

27th
ANNUAL REPORT
2012-2013



MERCURY METALS LIMITED

**TWENTY SEVENTH ANNUAL REPORT 2012-13****BOARD OF DIRECTORS**

Govindram L. Kabra	<i>Executive Director (w.e.f. 13/08/2012)</i>
Ramprakash L. Kabra	<i>Director</i>
Mahendra G. Prajapati	<i>Director</i>
Bhupendrasingh N. Rajput	<i>Director</i>

AUDITORS

M/s. Badrilal Punglia & 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

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**NOTICE**

NOTICE is hereby given that the 27th Annual General Meeting of the Members of Mercury Metals Limited will be held on Wednesday, 25th September, 2013 at 3.00 P.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 Balance Sheet as at 31st March, 2013 Statement of Profits & Loss and Cash Flow Statement for the financial year ended on 31st March, 2013 and Report of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Ramprakash L. Kabra who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Auditors and fix there remuneration.

Regd. Office :
36, Advani Market
O/S Delhi Gate,
Ahmedabad-380004
Date : 13/08/2013
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 18th September 2013 to 25th September, 2013 (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 27th Annual General Meeting**

Name	Mr. Ramprakash L. Kabra
Age (Date of Birth)	02/08/1964
Date of Appointment	10/03/1995
Qualification and experience in specific functional area	Science Graduate having more than 22 year of experience of General Administration and Marketing
Directorship held in other Ltd. Companies	NIL
Membership/Chairmanships of Committee in other Public Companies	NIL

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

Regd. Office :
36, Advani Market
O/S Delhi Gate,
Ahmedabad-380004
Date : 13/08/2013
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 27th Annual Report together with the Audited Accounts of the Company for the year ended on 31st March, 2013.

FINANCIAL RESULTS:

The summarized financial results of the Company for the period ended 31st March, 2013. Are as follows:

	2012-13	(Amount in ₹) 2011-12
Total income (Net)	0	1,60,36,675.09
Total Expenditure	478030.54	3,41,87,820.10
Gross Profit / (Loss)	(478030.54)	(1,81,511,45.01)
Less:		
Depreciation	0	12,498.00
Provision for taxation	0	0
Profits / (Loss) after Tax	(478030.54)	(1,81,63,643.00)

DIVIDEND:

Your directors are unable to recommend any dividend in view of Net Loss during the financial year 2012-13.

OPERATIONS:

The Company has achieved sales turnover of ₹ NIL during the year compared to ₹ 100.971 Lacs during the previous year. The Company has incurred net loss of ₹ 4.78 Lacs compared to ₹ 181.64 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. Ramprakash L. Kabra, Director of the Company, retires by rotation and being eligible offers himself 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 ₹ 60,00,000/- per annum or ₹ 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. Badrilal Punglia & Co., Chartered Accountants', Ahmedabad were appointed as Auditors and will retire at the ensuing Annual General Meeting. M/s. Badrilal Punglia & Co., Ahmedabad have informed the Company about their inability to continue as an Auditor of the Company and therefore the Company has approached M/s. Ambalal Patel & Co., Chartered Accountants, Ahmedabad to act as an Auditor of the Company. M/s. Ambalal Patel & Co., Chartered Accountants, Ahmedabad have submitted certificate for their eligibility for appointment under Section 224(1B) of the Companies Act, 1956. The Appointment of M/s. Ambalal Patel & Co., Chartered Accountants, Ahmedabad as Statutory Auditors of the Company will be effective from the conclusion of this Annual General Meeting to the conclusion of next Annual General Meeting. Your Directors recommend the appointment of M/s. Ambalal Patel & Co., Chartered Accountants, Ahmedabad Auditors of the Company. The notes and remarks of Auditors' are self-explanatory.

**AUDITORS REPORT AND COMMNETS:****1) Valuation of Investment at cost as stated in Note no. (7)**

The Company has invested in the equity shares of Shree Metalloys Ltd. and the total cost of acquisition was ₹29,98,750 for 303100 equity shares. The present Market Value of these shares is more than the acquisitions cost of the Company and there is no erosion of value of investment of the Company, therefore no provision is required and the said investment has been shown at its acquisition cost. Further the Company has invested in the shares of Charottar Nagrik Sahkari Bank Ltd. as it was compulsory for the borrower of the said bank to take shares of the said Bank. The shares of Charottar Nagrik Sahkari Bank Ltd. are not listed, therefore the current market value of these shares are not known and so the same has been shown at the acquisition cost.

2) Non Provision of Book Debts as stated in Note No. (8)

The Board has not provided for the doubtful debts of ₹18605486.12/- as the Management of the Company thinks that the same are recoverable and also perusing the matter with the debtors of the Company to recover the outstanding. Once all efforts to recovers seems to be failed to management, the same will be provided in the Books of the Company.

3) Non Provision of Interest as stated in Note No. (18)

The Company has entered into One time Settlement (OTS) Scheme with Charottar Nagrik Sahkari Bank Ltd. for the payment of its outstanding liabilities, as the current financial position of the Company is not good, the Company failed to make payment as per the terms of the OTS during the year. 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 on the full and final settlement of the outstanding, therefore no provision has been made during the year by the Company, the same will taken on the Books on its payment to the Bank.

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 : 13/08/2013
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 compete 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 2012-13 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 : 13/08/2013
Place : Ahmedabad

Govindram L. Kabra
Executive Director