

MERCURY METALS LIMITED

Regd.Office: 36, Advani Market, Outside Dariapur gate, Shahibag, Ahmedabad-380004

N O T I C E

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

ORDINARY BUSINESS:

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

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

On behalf of the Board

Date: 15/07/2010

Place: Ahmedabad

Sd/-
Director
(Govindram L. Kabra)

Sd/-
Director
(Amit A. Vyas)

Notes :

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

DIRECTOR'S REPORT

Dear Members,

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

FINANCIAL RESULTS:

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

	(Amount in Rs.)	
	2009-10	2008-09
Total income (Net)	6653135	9207351
Total Expenditure	7060016	9404627
Gross Profit / (Loss)	(406881)	(197276)
Less:		
Depreciation	(27472)	(28917)
Provision for taxation	0	0
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Profits / (Loss) after Tax	(434353)	(226193)

DIVIDEND:

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

OPERATIONS:

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

INSURANCE:

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

DIRECTORS:

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

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 annul accounts on a going concern basis.

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

Particulars in accordance with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 read with the Provisions of Section 217 (1) (e) of The Companies Act, 1956 is annexed herewith forming part of this report.

CORPORATE GOVERNANCE:

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

AUDITORS:

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

AUDITORS REPORT AND COMMNETS:

- 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) The company has availed credit facility from the Charotar Nagrik Sahkari Bank Ltd., and The Bank of Rajasthan Ltd. In view of the adverse financial position of the Company, management has approached both the bankers for reschedulment and settlement of the financial assistance availed by the company.

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.

Date: 15/07/2010

Place: Ahmedabad

On behalf of the Board

Sd/-
Director
(Govindram L. Kabra)

Sd/-
Director
(Amit A. Vyas)

CORPORATE GOVERNANCE REPORT 2009-10
(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

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

Attendance at board Meetings :

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

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

As required by the law, the appointment(s) and remuneration(s) of any executive Director(s) requires the approval of Shareholders; such approvals are for a period of not more than 5 years and when eligible, they can be re-appointed at the end of the term. One third of other Directors retire every year and, when eligible, qualify for re-appointment.

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 all non-executive and majority being the independent directors, collectively having requisite knowledge of finance, accounts and company law. The committee recommends the appointment of external auditors and their fees and payments and also takes an overview of the financial reporting process to ensure that financial statements are correct sufficient and credible. The report of the statutory auditors is reviewed along with managements' comments and action-taken reports.

Composition of the committee :

The committee comprises Three director as members of the committee and Chairman of the committee is Shri Amit Vyas

Meetings and attendance during the year :

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

REMUNERATION COMMITTEE

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

Composition :

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

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.

SHARE TRANSFER AND SHAREHOLDER /INVESTOR GIEVANCES COMMITTEE

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

Composition:

The committee comprises of Two Independent Directors, Shri Amit Vyas, Chairman of the committee and Shri Ramprakash Kabra members of the company.

Meetings and Attendance during the year :

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

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

To expeditiously meet the requirements of transfer of shares, Shri Amit Vyas has been given authority to deal with and approve the cases on fortnightly basis and place report before the committee meeting. The committee meetings and attendance data were held twelve times during the year

Complaints:

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

SHAREHOLDER INFORMATION & RELATIONS

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

General Body meetings :