

# MERCURY METALS LIMITED

Traders in Ferrous & Non Ferrous Metals



36, Advani Market, O/s. Delhi Gate, Shahibaug, Ahmedabad 380 004, INDIA Phone: +91 79 6542 5275 Email: metal.mercury@gmail.com

## FORM B

### COVERING LETTER OF THE ANNUAL AUDIT REPORT TO BE FILED WITH THE STOCK EXCHANGES

1. Name of the Company: **Mercury Metals Limited**

2. Annual financial statements for the **31<sup>st</sup> March, 2014**  
year ended

3. Type of Audit qualification

**Subject to our comment,**

We draw attention to Note 19 & 22 of the financial statements regarding Non provision of interest payable & diminuation in value of inventory of shares of listed companies respectively. Company has not made provision for Interest Payable to Charotar Nagrik Sahakari Bank Limited towards their OTS. Further, company has not provided for diminution in value of inventories of listed companies as per Accounting Standard - 13 'Accounting for Investments'. Our opinion is not qualified in respect of this matter.

4. Frequency of qualification

- a) Note No. 19 since 11 years
- b) Note No. 22 since 3 years

5. Draw attention to relevant notes in the annual financial statements and management response to the qualification in the directors report.

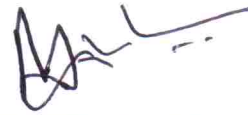
As Per Annexure "1"

6. Additional comments from the Board/audit committee chair:

No

7. To be signed by-

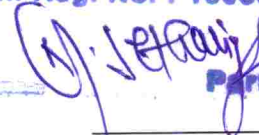
- Executive Director



(Govindram L. Kabra)

(Din: 00006621)

For, Ambalal Patel & Co  
Chartered Accountants  
Firm Reg. No. : 100305W



Partner

9/9/2014

- Auditor of the company

For, M/S. AMBALAL PATEL & CO.

(CA Ratan Jethaliya)

Partner



- Audit Committee Chairman

(B.S. Rajput)

(Din: 00853722)

## Annexure – 1

Sr. No.	Auditors Remarks		Board Comments or reply on Auditors remarks in Board of Director's Report
	Comment	Particular	
1.	Non Provision of Interest as stated in Note No. (19)	<p><b>Note 19</b></p> <p>The provision for all known liabilities has been made except interest and penal interest payable to Charotar Nagrik Sahakari Bank Limited towards their OTS, as the company has not paid any installment/interest during the year. During the year Company has not provided interest liability of about Rs. 27.95 lacs @ 7% p.a. on the outstanding settlement loan amount pending.</p>	<p><b>1) Non Provision of Interest as stated in Note No. (19)</b></p> <p>The Company has entered into One time Settlement (OTS) Scheme with Charottar Nagrik Sahkari Bank Ltd. for the payment of its outstanding liabilities, and during the financial year 2013-14, the Company failed to make payment as per the terms of the OTS. As per the terms of the OTS, if the Company fails to make payment of any installments of the OTS, the Company would be liable for the payment of interest @ 7% per annum on the said installment value alongwith penal interest @ 1% and same will be payable alongwith full and final settlement of outstanding. The Board of Directors of your Company are already pursuing to make full and final payment of OTS amount with the said bank, before the schedule period of payment of OTS. Therefore the board is confident that the said bank will not charge any type of interest and penal interest on delayed payments of any due installments.</p>

			<p>Therefore no provision of Rs.27.95 lacs has been made during the year by the Company.</p> <p>Further, the Company has fully settled the outstanding OTS amount of Charottar Nagrik Sahkari Bank Ltd. on 31<sup>st</sup> July, 2014 and the Bank has not charged any interest and/or penal interest on those installments, which the Company failed to pay timely in terms of OTS Letter.</p>
2.	<p>Diminuation in value of inventory of shares of listed companies respectively</p> <p>Not e No. 22</p>	<p><b>Note 22</b></p> <p>Inventories of shares are held in demate as well as physical certificate form. In respect of shares held as inventories by company, the same are stated at cost of acquisition. Company has not made provision for diminution in the value of shares held as inventories. Since in the opinion of the management, such decline is temporary phase and no provision would be necessary.</p>	<p><b>2) Diminution in value of Inventories held in shares as stated in Note no. (22)</b></p> <p>The shares held as inventories are stated at the cost of acquisitions. No provision has been made for diminution in the value of shares held as inventories. The Board of the Company finds that such diminution in the value of shares is temporary, further market value of certain shares are not available due to non-listing and/or delisting/suspension of trading of shares at the stock exchange, therefore no provisions has been made.</p>

**28<sup>th</sup>**  
**ANNUAL REPORT**  
**2013-2014**



**MERCURY METALS LIMITED**

**TWENTY EIGHTH ANNUAL REPORT 2013-14****BOARD OF DIRECTORS**

Govindram L. Kabra	<i>Whole-time Director (DIN:00006621)</i>
Ramprakash L. Kabra	<i>Director (DIN:00006664)</i>
Mahendra G. Prajapati	<i>Director (DIN:03270133)</i>
Bhupendrasingh N. Rajput	<i>Director (DIN:00853722)</i>

**AUDITORS**

M/S. AMBALAL PATEL & CO.,  
Chartered Accountant,  
Ahmedabad

**BANKERS**

ICICI Bank Ltd.

**REGISTRAR & SHARE TRANSFER AGENT**

MCS Ltd.  
101, Shatdal Complex, 1st Floor,  
Ashram Road, Navrangpura,  
Ahmedabad-380009  
Tel. No. : 079-26582878  
Email : mcsahmd@gmail.com

**REGISTERED OFFICE**

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

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**NOTICE**

(CIN:L27109GJ1986PLC008770)

NOTICE is hereby given that the 28<sup>th</sup> Annual General Meeting of the Members of Mercury Metals Limited will be held on Monday, 29<sup>th</sup> September 2014, at 11:30 A.M at registered office of the company 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 Balance Sheet as at 31<sup>st</sup> March, 2014 Statement of Profits & Loss and Cash Flow Statement for the financial year ended on 31<sup>st</sup> March, 2014 and Report of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Bhupendrasingh N. Rajput who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Auditors and fix there remuneration.

**SPECIAL BUSINESS:**

4. Increase in Borrowing power Limit of the Board of Directors on behalf of Company upto Rs.10 crores (Rupees Ten Crores)

**"RESOLVED THAT** pursuant to the provisions of Section 180 (1) (c) of the Companies Act, 2013 and other enabling provisions, if any, consent of the Company be and is hereby accorded to the Board of Directors of the Company for borrowing any sum or sums of moneys for and on behalf of the Company, from time to time from any one or more persons, firms, bodies corporate, bankers, financial institutions, or from others by way of advances, deposits, loans or otherwise and whether unsecured or secured by mortgage, charge, hypothecation or lien or pledge of the Company's assets and properties, whether movable or immovable or stock-in process and debts, advances notwithstanding that the sum or sums of moneys so borrowed together with moneys, if any, already borrowed by the Company (apart from the temporary loans obtained from the Company's bankers in the ordinary course of business) will or may exceed the aggregate of the paid up capital of the Company and its free reserves which have not been set apart for any specific purpose, provided that the total amount upto which the moneys may be borrowed shall not exceed Rs.10 crores (Rupees Ten Crores) at any point of time on account of the principal."

Regd. Office :  
36, Advani Market  
O/S Delhi Gate,  
Ahmedabad-380004  
**Date : 12/08/2014**  
**Place : Ahmedabad**

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

**Govindram L. Kabra**  
*Executive Director*  
DIN:00006621

**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. All valid proxies must be deposited at the Registered Office of the company at least 48 hours before the commencement of the meeting.
3. Members are requested to bring their copies of Annual Report to the meeting.
4. Register of members and share transfer books of the company will remain closed from 22/09/2014 to 29/09/2014 (both days inclusive).
5. Shareholders desirous of any information on records of accounts are requested to write to the Company before 10 days of Annual General Meeting so as to enable the Management to keep the information ready.
6. The copies of relevant documents can be inspected at the Registered Office of the Company on any working day between 11.00 a.m. to 5.00 p.m.
7. The Equity Shares of the Company are now available for dematerialisation, as the Company has entered into Agreement with National Securities Depository Limited (NSDL) & Central Depository Services (India) Ltd. (CDSL). Those shareholders who wish to hold shares in electronic form may approach their Depository Participant. **The ISIN No. of the Equity Shares is INE763M01010.**

**Brief resume of the Director seeking re-election at the 28<sup>th</sup> 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 15 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.**

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**Date : 12/08/2014**  
**Place : Ahmedabad**

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

**Govindram L. Kabra**  
*Executive Director*  
DIN:00006621

**EXPLANATORY STATEMENT AS REQUIRED UNDER SECTION 102 OF THE COMPANIES ACT, 2013.**

In conformity with the provisions of Section 102 of the Companies Act, 2013, following Explanatory Statement sets out all material facts relating to the Special Business mentioned at Item No. 4 of the accompanying notice dated 12<sup>th</sup> August, 2014 should be taken as forming part of Notice.

**Item No. 4**

As per the provisions of Section 180 (1) (c) of the Companies Act, 2013, and all other applicable provisions, if any, the Board of Directors of a Company cannot borrow money (apart from temporary loans obtained from the company's bankers in the ordinary course of business) in excess of the Company's Paid-up Capital and Free Reserves without the consent of the shareholders by a special resolution in the General Meeting.

The sanction of the shareholder is sought to permit the Board to borrow money in excess of the Company's capital and free reserves. This is permissible under section 180 (1) (c), if the shareholders approve it. To enable the Board to borrow in excess of their limit, your Board thinks it necessary to acquire this power and commends passing of this resolution.

The Resolution set out at item No. 4 of the notice is put forth for consideration of the members as a Special resolution pursuant to section 180 (1) (c) of the Companies Act, 2013, authorizing the Board of Directors to borrow upto a sum of Rs.10 Crores (Ten Crores).

Your Directors recommend the above Resolution for your approval.

None of the Directors of the Company are in any way concerned or interested in the said resolution.

Regd. Office :  
36, Advani Market  
O/S Delhi Gate,  
Ahmedabad-380004  
**Date : 12/08/2014**  
**Place : Ahmedabad**

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

**Govindram L. Kabra**  
*Executive Director*  
DIN:00006621



**DIRECTOR'S REPORT**

Dear Members,

Your Directors have pleasure in presenting the 28<sup>th</sup> Annual Report together with the Audited Accounts of the Company for the year ended on 31<sup>st</sup> March, 2014.

**FINANCIAL RESULTS:**

The summarized financial results of the Company for the period ended 31<sup>st</sup> March, 2014. Are as follows:

	<b>(Amount in Rs.)</b>	
	<b>2013-14</b>	<b>2012-13</b>
Total income (Net)	48,36,687	0
Total Expenditure	53,68,787	4,78,031
Profit before extraordinary items and tax	(5,32,100)	(4,78,031)
Extraordinary Items	(2,06,33,396)	0
Less: Depreciation	0	0
Provision for taxation	0	0
Profits / (Loss) after Tax	(2,11,65,497)	(4,78,031)

**DIVIDEND:**

Your directors are unable to recommend any dividend in view of Net Loss during the financial year 2013-14.

**OPERATIONS:**

The Company has achieved sales turnover of Rs. 48.23 Lacs during the year compared to Rs. NIL during the previous year. The Company has incurred net loss of Rs. 211.65 Lacs compared to Rs. 4.78 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. Bhupendrasingh N. Rajput, Director of the Company, retires by rotation and being eligible offers themselves for re-appointment.

The Board of your Company recommends his re-appointment as Director under the category of liable to retire by rotation.

**PARTICULARS OF EMPLOYEES:**

The particulars of the employee of the Company drawing total remuneration of Rs.60,00,000/- per annum or Rs.5,00,000/- 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 Bombay Stock Exchange, up to the year 2013-14.

**AUDITORS:**

The present Auditors of the Company M/S. AMBALAL PATEL & CO., Chartered Accountants, Ahmedabad were appointed as Auditors and will retire at the ensuing Annual General Meeting. M/S. AMBALAL PATEL & CO., Chartered Accountants have submitted certificate for their eligibility for appointment under Section 139 of the Companies Act, 2013. Board of Directors of your Company favour their 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) Non Provision of Interest as stated in Note No. (19)

The Company has entered into One time Settlement (OTS) Scheme with Charottar Nagrik Sahkari Bank Ltd. for the payment of its outstanding liabilities, and during the financial year 2013-14, the Company failed to make payment as per the terms of the OTS. As per the terms of the OTS, if the Company fails to make payment of any installments of the OTS, the Company would be liable for the payment of interest @ 7% per annum on the said



installment value alongwith penal interest @ 1% and same will be payable alongwith full and final settlement of outstanding. The Board of Directors of your Company are already pursuing to make full and final payment of OTS amount with the said bank, before the schedule period of payment of OTS. Therefore the board is confident that the said bank will not charge any type of interest and penal interest on delayed payments of any due installments. Therefore no provision of Rs.27.95 lacs has been made during the year by the Company.

Further, the Company has fully settled the outstanding OTS amount of Charottar Nagrik Sahkari Bank Ltd. on 31<sup>st</sup> July, 2014 and the Bank has not charged any interest and/or penal interest on those installments, which the Company failed to pay timely in terms of OTS Letter.

2) Diminution in value of Inventories held in shares as stated in Note no. (22)

The shares held as inventories are stated at the cost of acquisitions. No provision has been made for diminution in the value of shares held as inventories. The Board of the Company finds that such diminution in the value of shares is temporary, further market value of certain shares are not available due to non-listing and/or delisting/suspension of trading of shares at the stock exchange, therefore no provisions has been made.

**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.

Regd. Office :  
36, Advani Market  
O/S Delhi Gate,  
Ahmedabad-380004  
**Date : 12/08/2014**  
**Place : Ahmedabad**

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

**Govindram L. Kabra**  
*Executive Director*  
DIN:00006621

**MANAGEMENT DISCUSSION & ANALYSIS REPORT****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**

For market players of Metal industry, a major cause of volatility is the cost of raw materials, which has been exacerbated by the change from annual to shorter-term price contracts. Shortages in supply have enabled suppliers to re-engineer the pricing mechanisms. However, this has created challenges for market players. They now have to deal not only with the increased volatility in raw material prices, but also with how to maintain margins with fluctuating demand. These developments are significantly affecting the earnings of the Metal industry and try to achieve stability in Metal market.

**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 2013-14 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.

Regd. Office :  
36, Advani Market  
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Ahmedabad-380004  
**Date : 12/08/2014**  
**Place : Ahmedabad**

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

**Govindram L. Kabra**  
*Executive Director*  
DIN:00006621


**CORPORATE GOVERNANCE REPORT 2013-14**

(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, 2014, 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 2013-14	At AGM held on September 25, 2013	Other Director ship (s)	Committee Member ship(s)	Committee Chairman ship(s)	
			Held	Attended				
1.	Mr. Govindram L. Kabra	Non-Independent Executive Director	5	5	Yes	-	-	-
2.	Mr. Ramprakash L. Kabra	Non-Independent Non Executive Director	5	5	Yes	-	-	-
3.	Mr. Mahendra G Prajapati	Independent Non Executive Director	5	5	Yes	-	-	-
4.	Mr. Bhupendra Singh N. Rajput	Independent Non Executive Director	5	5	NA	1	-	3

**NOTES:**

- 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.
- 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.
- 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.
- Except Mr. Govindram L. Kabra and Mr. Ramprakash L. Kabra, none of the Directors are related to each other.
- 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, 2014 have been made by the Directors.



6. 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 2013-14, the Board of Directors met Five (5) times. The dates of the Meetings were 29/05/2013, 13/08/2013, 28/10/2013, 03/12/2013 and 10/02/2014. The time gap between two Meetings was not more than 4 months.

**(C) INFORMATION AVAILABLE TO THE BOARD**

During the year 2013-14, 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 31<sup>st</sup> March 2014, the Audit Committee met five times on 29/05/2013, 13/08/2013, 28/10/2013, 23/11/2013 and 10/02/2014 respectively.

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

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

**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.:

There was no meeting of the Committee held, during the year.

**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 31<sup>st</sup> March, 2014 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
27 <sup>th</sup>	2012-13	25 <sup>th</sup> September, 2013	3.00 p.m.	Ground Floor, Advani Market, O/s Delhi Gate Shahibaug, Ahmedabad-380004
26 <sup>th</sup>	2011-12	25 <sup>th</sup> September, 2012	11.00 a.m.	First Floor, Advani Market, O/s Delhi Gate Shahibaug, Ahmedabad-380004
25 <sup>th</sup>	2010-11	29 <sup>th</sup> September, 2011	10:00 a.m.	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 2013-14, 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. The Company is 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 & CDSL and has been allotted ISIN No. INE763M01010.

**(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 : Monday, 29<sup>th</sup> September 2014  
Time : 11:30 A.M  
Venue : Ground Floor, Advani Market, O/s Delhi Gate, Shahibaug, Ahmedabad- 380004
- B) Financial Calendar for the year 2014-2015  
1st Quarter Results : By 2<sup>nd</sup> week of August, 2014  
Half-Yearly Results : By 2<sup>nd</sup> week of November, 2014  
3rd Quarter Results : By 2<sup>nd</sup> week of February, 2015  
4<sup>th</sup> Quarterly and Yearly Results (Audited) : end of the May, 2015  
Annual general meeting for The year 2014-15 : By end of September, 2015
- C) Book Closure : 22<sup>th</sup> September, 2014 to 29<sup>th</sup> September, 2014 (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 : The information of Stock Price data are submitted here under:

Month	BSE		Shares Traded
	High(Rs.)	Low(Rs.)	(No.)
April, 2013	4.18	4.18	1
May, 2013	-	-	-
June, 2013	-	-	-
July, 2013	-	-	-
August, 2013	-	-	-
September, 2013	-	-	-
October, 2013	-	-	-
November, 2013	-	-	-
December, 2013	-	-	-
January, 2014	-	-	-
February, 2014	7.05	4.18	19
March, 2014	7.75	5.84	20



**F) Category of Shareholding as on 31<sup>st</sup> March, 2014**

Category	No. of Shares	%to Share Capital
Indian Promoters	2931308	42.16
Mutual Funds	-	-
Bank , Financial Institute	-	-
Private Corporate Bodies	-	-
NRI's/OBCs	-	-
FII's	-	-
Indian Public	4021500	57.84
C.M	-	-
<b>Total</b>	<b>6952808</b>	<b>100.00</b>

**G) Distribution of Shareholding as on 31<sup>st</sup> March, 2014:**

No. of Equity Shares Held	No. of Shareholders	% of Share Holders	No. of Shares Held	% of Shareholding
Up to 500	5850	87.6404	1062602	15.2831
501 to 1000	511	7.6554	482500	6.9396
1001 to 2000	150	2.2472	231200	3.3253
2001 to 3000	56	0.8390	141275	2.0319
3001 to 4000	26	0.3895	91282	1.3129
4001 to 5000	17	0.2547	77200	1.1103
5001 to 10000	17	0.2547	119041	1.7121
10001 to 50000	31	0.4644	697000	10.0247
50001 to 100000	8	0.1199	543700	7.8199
100001 and above	9	0.1348	3507008	50.4402
<b>TOTAL</b>	<b>6675</b>	<b>100.0000</b>	<b>6952808</b>	<b>100.0000</b>

**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@relianceemail.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

On behalf of the Board

**Govindram L. Kabra**

Executive Director

DIN:00006621

**Date : 12/08/2014**

**Place : Ahmedabad**

**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 31<sup>st</sup> March, 2014.

On behalf of the Board

**Govindram L. Kabra**

Executive Director

DIN:00006621

**Date : 12/08/2014**

**Place : Ahmedabad**

**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 : 12/08/2014**

**Place : Ahmedabad**

**Govindram L. Kabra**

Executive Director

DIN:00006621

**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 31<sup>st</sup> March, 2014 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.

**M/S. AMBALAL PATEL & CO.,**

**Chartered Accountant,**

**Sd/-**

**Ambalal Patel**

**Proprietor**

**Membership No.: 047398**

**FRN. : 100305W**

**PAN : AABFA3490K**

**Place : Ahmedabad**

**Date : 12/08/2014**

**INDEPENDENT AUDITOR'S REPORT**

**To the Members of  
MERCURY METALS LTD**

**Report on the Financial Statements**

We have audited the accompanying financial statements of M/s. MERCURY METALS LIMITED ("the Company"), which comprise the Balance Sheet as at 31st March 2014, the Statement of Profit & Loss and Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act") , read with General circular 8/2014 dated April 4, 2014 , issued by the ministry of corporate affairs. The responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

***Auditor's Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by managements, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

***Opinion***

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act 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 Balance Sheet, of the state of affairs of the Company as at 31st March 2014;
- (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 Cash flow statement, of the cash flows for the year ended on that date.

***Emphasis of Matter***

***We draw attention to Note 19 & 22 of the financial statements regarding Non provision of interest payable & diminution in value of inventory of shares of listed companies respectively. Company has not made provision for Interest Payable to Charotar Nagrik Sahakari Bank Limited towards their OTS. Further, company has not provided for diminution in value of inventories of listed companies as per Accounting Standard - 13 'Accounting for Investments'. Our opinion is not qualified in respect of this matter.***

**Report on Other Legal and Regulatory Requirements**

1. Provision for the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As acquired by section 227(3) of the Act subject to our comments in Emphasis of Matter, 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 purpose of our audit;
  - b. In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - c. The Balance Sheet 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, Statement of Profit and Loss and cash flow statement 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 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

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

**CA Ratan Jethaliya**  
**Partner**  
**M.No. 47398**

**Ahmedabad**  
**22/05/2014**

**ANNEXURE TO INDEPENDENT AUDITOR'S REPORT**

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

- (i) As per information and explanation provided to us, The company has no fixed assets during the year.
- (ii)
  - (a) As explained to us, since stock of the company comprises shares in Demat as well as physical certificate form and other traded goods has been physically verified by the management during the year & stock items at the end of the year verified with respect to corresponding Demat statement and physical certificate at the end of the year.
  - (b) The procedures explained to us, which are followed by the management, for such physical verification of the inventories are in our opinion, reasonable and adequate in relation to the size of the company and nature of its business.
  - (c) On the basis of our examination of the inventory records of the company, we are of the opinion that the company is maintaining proper records of its inventory. No material discrepancies were noticed on physical verification of the inventory as compared to book records.
- (iii) According to the information and explanation given to us, the Company has not granted/taken any unsecured loans to/from companies & firms listed in the register maintained under section 301 of the Companies Act 1956.
- (iv) In our opinion and according to the information and explanation given to us, there are adequate internal control procedures commensurate with the size of company and nature of its business with regard to purchase of trading goods and with regard to sale of goods.
- (v) 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 maintained under section 301 of the Companies Act 1956, have been so entered.

- (vi) The Company has not accepted any deposits from Public and hence the provision of section 58A and 58AA of the Act and rules framed there under are not applicable to the Company.
- (vii) In our opinion, the intrnal audit system of the Company is commensurate with its size and natue of its business.
- (viii) In our opinion and according to the information and explanations given to us, maintenance of cost records has not been prescribed by the Central Government under section 209(1)(d) of the Companies Act, 1956 for any products of the company.
- (ix) (a) According to the information and explanation given to us and the books and records examined by us, there are no undisputed amounts payable in respect of Income-tax, Sales-Tax outstanding as at 31st March 2014 for a period exceeding six months from the date they became payable.  
(b) On the basis of our examination of the documents and records, there is no disputed amount pending in respect of any statutory dues.
- (x) ***In our opinion Company has registered for a period not less than five year, its accumulated losses at the end of the financial year 19,50,96,952 and during previous year it has incurred cash losses of 5,32,100 And in immediately preceding financial year it was Rs. 4,78,030.***
- (xi) ***As per information and explanation provided to us, The company has rearrange in OTS scheme of the secured loan payable to Charotar Nagarik Sahakari Bank Ltd. But installments due of 202.24 Lacs for the year 2013-14 under OTS scheme are not paid by the company.***
- (xii) As explained to us the company has not granted any loans on the basis of the security by way of pledge of shares, debentures or any other securities.
- (xiii) In our opinion, the company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, the provisions of the clause (xiii) of paragraph 4 of the order are not applicable.
- (xiv) In our opinion, the company has maintained proper records of transactions and contracts in respect of dealing and trading in shares, securities, debentures and other investments and that timely entry have been made therein. The shares and other securities have been held by compapny in its own name.
- (xv) According to the information and explanation given to us and representation made by the management, the company has not given any guarantee for loans taken by others from any banks or financial institution.
- (xvi) In our opinion the term loans have been applied for the purpose for which there were raised.
- (xvii) According to the information and explanation given to us and an overall examination of the balance sheet of the Company, we report that the no funds raised on short-term basis have been used for the long term investment.
- (xviii) The company has not made any preferential allotment of shares to the parties and companies covered in the register maintained under section 301 of the Companies Act 1956.
- (xix) On the basis of the records and documents examined by us, the Company has not issued any secured debentures during the year.
- (xx) The Company has not raised any money by public issue during the year.
- (xxi) According to the information and explanation given to us and to the best of our knowledge and belief no fraud on or by the company, has been noticed or reported by the company during the year.

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

**CA Ratan Jethaliya  
Partner  
M.No. 47398**

**Ahmedabad  
22/05/2014**

**BALANCE SHEET AS AT MARCH 31, 2014**

		IN ₹	
PARTICULARS	NOTE	AMOUNT AS AT 31-3-2014	AMOUNT AS AT 31-3-2013
<b>I. EQUITY AND LIABILITIES</b>			
<b>1 Shareholders' funds</b>			
(a) Share capital	2	74,656,580	74,656,580
(b) Reserves and surplus	3	(85,243,952)	(64,078,456)
<b>2 Non-current liabilities</b>			
(a) Long-term borrowings	4	39,916,659	39,916,659
<b>3 Current liabilities</b>			
(a) Short-term borrowings		-	-
(b) Trade payables	5	826,875	-
(c) Other current liabilities	6	91,375	101,253
(d) Short-term provisions		-	-
<b>TOTAL</b>		<b>30,247,537</b>	<b>50,596,036</b>
<b>II. ASSETS</b>			
<b>1 Non-current assets</b>			
(a) Fixed assets		-	-
(b) Non-current investments	7	3,001,250	3,001,250
(c) Long-term loans and advances		-	-
<b>2 Current assets</b>			
(a) Inventories	8	12,269,612	12,269,612
(b) Trade receivables	9	14,648,629	34,969,740
(c) Cash and Bank Balance	10	157,771	198,635
(d) Short-term loans and advances	11	170,275	156,799
(e) Other current assets		-	-
<b>TOTAL</b>		<b>30,247,537</b>	<b>50,596,036</b>

Significant Accounting Policies

1

The accompanying notes are an integral part of the Financial Statements.

As per our separate report of even date

For **Ambalal Patel & Co.**

Chartered Accountants

Firm Reg. No. : 100305W

**CA Ratan Jethaliya**

Partner

Membership No: 47398

Ahmedabad

22/05/2014

On behalf of the Board of Directors

**Mercury Metals Limited***Executive Director*

DIN - 00006621

*Director*

DIN - 00006664


**STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED ON 31-3-2014**

			IN ₹
Particulars	NOTE	YEAR ENDED ON 31-3-2014	YEAR ENDED ON 31-3-2013
<b>I. Revenue from operations</b>			
Sale of Metals	12	4,823,437	-
		<u>4,823,437</u>	<u>-</u>
<b>II. Other income</b>	13	13,250	-
		<u>13,250</u>	<u>-</u>
<b>III. Total Revenue (I + II)</b>		<u>4,836,687</u>	<u>-</u>
<b>IV. Expenses</b>			
Purchases of Stock-in-Trade	14	4,539,025	-
Changes in inventories of Stock-in-Trade	15	-	-
Employee benefits expense	16	271,502	264,460
Finance costs		-	-
Other Expenses	17	558,260	213,571
<b>Total expenses</b>		<u>5,368,787</u>	<u>478,031</u>
<b>V. Profit before extraordinary items and tax (III - IV)</b>		<b>(532,100)</b>	<b>(478,031)</b>
VI Extraordinary Items		(20,633,396)	-
		<u>(20,633,396)</u>	<u>-</u>
<b>VII. Profit before tax (V-VI)</b>		<b>(21,165,497)</b>	<b>(478,031)</b>
VIII. Tax expense:			
(1) Current tax		-	-
(2) Deferred tax		-	-
(3) Prior Period Tax Adjustment		-	-
		<u>-</u>	<u>-</u>
<b>XI. Profit/(Loss) for the period (V-VI)</b>		<b>(21,165,497)</b>	<b>(478,031)</b>
<b>X. Earnings per equity share:</b>			
(1) Basic		(3.04)	(0.07)
(2) Diluted		(3.04)	(0.07)

Significant Accounting Policies 1

The accompanying notes are an integral part of the Financial Statements.

As per our separate report of even date

For **Ambalal Patel & Co.**

Chartered Accountants

Firm Reg. No. : 100305W

**CA Ratan Jethaliya**

Partner

Membership No: 47398

Ahmedabad

22/05/2014

On behalf of the Board of Directors

**Mercury Metals Limited**

*Executive Director*

DIN - 00006621

*Director*

DIN - 00006664


**CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31ST MARCH 2014**

(Amount in ₹)

Particulars	2013-14	2012-13
<b>A. Cash inflow/(outflow) from the operating activities</b>		
Net profit before Tax and Extra ordinary item	(532,100)	(478,031)
<b>Adjustments for:</b>		
Dividend received	(13,250)	-
Bad Debts W/off	(20,633,396)	(20,646,646)
<b>Operating Profit before working capital changes</b>	<b>(21,178,747)</b>	<b>(478,031)</b>
<b>Adjustment for (Increase)/Decrease in Working Capital :</b>		
Inventories	-	-
Receivables	20,321,111	3,451,983
Loans & Advances	(13,476)	(58,375)
Current Liabilities & Provisions	816,998	21,124,633
	(3,535,250)	(141,642)
<b>Net cash inflow/(outflow) from operating activities (A)</b>	<b>(54,114)</b>	<b>(619,673)</b>
<b>B. Cash inflow/(outflow) from investing activity</b>		
Dividend Received	13,250	-
<b>Net cash inflow/(outflow) from investing activity (B)</b>	<b>13,250</b>	<b>-</b>
<b>C. Cash inflow/(outflow) from financing activity</b>		
Secured Loans Availed/(Paid)	-	-
Unsecured Loans Availed/(Paid)	-	-
Interest Paid	-	-
Dividend and Tax thereon	-	-
<b>Net cash inflow/(outflow) from Financing activity (C)</b>	<b>-</b>	<b>-</b>
<b>Net Cash changes in cash and cash equivalent (A+B+C)</b>	<b>(40,864)</b>	<b>(619,673)</b>
Cash & Cash Equivalent at the beginning of the Period	198,635	818,307
Cash & Cash Equivalent at the end of the Period	157,771	198,635
<b>Net Increase in cash and cash equivalent</b>	<b>(40,864)</b>	<b>(619,673)</b>

**Note :**

- The Cash Flow Statement has been prepared under the Indirect Method as set out in AS-3 on Cash Flow Statement notified by Companies(Accounting Standards) Rules, 2006.
- Figures in bracket represent Outflow of cash.

As per our separate report of even date

 For **Ambalal Patel & Co.**

Chartered Accountants

Firm Reg. No. : 100305W

**CA Ratan Jethaliya**

Partner

Membership No: 47398

Ahmedabad

22/05/2014

On behalf of the Board of Directors

**Mercury Metals Limited**
*Executive Director*

DIN - 00006621

*Director*

DIN - 00006664



**Note 1 SIGNIFICANT ACCOUNTING POLICIES****i) Basis Of Preparation :**

The Financial Statements are prepared as per historical cost convention and in accordance with the Generally Accepted Accounting Principles (GAAP) in India, the provisions of the Companies Act 1956, read with General Circular No:15/2013 dated 13th September, 2013, issued by the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013 and the applicable Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006. The company follows mercantile systems of accounting and recognised income and expenditures on accrual basis except in case of significant uncertainties relating to income.

**ii) Use of Estimates :**

The preparation of financial statements in conformity with generally accepted principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

**iii) Fixed assets & Depreciation :**

There is not fixed assets held by the company.

Depreciation

There is no Fixed assets held by company hence no Depreciation is provided.

Amortization

No Amortization of preliminary or preoperative expenses as there are no balance in these Accounts.

**iv) Inventories :**

Inventories of shares & securities are valued at cost.

Other Traded inventories Valued at lower of the cost or Net realisable value.

Cost of Inventories comprises of cost of purchase and other cost incurred in the bringing the inventories to their present location and condition.

**v) Revenue Recognition :**

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

Dividend income is recognized when the right to receive the same is established.

**vi) Employee Benefits :**

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

**vii) Impairment of Assets :**

There is no fixed assets held by the company. And hence company is not required to provide for any impairment loss in the financial statements.

**viii) Taxes on Income :**

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.

**ix) Earning per Share :**

The company reports basic and diluted Earnings Per Share (EPS) in accordance with Accounting Standard 20 on Earnings Per Share. Basic EPS is computed by dividing the net profit or loss for the year by the weighted average number of Equity shares outstanding during the year.

**x) Investments :**

Investments that are readily realizable and intended to be held for not more than a year are classified as current investments. All other investments are classified as non current investments. All Investments are stated at cost. A provision for diminution is made only in case of permanent diminution in value of such securities.

**xi) Provisions, Contingent Liabilities and Contingent Assets :**

Provisions involving a substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognized but are disclosed in the accounts by way of a note. Contingent assets are neither recognized nor disclosed in the financial statements.

**xii) Borrowing Costs**

As there is no Term Loan, Secured or unsecured loan taken for expansion or for addition of Fixed Assets, disclosure under the accounting standard - 18 for borrowing cost not provided.



# MERCURY METALS LIMITED

## NOTE : 2 SHARE CAPITAL

Particulars	31/03/2014		31/03/2013	
	Number	Amount (In ₹)	Number	Amount (In ₹)
<b>Authorised</b>				
Equity Shares of ₹ 10 each	10,000,000	100,000,000	10,000,000	100,000,000
<b>Issued &amp; Subscribed Capital</b>				
Equity Shares of ₹ 10 each	7,978,508	79,785,080	7,978,508	79,785,080
(Out Of Which 1726907 Are Issued As Bonus Shares)				
<b>Paid Up Share Capital</b>				
Equity Shares of ₹ 10 each fully paid	6,952,808	69,528,080	6,952,808	69,528,080
(Out Of Which 1726907 Are Issued As Bonus Shares)				
<b>Forfeited shares (Amount Originally Paid up)</b>		5,128,500		5,128,500
<b>Total</b>	<b>7,978,508</b>	<b>74,656,580</b>	<b>7,978,508</b>	<b>74,656,580</b>

### Equity Shares

Particulars	31/03/2014		31/03/2013	
	Number	Amount (In ₹)	Number	Amount (In ₹)
Shares outstanding at the beginning of the year	7,978,508	79,785,080	7,978,508	79,785,080
Shares Issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	7,978,508	79,785,080	7,978,508	79,785,080

Name of Equity Share Holders	No. of Shares 31/3/2014		No. of Shares 31/3/2013	
	Sum of Numbers	Sum of %	Sum of Numbers	Sum of %
Shri Govindram Laluram Kabra	1,671,800	24.04%	1,671,800	24.04%
Shri Motilal Laluram Kabra	390,508	5.62%	390,508	5.62%

## NOTE : 3 RESERVE & SURPLUS

Particulars	Amount (In ₹)	
	31/3/2014	31/3/2013
<b>a. Capital Reserves</b>	-	-
Opening Balance	12,000	12,000
(+) Current Year Transfer		
Closing Balance	12,000	12,000
<b>b. Securities Premium Account</b>	-	-
Opening Balance	109,841,000	109,841,000
Add : Securities premium credited on Share issue	-	-
Less : Premium Utilised for various reasons	-	-
Closing Balance	109,841,000	109,841,000
<b>c. Surplus/(Deficit) in the Statement of Profit &amp; Loss</b>		
Opening balance	(173,931,456)	(173,453,425)
(+) Net Profit/(Net Loss) For the current year	(21,165,497)	(478,031)
(+) Transfer from Reserves	-	-
(-) Proposed Dividends	-	-
(-) Interim Dividends	-	-
Closing Balance	(195,096,952)	(173,931,456)
<b>Closing Balance</b>	<b>(85,243,952)</b>	<b>(64,078,456)</b>

**MERCURY METALS LIMITED**

	<b>Amount (In ₹)</b>	
<b>Particulars</b>	<b>31/3/2014</b>	<b>31/3/2013</b>

**NOTE : 4 LONG TERM BORROWINGS****Secured****Loan from Banks**

39,916,659	39,916,659
------------	------------

(Secured By Hypothecation Of Stock, Debtors and Personal Guarantee)

During the year 2011-12 company has availed OTS scheme as prescribed by Government Of Gujarat with The Charotar Nagrik Bank Ltd for H.P A/c No. 72 vide their letter dated 13/12/2011. Company has to pay Rs.3,30,14,386 which is payable in 24 equal monthly installments of Rs.13,75,600 each and simple interest @ 7% thereon. But the company has not paid any installment and interest due against the above scheme during the previous year 2013-14.

During the year 2011-12 company has availed OTS scheme as prescribed by Government Of Gujarat with The Charotar Nagrik Bank Ltd. for B/P. A/c No. 2 vide their letter dated 13/12/2011. Company has to pay amount of Rs.73,84,451 which is payable in 24 equal monthly instalments of Rs. 3,09,768 each and simple interest @ 7% thereon. But the company has not paid any Installment and interest due against the above scheme during the previous year 2013-14.

The above balances are subject to completion of OTS scheme by the company in prescribed time period.

<b>Total</b>	<b>39,916,659</b>	<b>39,916,659</b>
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**NOTE 5 TRADE PAYABLES**

Due to Micro, Small & Medium Enterprises

-	-
---	---

Due to Others

826,875	-
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<b>Total</b>	<b>826,875</b>	<b>-</b>
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**NOTE : 6 OTHER CURRENT LIABILITIES****(a) Other payables**

Government Dues

5,210	4,750
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Outstanding Expenses & Payables

86,165	96,503
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<b>Total</b>	<b>91,375</b>	<b>101,253</b>
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**NOTE : 7 NON CURRENT INVESTMENT****Shares, Debentures or Bonds (valued at cost)****Quoted****Investment In Equity shares of Associate Company**

1) 3,03,100 Shares Of Shree Metalloys Ltd.

2,998,750	2,998,750
-----------	-----------

(Formerly Known As Mercury Finstock Co. Ltd)

**Other Investment****Unquoted**

2) Shares Of Charotar Nagrik Bank

2,500	2,500
-------	-------

<b>TOTAL</b>	<b>3,001,250</b>	<b>3,001,250</b>
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**NOTE 8 INVENTORIES**

Others (Shares) (Valued at cost)

12,269,612	12,269,612
------------	------------

<b>Total</b>	<b>12,269,612</b>	<b>12,269,612</b>
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# MERCURY METALS LIMITED

	Amount (In ₹)	
Particulars	31/3/2014	31/3/2013

## NOTE 9 TRADE RECEIVABLES

Trade receivables outstanding for a period exceeding six months from the date they are due for payment

Unsecured, considered good	10,634,021	16,364,254
Unsecured, considered doubtful	-	18,605,486
<b>Total</b>	<b>10,634,021</b>	<b>34,969,740</b>

Trade receivables outstanding for a period less than six months from the date they are due for payment

Unsecured, considered good	4,014,608	-
<b>Total</b>	<b>4,014,608</b>	<b>-</b>

<b>Total</b>	<b>14,648,629</b>	<b>34,969,740</b>
--------------	-------------------	-------------------

## NOTE : 10 CASH & BANK BALANCES

### a. Cash & Cash Equivalants

i) Cash on hand	108,344	131,981
ii) Cash Equivalants		
Bank Balances	49,427	66,654
<b>Total</b>	<b>157,771</b>	<b>198,635</b>

## NOTE : 11 SHORT TERM LOANS & ADVANCES

### a. Others

Unsecured, considered good		
Balance with Government Authorities	18,013	32,234
Advances to Staff	7,500	31,500
Security Deposits	27,690	27,690
Other Advances	117,072	65,375
<b>Total</b>	<b>170,275</b>	<b>156,799</b>

## NOTE 12 REVENUE FROM OPERATION

Sale of Metals	4,823,437	-
<b>Total</b>	<b>4,823,437</b>	<b>-</b>

**MERCURY METALS LIMITED**

	<b>Amount (In ₹)</b>	
<b>Particulars</b>	<b>31/3/2014</b>	<b>31/3/2013</b>

**NOTE 13 OTHER INCOME**

Dividend Income	13,250	
<b>Total</b>	<b>13,250</b>	<b>-</b>

**NOTE 14 PURCHASES OF STOCK-IN-TRADE**

Purchase of Metals	4,539,025	-
<b>Total</b>	<b>4,539,025</b>	<b>-</b>

**NOTE 15 CHANGES IN INVENTORIES OF FINISHED GOODS**

Opening Stock	12,269,612	12,269,612
Less: Closing Stock	12,269,612	12,269,612
<b>Total</b>	<b>-</b>	<b>-</b>

**NOTE 16 EMPLOYEE BENEFITS EXPENSE****(a) Salaries and incentives**

Managing Director Remuneration	120,000	120,000
Bonus Exp.	6,000	5,000
Salary Exps.	97,200	94,260
Allowances To Employees	48,302	45,200
<b>Total</b>	<b>271,502</b>	<b>264,460</b>

**NOTE 17 OTHER EXPENSES**

Other Repair & Maintenance	6,980	7,263
Rates & taxes	10,558	-
Prior period expense	3,214	-
Auditors remuneration	32,584	24,000
Listing & Custodian Fees	61,798	44,944
Stock Exchange Processing Fees	112,360	-
Professional & Consultancy	221,279	79,967
Misc. Expenditure	109,486	57,397
<b>Total</b>	<b>558,260</b>	<b>213,571</b>

**Note 18**

In compliance with the accounting standard-22 relating to “Accounting for taxes on Income”, as there is no timing difference arises, provision for deferred tax liability is not provided in book of accounts.

**Note 19**

The provision for all known liabilities has been made except interest and penal interest payable to Charotar Nagrik Sahakari Bank Limited towards their OTS, as the company has not paid any installment/interest during the year. During the year Company has not provided interest liability of about Rs. 27.95 lacs @ 7% p.a. on the outstanding settlement loan amount pending.

**Note 20**

During the financial year 2013-14 the company has written off long outstanding Debtors balances as Bad debts of amount to Rs. 2,06,33,396 , and disclosed the same as extra-ordinary item in the statement of Profit and Loss.

**Note 21**

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

**Note 22**

Inventories of shares are held in demate as well as physical certificate form. In respect of shares held as inventories by company, the same are stated at cost of acquisition. Company has not made provision for diminution in the value of shares held as inventories. Since in the opinion of the management, such decline is temporary phase and no provision would be necessary.

**Note 23 Capital Commitments**

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

**Note 24 Contingent Liabilities**

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

**Note 25**

Earning per share as required by Accounting Standard AS-20 as issued by the The Institute of Chartered Accountants of India.

<b>Description</b>	<b>Current Year</b>	<b>Previous Year</b>
Profit After Tax (₹)	(21,165,497)	(478,031)
Prior Period Tax Adjustment (₹)	-	-
Profit Attributable to Ordinary Share Holders (₹)	(21,165,497)	(478,031)
Weighted Average No. of Equity Shares	6,952,808	6,952,808
Basic & Diluted Earning Per Share (₹) *	(3.04)	(0.07)
Nominal Value of share (₹)	10.00	10.00

\* The company has no dilutive instruments during the year ended 31/03/2014. As such Dilutive Earning Per share equals to Basic Earnings Per Share.

**Note 26 Auditor's Remuneration**

	Amount (in ₹)	
	Current Year	Previous Year
<b>Statutory Auditors</b>		
- As Auditors	32,584	24,000
- Tax Audit Matters	-	-
- Taxation Matters	-	-
- Company Law Matters	-	-
- Others	-	-
<b>Total</b>	<b>32,584</b>	<b>24,000</b>

**Note 27**

Related party disclosure as required by Accounting Standard -18 issued by the Institute of Chartered Accountants of India.

**A) List Of Related parties & Relationships****a) Subsidiaries, Fellow Subsidiaries, and Associates**

a) **Subsidiaries** : None

b) **Fellow Subsidiary** : None

c) **Associates** : None

**b) Key Management Personnel :**

1) Shree Govindram L. Kabra (Managing Director)

2) Shree Ramprakash L. Kabra

3) Shree Mahendra G. Prajapati.

4) Shree Bhupandrasingh Rajput

**c) Relatives of Key Management Personnel :****d) Enterprise over which Key Management Personnel and their relative exercise significant influence with whom transaction have taken place during the year :**

1) Shree Metalloys Ltd.

2) Milan Metal Pvt. Ltd. (In Liquidation)

3) Mercury Metex Ltd. (In Liquidation)

4) Rupangi Impex Limited (In Liquidation)

5) Shree Extrusions Limited

**B) Transaction with related parties****Amount (in ₹)**

PARTICULARS	YEAR 2013-14	YEAR 2012-13
Remuneration paid to Govindram L. Kabra (Key Management Personnel)	120,000	120,000

**Note 28**

As there is no earning / outgo in foreign currency during the year under review, additional details as required under Companies Act, 1956 are not required to be given.

**Note 29 Segment Reporting****Primary Segment (Business Segment)****Amount (in ₹)**

Particulars	Business Segments		TOTAL
	Metal	Shares	
Segment Revenue	4,823,437 (0)	13,250 (0)	4,836,687 (0)
Segment Results	(21,178,747) (0)	13,250 (0)	(21,165,497) (0)
Segment Assets	17,667,892 (38,003,224)	12,269,612 (12,269,612)	29,937,504 (50,272,836)
Unallocated Assets			310,033 (323,200)
Total Assets			30,247,537 (50,596,036)
Segment Liabilities	826,875 (0)	(0) (0)	826,875 (0)
Unallocated Liabilities			29,420,662 (50,596,036)
Total Liabilities			30,247,53 (50,596,036)

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

**Note 30**

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

**Note 31**

Figures are rounded off to the nearest rupee.

**Signatories to Note 1 to 31**

As per our separate report of even date

For **Ambalal Patel & Co.**

Chartered Accountants

Firm Reg. No. : 100305W

**CA Ratan Jethaliya**

Partner

Membership No: 47398

Ahmedabad

22/05/2014

On behalf of the Board of Directors

**Mercury Metals Limited**

*Executive Director*

DIN - 00006621

*Director*

DIN - 00006664



## 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 Monday, 29<sup>th</sup> September 2014, at 11:30 A.M at registered office of the company at Ground Floor, Advani Market O/S Delhi Gate, Shahibaug, Ahmedabad -380004

Signed the \_\_\_\_\_ day of \_\_\_\_\_ 2014

Signature \_\_\_\_\_

Affix  
Signature  
Revenue  
Stamp

\* 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 Monday, 29<sup>th</sup> September 2014, at 11:30 A.M at registered office of the company 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.





*If undelivered*  
Please return to :

**MERCURY METALS LIMITED**

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