive Director

**DIRECTOR'S REPORT**

Dear Members,

Your Directors have pleasure in presenting the 26th Annual Report together with the Audited Accounts of the Company for the year ended on 31st March, 2012.

FINANCIAL RESULTS:

The summarized financial results of the Company for the period ended 31st March, 2012. Are as follows:

	2011-12	(Amount in Rs.) 2010-11
Total income (Net)	1,60,36,675.09	25,40,892
Total Expenditure	3,41,87,820.10	30,26,396
Gross Profit / (Loss)	(1,81,51,145.01)	(4,85,504)
Less : Depreciation	12,498	26,098
Provision for taxation	0	0
Profits / (Loss) after Tax	<u>(1,81,63,643)</u>	<u>(5,11,602)</u>

DIVIDEND:

Your directors are unable to recommend any dividend in view of Net Loss during the financial year 2011-12.

OPERATIONS:

The Company has achieved sales turnover of Rs. 100.971 Lacs during the year compared to Rs. 25.41 Lacs during the previous year. The Company has incurred net loss of Rs. 181.64 Lacs compared to Rs. 5.12 Lacs in the previous year. Your directors are optimistic of achieving much better results in the next year.

INSURANCE:

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

DIRECTORS:

Mr. Mahendra G Prajapati, Director of the Company, retires by rotation and being eligible offers themselves for re-appointment.

During the year Mr. Bhupendra Singh N Rajput was appointed as an Additional Director of the Company w.e.f. 14/02/2012. Due notice under section 257 of the Companies Act, 1956, has been received along with requisite fee from a member proposing the appointment of Mr. Bhupendra Singh N Rajput as Director of the Company, liable to retire by rotation. Your Directors recommend his appointment. His appointment is under the category of non-executive independent director.

During the year Mr. Amit Vyas has resigned from the Directorship with effect from 14th February, 2012. The Board appreciated for the services rendered by Mr. Amit Vyas during his tenure as Director of the Company.

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.

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.

DIRECTORS' RESPONSIBILITY STATEMENT -SECTION 217 (2AA) OF THE COMPANIES ACT, 1956:**The Board of Directors states:**

- 1) that in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- 2) 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;
- 3) 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;



4) that the Directors had prepared the annual accounts on a going concern basis.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:**1) CONSERVATION OF ENERGY :**

- A. Energy Conservation measures taken: The Company gives top most priority to energy conservation.
- B. Additional investment and proposal if any being implemented for reduction in consumption of energy : NIL
- C. Energy consumption in terms of electricity, LDO and Gas : NIL.
- D. Total energy consumption and energy consumption per unit of production : NIL.

2) TECHNOLOGY ABSORPTION :

- A. Adoption and innovation : N.A.
- B. Research and development (R & D) : NIL

3) FOREIGN EXCHANGE EARNINGS AND OUT GO : NIL**CORPORATE GOVERNANCE:**

The Report on Corporate Governance required under Clause 49 of the Listing Agreements is annexed.

LISTING:

The Equity shares of the Company are listed on Ahmedabad and Bombay Stock Exchanges. The Company has paid Annual Listing Fees of Ahmedabad and Bombay Stock Exchange, up to the year 2012-13. Suspension of trading in the Equity shares of your Company has been revoked by the BSE and now your Company's shares are allowed for trading at BSE. The Company is regular in the compliances of various clauses of Listing Agreement during the year.

AUDITORS:

The present Auditors of the Company M/s. Badrilal Punglia & Co., Ahmedabad were appointed as Auditors and will retire at the ensuing Annual General Meeting. M/s. Badrilal Punglia & Co., Chartered Accountants, have submitted certificate for their eligibility for appointment under Section 224(1B) of the Companies Act, 1956. Board of Directors of your Company favour his re-appointment as Auditors of the Company and such re-appointment if done, shall be upto the next Annual General Meeting of the Company.

AUDITORS REPORT AND COMMENTS:

- 1) 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.
- 2) Explanation for point (3) of Annexure to Auditors Report
As management considered that the amount of ₹ 16600 is now not recoverable due to bad financial condition of the borrower company, the same were written off. The management will continue its efforts to recover the said amount.
- 3) Explanation for point (9) of Annexure to Auditors Report
As the liability towards C.S.T. amounting ₹ 474582 and sales tax amounting ₹ 10658 is not disputed with the authorities and no authority has till date claimed this amount from the company therefore the board decided to written off the same.
- 4) Explanation for point (f) of Auditors Report & Notes No. 8
The management has provided for doubtful debts and written off those amount, chances of recovery of the same was rare. Apart from this no provision has been made for doubtful debts amounting of ₹ 18606456.12 as the management is in process to recover and hopeful for the same.

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.

For and On behalf of the Board

Date : 13/08/2012
Place : Ahmedabad

Govindram L. Kabra
Executive Director

**MANAGEMENT DISCUSSION & ANALYSIS REPORT**

Management Discussion & Analysis Report Pursuant to Clause 49 of Listing Agreement.

i) 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 operations to other metals including of 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.

ii) 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 experience manpower at various levels. This sector is dominated by big players and requires huge investment to complete in highly volatile market the management is also looking to restructure the capital base of the Company.

iii) Internal Control system and their adequacy

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

iv) Financial performance with respect to operational performance

The financial performance of the Company for the year 2011-12 is described in the Directors Report.

v) Human Resources/ Industrial Relations

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

vi) 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.

For and On behalf of the Board

Date : 13/08/2012
Place : Ahmedabad

Govindram L. Kabra
Executive Director

**CORPORATE GOVERNANCE REPORT 2011-12**

(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.

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.

THE BOARD OF DIRECTORS**(A) Composition, Category and Attendance of Board of Directors**

As on March 31, 2012, the Board of Company consisted of 4 Director out of whom 3 are Non-Executive Directors and 1 is Executive Director comprising Whole time Director designated as Executive Director.

The composition of the Board is in conformity with the requirements of Clause 49 of the Listing Agreement. The composition of the Board, number of Board Meetings held, attendance of the Directors at the Board Meetings and last Annual General Meeting and the number of Directorship and Chairmanship/Membership of Committees in other Companies in respect of each Director is given below:

Sr. No.	Name of Director	Category	Attendance Particulars		No. of Directorship(s)/Committee Membership(s)/Chairmanship(s) of Other Companies			
			No. of Board Meeting during FY 2011-12	At AGM held on September 29, 2011	Other Director ship (s)	Committee Member ship(s)	Committee Chairman ship(s)	
								Held
1.	Mr. Govindram L. Kabra	Non-Independent Executive Director	6	6	Yes	-	-	-
2.	Mr. Ramprakash L. Kabra	Non-Independent Non Executive Director	6	6	Yes	1	-	-
3.	Mr. Mahendra G Prajapati	Independent Non Executive Director	6	6	Yes	-	-	-
4.	Mr. Bhupendra Singh N. Rajput (*)	Independent Non Executive Director	1	1	NA	1	1	2
DIRECTORS RETIRED/RESIGNED DURING THE YEAR 2011-12								
1.	Mr. Amit A. Vyas (**)	Independent Non Executive Director	5	5	Yes	-	-	-

(*) Appointed/inducted on the Board during the year w.e.f. February 14, 2012.

(**) Mr. Amit A. Vyas ceased to be a Director on the Board w.e.f. February 14, 2012.

**NOTES:**

1. Number of Meetings represent the Meetings held during the period in which the Director was Member of the Board.
2. Number of other Directorships indicated above is exclusive of the Directorships on the Board of private limited companies, foreign companies, companies under Section 25 of the Companies Act, 1956, alternate Directorship and non-corporate institutions.
3. In case of Directors retired/resigned, the status of other Directorship and Committee Membership is on the basis of the last disclosure made by the Director.
4. The details of Committee Memberships considered for the purpose are those prescribed under Clause 49(I)(c)(ii) of the Listing Agreement viz. Audit Committee and Investors' Grievance Committee of public limited and private limited companies which are subsidiaries of public limited companies in terms of Section 3(1)(iv)(c) of the Companies Act, 1956.
5. Except Mr. Govindram L. Kabra and Mr. Ramprakash L. Kabra, none of the Directors are related to each other.
6. None of the Directors on the Board are Members of more than ten Committees or Chairman of more than five Committees across all the companies in which they are Directors. Necessary disclosures regarding the positions in other public companies as on March 31, 2012 have been made by the Directors.
7. The independence of a Director is determined by the criteria stipulated under Clause 49 of the Listing Agreement.

(B) NUMBER OF BOARD MEETINGS HELD AND DATES

During the financial year 2011-12, the Board of Directors met Six (6) times. The dates of the Meetings were April 01, 2011, April 30, 2011, June 17, 2011, August 13, 2011, November 09, 2011 and February 14, 2012. The time gap between two Meetings was not more than 4 months.

(C) INFORMATION AVAILABLE TO THE BOARD

During the year 2011-12, information as mentioned in Annexure 1A to Clause 49 of the Listing Agreement has been placed before the Board for its consideration. The aforesaid information is generally provided as a part of the agenda of the Board Meeting or is placed at the table during the course of the Meeting. The Whole time Director and other senior management staff are also invited to the Board Meetings to present reports on the Company's operations and internal control systems. The detailed agenda is sent to the Directors a week before the Board Meeting. In special and exceptional circumstances, additional or supplementary item(s) on the agenda are permitted to be taken up as 'any other item' with the permission of the Chairman. The Board also periodically reviews Compliance Reports in respect of laws and regulations applicable to the Company.

AUDIT COMMITTEE

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 collectively having requisite knowledge of finance, accounts and company law. All Members of the Committee are non-executive and majority of them being independent directors. The committee also 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. During the financial year ended on 31st March 2012, The Audit Committee met five (5) times on 01/04/2011, 30/04/2011, 13/08/2011, 09/11/2011, and 14/02/2012 respectively.

* Composition, Meetings and attendance of the Audit Committee during the year:



The Audit Committee of Company is reconstituted with effect from 14.02.2012

Sr. No.	Director	Status	No. of Meetings Attended
01	Mr. Bhupendrasingh N. Rajput*	Chairman	01
02	Mahendra G. Prajapati	Member	05
03	Mr. Rampraksash L. Kabra	Member	05
04	Mr. Amit Vyas **	Member	04

* (w.e.f. 14/02/2012)

** (Mr. Amit Vyas resigned from directorship of Company w.e.f. 14/02/2012)

REMUNERATION COMMITTEE

The remuneration committee consists of three directors all being non-executive directors. The committee recommends the remuneration packages to the Managing/Executive Directors, to the senior officers, employees etc.

Composition:

The Remuneration Committee comprises Shri Mahendra G. Prajapati as chairman, Shri Ramprakash Kabra and Shri Bhupendrasingh N. Rajput members of the Committee respectively.

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.

SHAREHOLDER /INVESTOR GRIEVANCES/TRANSFER COMMITTEE:

All the matters relating to Shareholders/Investors were reviewed as well as considered by the Shareholders/Investors grievance Committee. Adhere to the corporate Governance requirements and for the purpose of disposal of shareholders/investors complains and to help them, the Board has constituted Shareholder/investors Grievances committee. This committee reviews, records and helps shareholders/investors and expedite transfer of shares, resolve and attend any grievances of the investors.

Composition:

The composition of committee comprises of Shri Mahendra G. Prajapati as Chairman of the committee and Shri Bhupendrasingh N. Rajput and Shri Ramprakash L. Kabra as Member of the Committee.

Complaints:

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

MEANS OF COMMUNICATION:

- A) In Compliance with the requirement of Agreement, the Company now regularly intimates Unaudited/Audited Financial Results of the Stock Exchange/s immediately after they are taken on record by the Board of Directors. These Financial Results are normally published in Lokmitra (Gujarati) and Free Press Gujarat (English).
- B) During the financial year ended on 31st March, 2012 no presentation was made to institutional investors or analyst or any other enterprise.
- C) Management Discussion and Analysis Report form part of the Annual Report.

**GENERAL BODY MEETINGS:**

The previous three Annual General Meetings of the Company were held within the statutory time period and the details of the same are as under:

AGM	Financial Year	Date	Time	Venue
25th	2010-11	29th September, 2011	10:00 a.m.	36, Advani Market, O/s Delhi Municipal Market, Ahmedabad-380004
24th	2009-10	9th September, 2010	11:00 a.m.	36, Advani Market, O/s Delhi Gate Shahibaug, Ahmedabad-380004
23rd	2008-09	30th September, 2009	11.00 a.m.	36, Advani Market, O/s Delhi Gate Shahibaug, Ahmedabad-380004

There was no special resolution passed by the Company at the previous AGM. Pursuant to the provisions of Sections 192 A of the Companies Act, 1956, there was no matter during the year 2011-12, required to be dealt by the Company to be passed through postal ballot.

DISCLOSURES:**(a) 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.

(b) 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. Due to non-compliances of the various clauses of the Listing Agreement trading in the equity shares of the Company was suspended at BSE and now after doing all pending compliances, suspension in trading of equity shares of the Company at BSE has been revoked by BSE w.e.f. 20/12/2011. The Company is now regular in compliances of listing agreement clauses with BSE.

(c) The Company has adopted a Code of Conduct for its Directors and employees.

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

(d) Regarding Dematerialization of Shares:

The Company had signed tripartite agreement with NSDL and has been allotted ISIN No. INE763M01010. The Company is process to make a fresh application to CDSL for connectivity at CDSL. All shareholders who are interested to dematerilised there equity shares

(e) The Company has implemented all the applicable mandatory requirement of Clause 49 of Listing Agreement.**(f) Non Mandatory Requirement:**

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

**GENERAL SHAREHOLDERS INFORMATION:**

- A) Annual general meeting :
 Day and Date : Tuesday, 25th September, 2012
 Time : 11:00 a.m.
 Venue : Ground Floor, Advani Market, O/s Delhi Gate, Shahibaug, Ahmedabad- 380004
- B) Financial Calendar (tentative) for: 2012-2013
 1st Quarter Results : 2nd week of August, 2012
 Half-Yearly Results : 2nd week of November, 2012
 3rd Quarter Results : 2nd week of February, 2013
 Yearly Results (Un-audited) : 2nd week of May, 2013
- C) Book Closure : 13th September, 2012 to 25th September, 2012 (both days Inclusive)
- D) Listing of Shares and Securities : The Company's shares are presently listed at Bombay Stock Exchange and Ahmedabad Stock exchanges.
 Stock Code : ASE – 36457
 BSE – 531357
- E) Market Price Data :

Trading in the Equity Shares of the Company was suspended at BSE therefore market price of shares are not available from 01/04/2011 to 20/12/2011. The BSE has revoked the suspension of trading in Equity Shares of the Company w.e.f. 20th December, 2011. The information of Stock Price data are submitted here under:

Month	BSE		Shares Traded (No.)
	High(Rs.)	Low(Rs.)	
December,2011	45.00	37.00	1500
January, 2012	35.45	22.45	1000
February, 2012	21.45	18.45	400
March, 2012	17.55	10.25	5900

- F) Category of Shareholding as on 31st March, 2012

Category	No. of Shares	%to Share Capital
Indian Promoters	29,31,308	42.16
Mutual Funds	—	—
Bank , Financial Institute	—	—
Private Corporate Bodies	2,30,400	3.31
NRI's/OBCs	—	—
FII's	—	—
Indian Public	37,91,100	54.53
C.M	—	—
Total	69,52,808	100.00



G) Distribution of Shareholding as on 31st March, 2012:

No. of Equity Shares Held	No. of Shareholders	% of Share Holders	No. of Shares Held	% of Shareholding
Up to 500	5896	87.7642	1073600	15.4412
501 to 1000	512	7.6202	483300	6.9511
1001 to 2000	147	2.1878	225300	3.2404
2001 to 3000	57	0.8483	145600	2.0941
3001 to 4000	24	0.3572	84600	1.2168
4001 to 5000	17	0.2530	77300	1.1118
5001 to 10000	19	0.2828	133700	1.9230
10001 to 50000	29	0.4316	678700	9.7615
50001 to 100000	8	0.1191	543700	7.8199
100001 and above	9	0.1339	3507008	50.4402
TOTAL	6718	100.00	6952808	100.00

I) Registrar And Share Transfer Agent:

The company has appointed below mentioned agency as Registrar and Share Transfer Agents (RTA) of Equity Share of the Company:

MCS Limited

Shatdal Complex, Ashram Road, Ahmedabad-380009 Tel. No. : 079-6582878 Email : mcsamd@reliancemail.net

H) Investor correspondence :

Registered office : 36, Advani Market, O/s Delhi Gate, Ahmedabad-380004

Tel No. : 079-65425275 Fax No. : 079-26302231 Email : metal.mercury@gmail.com info@mercurymetals.in

For and On behalf of the Board

Date : 13/08/2012

Place : Ahmedabad

Govindram L. Kabra

Executive Director

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 the financial year ended 31st March, 2012.

For, Mercury Metals Limited

Date : 13/08/2012

Place : Ahmedabad

Sd/-

Govindram L. Kabra

Executive Director

**CHIEF EXECUTIVE OFFICER (CEO) CERTIFICATION:**

I, Govindram L. Kabra, Executive Director of Mercury Metals Limited, to the best of my 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 my 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 my 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 my 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 :
 - (a) 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.
 - (b) 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;
 - (c) Evaluated the effectiveness of the company's disclosure, controls and procedures and
 - (d) 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.
 - (a) significant changes in internal controls during the year covered by this report;
 - (b) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements;
 - (c) 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.

Date : 13/08/2012
Place : Ahmedabad

Govindram L. Kabra
Executive Director

**Certificate on Corporate Governance**

The Members of
Mercury metals Limited
Ahmedabad

We have examined the compliance of conditions of corporate governance by Mercury Metals Limited for the year ended on 31st March, 2012 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.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For, Badrilal Punglia & Co.
Chartered Accountant

Sd/-

B. L. Punglia

Proprietor

Membership No. : 034230

FRN. : 100827W

PAN : AEHPP2017D

Place : Ahmedabad
Date : 13/08/2012

**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,2012 and the Statement of Profit and Loss of the Company for the 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:

- (a) 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;
- (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 and Statement of Profit and Loss dealt with by this report are in agreement with the books of account;
- (d) In our opinion, the Balance Sheet and the Statement of Profit and Loss dealt by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
- (e) On the basis of written representations received from the directors, as on 31st March, 2012, and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March,2012 from being appointed as a Director in terms of clause (g) of sub-section(1) of section 274 of the Companies Act, 1956;
- (f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read Note No 8 no provision made for doubtful Debts and together with the Significant Accounting Policies and other notes thereon gives 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;
 - (a) in the case of the Balance Sheet, of the state of affair of the company as at 31st March, 2012;
 - (b) in the case of the Statement of Profit and Loss, of the Loss for the year ended on that date;
 - (c) in the case of the Cash Flow Statement of the cash flow of the company for the year ended on that date

For, Badrilal Punglia & Co.
Chartered Accountant

B. L. Punglia
Proprietor

Membership No. : 034230

FRN. : 100827W

PAN : AEHPP2017D

Place : Ahmedabad

Date : 13/08/2012

**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 on the financial statement for the year ended 2012.

- 1 The Company has maintained proper records of fixed assets showing full particulars including quantitative details and location. The company has a regular programmed 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 programmed, certain fixed assets were physically verified by Management during the year and no material discrepancies were noticed on such verification. During the company has disposed off fixed assets held by the company.
- 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 was outstanding balance of ₹ 16600 granted to a company listed in the register maintained u\§ 301. During the year said balance was written off.
- 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 is 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 ₹ 500000 or more in respect of any party.
- 6 The Company has not accepted any deposits from the public hence provision required U\§ 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, Income-tax Sales-tax, Wealth Tax, Custom Duty, Excise duty, cess which are outstanding as at 31st March, 2012 for a period of more than six months from the date they became payable except C.S.T. ₹ 4,74,582 Lacs, sales tax outstanding ₹ 10658, which was written off during the year.
- 10 Company has registered for a period not less than five year, its accumulated losses at the end of the financial year ₹ 17,34,53,425.15 and during previous year, it was ₹ 155289782.14.
- 11 The company has rearrange in OTS scheme of the the secured loan payable to Charotar Nagarik Sahakari Bank Ltd. Which was default in previous year.
- 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 ₹ 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 during the year.
- 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 Accountant

B. L. Punglia

Proprietor

Membership No. : 034230

FRN. : 100827W

PAN : AEHPP2017D

Place : Ahmedabad

Date : 13/08/2012

**BALANCE SHEET AS AT MARCH 31, 2012**

		IN ₹	
PARTICULARS	NOTE	AMOUNT AS AT 31-3-2012	AMOUNT AS AT 31-3-2011
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	2	74,656,580.00	74,656,580.00
(b) Reserves and Surplus	3	(63,600,425.15)	(45,436,782.14)
(2) Share application money pending allotment			
		—	—
(3) Non-Current Liabilities			
(a) Long-term borrowings	4	39,916,659.00	33,345,148.94
(b) Deferred tax liabilities (Net)		—	—
(c) Other Long term liabilities		—	—
(d) Long term provisions		—	—
(4) Current Liabilities			
(a) Short-term borrowings		—	—
(b) Trade payables		—	—
(c) Other current liabilities	5	3,636,502.63	657,258.91
(d) Short-term provisions		—	—
Total....		54,609,316.48	63,222,205.71
II. ASSETS			
(1) Non-current assets			
<i>(a) Fixed assets</i>			
(i) Tangible assets	6	—	495,862.73
(ii) Intangible assets		—	—
(iii) Capital work-in-progress		—	—
(iv) Intangible assets under development		—	—
(b) Non-current investments	7	3,001,250.00	3,001,250.00
(c) Deferred tax assets (net)		—	—
(d) Long term loans and advances		—	—
(e) Other non-current assets		—	—
(2) Current assets			
(a) Current investments		—	—
(b) Inventories (Valued & Certify by Management)		12,269,612.00	13,566,972.00
(c) Trade receivables	8	38,421,723.04	44,755,602.04
(d) Cash and cash equivalents	9	818,307.44	1,254,425.94
(e) Short-term loans and advances	10	98,424.00	148,093.00
(f) Other current assets		—	—
Total....		54,609,316.48	63,222,205.71
The Accompanying notes are forming part of the financial statements	1		
As per our separate report of evendate			

For **Badrilal Punglia & Co.**
Chartered Accountants

(B.L. Punglia)
Proprietor
Membership No: 034230
FRN No. : 100827W

Date : 13/08/2012
Place : Ahmedabad

On behalf of the Board of Directors
Mercury Metals Limited

Executive Director

Director

**STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED ON 31-3-2012**

			IN ₹
Particulars	NOTE	YEAR ENDED ON 31-3-2012	YEAR ENDED ON 31-3-2011
I. Revenue from operations	11	10,097,090.00	2,540,892.00
II. Other Income	12	5,939,585.09	
III. Total Revenue	(I +II)	16,036,675.09	2,540,892.00
<i>IV. Expenses:</i>			
Purchase of Stock-in-Trade		10,425,385.00	2,459,024.00
Changes in inventories of Stock-in-Trade	13	1,297,360.00	—
Employees cost	14	288,583.00	329,744.00
Financial cost	15	20,671,686.30	225.00
other expenses	16	1,504,805.80	237,403.00
Depreciation and amortization expense		12,498.00	26,098.00
Administrative exp.			
Total Expenses:-	(IV)	34,200,318.00	3,052,494.00
V. Profit before exceptional and extraordinary items and tax	(III - IV)	(18,163,643.01)	(511,602.00)
VI. Exceptional Items		—	—
VII. Profit before extraordinary items and tax	(V - VI)	(18,163,643.01)	(511,602.00)
VIII. Extraordinary Items		—	—
IX. Profit before tax	(VII - VIII)	(18,163,643.01)	(511,602.00)
X. Tax expense:			
(1) Current tax		—	—
(2) Deferred tax		—	—
XI. Profit(Loss) from the perid from continuing operations (IX-X)		(18,163,643.01)	(511,602.00)
XII. Profit/(Loss) from discontinuing operations		—	—
XIII. Tax expense of discounting operations		—	—
XIV. Profit/(Loss) from Discontinuing operations	(XII - XIII)	—	—
XV. Profit/(Loss) for the period (XI + XIV)		(18,163,643.01)	(511,602.00)
XVI. Earning per equity share:			
(1) Basic		(2.61)	(0.07)
(2) Diluted		(2.61)	(0.07)

The Accompanying notes are forming part of the financial statements 1

As per our separate report of evendate

For **Badrilal Punglia & Co.**
Chartered Accountants

(B.L. Punglia)

Proprietor

Membership No: 034230

FRN No. : 100827W

Date : 13/08/2012

Place : Ahmedabad

On behalf of the Board of Directors

Mercury Metals Limited

Executive Director

Director

**Cash Flow Statement For The Period 2011-12**

Particulars	Year 2011-12	Year 2010-11
Cash Flow Statement From Operation		
Net Profit As Per Profit & Loss A/C	(18,163,643.01)	(511,602.00)
Adjustment For:-		
Profit On Sale Of Fixed Assets	(5,016,635.27)	
Dividend Income	(16,562.50)	
Financial Charges	20,369,965.51	
Depreciation	12,498	26,098.00
Unclaimed Liabilities Written Back		
Sundry Balance W/O	(905,587.32)	
Operating Profit Before Working Capital Changes	(3,719,964.59)	(485,504.00)
Adjustment For Changes In Working Capital:-		
Change In Trade Receivable	6,333,879.00	2,224,039.00
Change In Current Liabilities	2,872,224.96	127,557.76
Inventories	1,297,360.00	
Loans And Advances	49,669.00	
Cash Flow From Operating Activities:-	10,553,132.96	1,866,092.76
Financial Charges		
Taxes Paid		
Net Cash Flow From Operating Activities :- (A)	6,833,168.37	1,866,092.76
Cash Flow From Investing Activity:-		
Profit From Sale Of Fixed Assets	5,004,137.27	
Loan Given To Employee		2,000.00
Dividend Income	16,562.50	
Cash Flow From Investing Activity:- (B)	5,020,699.77	2,000.00
Cash Flow From Financing Activity:-		
Proceeds From Long Term Borrowing		
Repayment Of Secured Loan	(12,289,986.64)	(2,150,000.00)
Cash Flow From Financing Activity:- (C)	(12,289,986.64)	(2,150,000.00)
Net Cash From Activity (A+B+C)....	(436,118.50)	(281,907.24)
Cash & Cash Equivalent In The Beginning:-	1,254,425.94	1,540,333.18
Cash & Cash Equivalent At The End:- (Clo. Bal)	818,307.44	1,254,425.94

For **Badrilal Punglia & Co.**
Chartered Accountants

On behalf of the Board of Directors
Mercury Metals Limited

(B.L. Punglia)
Proprietor
Membership No: 034230
FRN No. : 100827W

Executive Director

Date : 13/08/2012
Place : Ahmedabad

Director

**NOTES NO 1****(i) SIGNIFICANT ACCOUNTING POLICIES :-****A. BASIS OF ACCOUNTING:-**

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

B. REVENUE RECOGNITION :-

Sales are recognized on completion of sale of goods and are recorded net of vat.

C. 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. During the year Company has disposed off Fixed Assets held by the co.

D. DEPRECIATION & AMORTIZATION:-**i) DEPRECIATION:-**

Depreciation is provided up to the date of sold 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 balance in these Accounts.

E. INVESTMENT:-

Investment are stated at cost.

F. INVENTORIES :-

Inventories of shares & securities are valued at cost.

G. RETIREMENT BENEFITS :-

Liabilities in respects of Gratuity & other retirement benefits is not provided in the Books of Account.

H. CONVERSION OF TRANSACTION IN FOREIGN CURRENCY:-

No Foreign currency transaction done during the year.



I. BORROWING COST:-

No Term Loan , Secured or unsecured loan taken for expansion and addition of Fixed Assets

J. DIVIDEND :-

Dividend income is recognized when the right to receive the same is established. During the year there is no receipt of Dividend income.

K. INTEREST:-

During the year company has provided interest ₹ 2,03,69,965.51 i.e. difference of excess liabilities raised for amount payable on OTS Scheme with Charotar Nagrik Sahkari Bank Ltd. After adjusting FD and FD Interest accrued there on.

L. TAX PROVISION:-

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

**MERCURY METALS LIMITED****Note :- "2" :- Share Capital****In ₹**

Particulars	Amount As At 31-3-2012	Amount As At 31-3-2011
Authorised Capital		
10000000 Equity Shares Of 10 Each	100,000,000.00	100,000,000.00
Issued & Subscribed Capital		
7978508 Equity Shares Of 10 Each (Out Of Which 1726907 Are Issued As Bonus Shares)	79,785,080.00	79,785,080.00
Paid Up Share Capital		
6952808 Equity Shares Of Rs.10/- Each (Out Which 1726907 Equity Shares Are Issued As Bonus Shares)	69,528,080.00	69,528,080.00
Share Forfeiture A/C.	5,128,500.00	5,128,500.00
Total.....	74,656,580.00	74,656,580.00

Reconciliation of the number of shares outstanding is set out below

Equity shares at the beginning of the year:-	7,978,508.00
Equity shares at the end of the year:-	7,978,508.00
Equity shares held by each shareholder more than 5% shares in the year:-	

Sr. No.	Name	%	No. of Shares
1)	Shri Govindram Laluram	24.04%	(1671800 Shares)
2)	Shri Motilal Laluram Kabra.	5.62%	(390508 Shares)

Note :- "3" :- Reserve & Surplus**In ₹**

Particulars	Amount As At 31-3-2012	Amount As At 31-3-2011
Share Premium		
Opening Balance	109,841,000.00	109,841,000.00
Capital Reserve		
Opening Balance	12,000.00	12,000.00
Profit & Loss A/C.		
Opening Balance	(155,289,782.14)	(154,778,180.14)
Add Loss For The Year	(18,163,643.01)	(511,602.00)
Total For The Period	(173,453,425.15)	(155,289,782.14)
Total.....	(63,600,425.15)	(45,436,782.14)

Note :- "4" :- Long Term Borrowing**In ₹**

Particulars	Amount As At 31-3-2012	Amount As At 31-3-2011
Secured Loans :-		
Loan From Banks :- (Hy. of Stock, Debotrs & Personal Guarantee)	39,916,659	33,345,149
Total.....	39,916,659	33,345,149

During the year company has availed OTS scheme as prescribed by GOG with The Charotar Nagrik Sahkari Bank Ltd H.P A/c 72 vide their letter dated 13/12/2011 company has to pay RS. 38840455 after adjusting all FDS with the Charotar Nagrik Sahkari Bank and interest thereon. The payment terms are 15% i.e. RS. 5826069 payable immediately and balance amt. Of RS.33014386 is payable on RS.1375600 monthly 24 installments and simple interest @7% thereon. The increased in Liabilities of secured loan as compare to previous year was adjusted by debiting interest paid for RS. 17623355.51 same amount is effected in profit & loss A\C

During the year company has availed OTS scheme as prescribed by GOG with The Charotar Nagrik Sahkari Bank Ltd B/ P. A/c no. 2 vide their letter dated 13/12/2011 company has to pay RS. 86,87,942. The payment term are 15% payable i.e. RS. 13,03,191 payable immediately and balance amount of RS.73,84,751 is payable on RS. 309768 installment and simple interest @7% thereon. The increased in Liabilities of secured loan as compare to previous year was adjusted by debiting interest paid for RS. 2746610 same amount is effected in Profit & Loss A/c
The above balances are subject to completion of OTS scheme by the company in prescribed time period.


Note "5" Other Current Liabilities
In ₹

Particulars	Amount As At 31-3-2012	Amount As At 31-3-2011
Trade Payable	3,566,213.00	—
Duties And Taxes	28,250.00	489,260.32
Other Liabilities	42,039.63	167,998.59
Total.....	3,636,502.63	657,258.91

NOTE :- "6" FIXED ASSETS
In ₹

Sr. no.	Particulars of Assets	GROSS BLOCK			DEPRECIATION			NET BLOCK			
		As on 1/4/2011	Addition During the Year	Adjustment during the year	Value as on 31-3-2012	As on 1/4/2011	For The Year	Adjustment	As On 31-3-2012	As On 31-3-2011	As On 31-3-2012
1	Property (Adrawal Complex)	1127206.73	0	1127206.73	0	631344	12498	643842	0	0	495862.73
	TOTAL.....	1127206.73	0	1127206.73	0	631344	12498	643842	0	0	495862.73
	Previous Year	1127206.73	0	0	1127206.73	605246	26098	0	631344	495862.73	521960.73

Note :- "7" Non Current Investment
In ₹

Particulars	Amount As At 31-3-2012	Amount As At 31-3-2011
Shares, Debenture Or Bonds		
Investment In Associate Company		
1) 303100 Shares Of Shree Metalloys Ltd. (Formally Known As Mercury Finstock Co. Ltd)	2,998,750.00	2,998,750.00
Other Investment		
2) Shares Of Charotar Nagrik Bank	2,500.00	2,500.00
Total....	3,001,250.00	3,001,250.00

Notes :-"8" Trade Receivable :-
In ₹

Particulars	Amount As At 31-3-2012	Amount As At 31-3-2011
Trade Receivable For A Period Exceeding Six Month From The Date They Were Due For Payment		
Unsecured Considered Good	16,764,253.92	26,150,115.92
Unsecured Considered Doubtful	18,605,486.12	18,605,486.12
Less Provision For Doubtful Debts		
Tarde Receivable Outstanding For A Period Less Than Six Months From The Date They Were Due For Payment	3,051,983.00	—
Considered Good		
Total....	38,421,723.04	44,755,602.04

No provision made for doubtful debts of Rs. 18,606,456.12.

**MERCURY METALS LIMITED****Notes :- "9" Cash and Cash Equivalents :-****In ₹**

Particulars	Amount As At 31-3-2012	Amount As At 31-3-2011
Bank Balance With Schedule Bank	586,261.70	29,203.49
Bank Balance With Other Bank	46,936.74	1,163,467.45
Cash In Hand	185,109.00	61,755.00
Total....	818,307.44	1,254,425.94

Note :- "10" Loans & Advances :-**In ₹**

Particulars	Amount As At 31-3-2012	Amount As At 31-3-2011
Unsecured Considered Good		
Sundry Deposites	27,690.00	27,690.00
Other Current Assets	70,734.00	103,803.00
Advances And Loans To Related Company	—	16,600.00
Total....	98,424.00	148,093.00

Note:- "11" :- Revenue Income From Operation**In ₹**

Particulars	Year Ended On 31-3-2012	Year Ended On 31-3-2011
Sales (Metals)	9,971,965.00	2,540,892.00
Sale Of Shares	125,125.00	—
Total ...	10,097,090.00	2,540,892.00

Note :- "12" :- Indirect/Other Income**In ₹**

Particulars	Year Ended On 31-3-2012	Year Ended On 31-3-2011
Dividend Income	16,562.50	—
Previous Year Income	800.00	—
Profit On Sale Of Property	5,016,635.27	—
Sundry Balances Written Off	905,587.32	—
Total.....	5,939,585.09	—

Note : During the year amount payable of CST Rs. 474582 and Sales tax Rs. 10658.32 outstanding since las long period and amount receivable of Rs. 16600 from Mercury Metax Ltd. are written off during the year.

**Note:- "13" :- Change In Inventories Of Stock In Trade****In ₹**

Particulars	Year Ended On 31-3-2012	Year Ended On 31-3-2011
Closing Stock	12,269,612.00	13,566,972.00
Less:- Opening Stock	13,566,972.00	13,566,972.00
Total.....	(1,297,360.00)	—

Note:- "14" Employees Cost**In ₹**

Particulars	Year Ended On 31-3-2012	Year Ended On 31-3-2011
Director Remuneration	120,000.00	120,000.00
Bonus Exp.	4,500.00	3,500.00
Salary Exps.	129,083	179,244.00
Allowance To Employees	35,000.00	27,000.00
Total	288,583.00	329,744.00

Note:- "15" Financial Cost**In ₹**

Particulars	Year Ended On 31-3-2012	Year Ended On 31-3-2011
Interest Paid	20,369,965.51	—
Commission Paid For Sale Of Property	275,000.00	—
Bank Charges	26,720.79	225.00
Total	20,671,686.30	225.00

**Note:- "16" Other Expenses**

In ₹

Particulars	Year Ended On 31-3-2012	Year Ended On 31-3-2011
Advertisement Exps.	15,054.00	18,140.00
Listing & Custodian Fees	1,338,486.00	16,545.00
Legal & Registration Fees	18,043.00	157,443.00
Postage Exp	49,386.00	33.00
Printing & Stationary Expenses	9,270.00	—
Professional & Consultancy	11,000.00	10,500.00
Repairs & Maintance Expenses	4,642.00	4,225.00
Ria Fintelligence Exp.	—	1,800.00
Telephone Expenses	2,814.00	—
Auditors Remuneration:-		
Audit Fees	24,000.00	20,000.00
Tax Audit Fees	5,500.00	—
Travelling Expenses	8,814.00	—
Website Expenses	8,000.00	—
Miscellaneous Expenses	9,796.80	8,717.00
Total	1,504,805.80	237,403.00

Note :- "17" CONTINGENT LIABILITIES NOT PROVIDED FOR IN RESPECT OF :-

Guarantee given by company on behalf of the Rupangi impex Ltd (Group Company) ₹ 738 Lacs

Note:- "18"

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. 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 noted. Balance of secured and unsecured loans, sundry creditors, sundry debtors and loans & advances are subject to confirmation & reconciliation. No provision made for doubtful debts.

Note:- "19"

Investment and inventories 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 the management, such decline is temporary phase and no provision would be necessary.

Note:- "20"

Value of import on CIF basis in respect of material is :- NIL (Previous year :- NIL) Value of all imported materials & % of such material with total cost of material is ₹ NIL(P.Y.NIL) Earning in foreign exchange is :- NIL (Previous Year :- NIL)

Note:- "21"

The liabilities of small scale industries for suppliers & services in excess of ₹ 100000/- is NIL

Note:- "22"

During the year ended 31st March 2012, revised Schedule VI notified under the Companies Act 1956 became applicable to the Company , for preparation and presentation of its financial statements . The adoption of revised schedule VI



does not impact recognition and measurement principal followed for preparation of financial statements the previous year figures has also reclassified in accordance to requirements applicable to current year.

Note:- "23"

-Segment information for the year ended 31st March,2012

Segment information is not applicable to company as company does not have turnover of Rs.50 crore.

Note:- "24" Earning Per Share

In terms of Accounting Standard 20, the calculation of EPS is given below:

Particulars	2011-12	2010-11
Profit/(Loss) after tax as per profit or loss statement	(1,81,63,643)	(5,11,602)
Weighted average No. of Equity shares outstanding during the year	6952808	6952808
Nominal value of Shares	10	10
Basic EPS (Rs.)	(2.61)	(0.07)
Diluted EPS (Rs.)	(2.61)	(0.07)

Note:-"25"

Related party disclosure as required by AS-18 are given below.

Name of Related parties

- 1) Shree Metalloys Ltd.
- 2) Milan Metal Pvt. Ltd. (In Liquidation)
- 3) Mercury Metex Ltd. (In Liquidation)
- 4) Govindram L. Kabra
- 5) Ramprakash L. Kabra

Transaction during the year :-

Particulars	In ₹	
	Year 2011-12	Year 2010-11
Govindram L. Kabra(Managing Director)	120000/-	120000/-

Mercury Metex Limited balance of Rs. 16600, written off during the year.

For **Badrilal Punglia & Co.**
Chartered Accountants

(B.L. Punglia)

Proprietor

Membership No: 034230

FRN No. : 100827W

Date : 13/08/2012

Place : Ahmedabad

On behalf of the Board of Directors

Mercury Metals Limited

Executive Director

Director

MERCURY METALS LIMITED

Regd. Office : 36, Advani Market, O/s Delhi Gate, Shahibaug, Ahmedabad-380004

PROXY FORM

DP Id* _____ Regd. Folio No. _____

Client Id* _____

I/We _____

of _____ in the district of _____ being a member/members of the above named Company, hereby appoint

Mr./Mrs. _____ of _____ in the

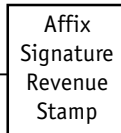
district of _____ or failing him/her Mr./Mrs. _____ of

_____ in the district of _____

as my/our Proxy to vote for me/our behalf at the at the Annual General Meeting of the Company to be held on Tuesday, the 25th September, 2012 at 11.00 a.m. at Ground Floor, Advani Market O/S Delhi Gate, Shahibaug, Ahmedabad - 380004

Signed the _____ day of _____ 2012

Signature _____



* Applicable for members holding shares in dematerialised form.

- 1. The Proxy Form signed across revenue stamp should reach the Company's Registered Office at least 48 hours before the scheduled time of meeting.

MERCURY METALS LIMITED

Regd. Office : 36, Advani Market, O/s Delhi Gate, Shahibaug, Ahmedabad-380004

ATTENDANCE SLIP

Full name of the Member attending : _____

Name of Proxy : _____

I hereby record my presence at the Annual General Meeting being held on Tuesday, the 25th September, 2012 at 11.00 a.m. at Ground Floor, Advani Market O/S Delhi Gate, Shahibaug, Ahmedabad -380004

Regd. Folio No. _____

DP Id* _____

Client Id* _____

No. of Share held _____

Member's/Proxy's Signature
(To be signed at the time of handing over the slip)

* Applicable for members holding shares in dematerialised form.

Note : Persons attending the Annual General Meeting are requested to bring their copies of Annual Report.

BOOK-POST

If undelivered

Please return to :

MERCURY METALS LIMITED

Regd. Office : 36, Advani Market, O/s Delhi Gate,
Shahibaug, Ahmedabad-380004