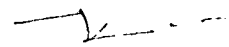


3rd Annual Report

MD	<input checked="" type="checkbox"/>	BKC	<input checked="" type="checkbox"/>
CS	<input checked="" type="checkbox"/>	DPY	<input checked="" type="checkbox"/>
RO	<input checked="" type="checkbox"/>	DIV	<input checked="" type="checkbox"/>
TRA	<input checked="" type="checkbox"/>	AC	<input checked="" type="checkbox"/>
AGM	<input checked="" type="checkbox"/>	SHI	<input checked="" type="checkbox"/>
VE	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>

CERTIFIED
TRUE COPY
For Mercury Finstock Ltd.


Director



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MERCURY FINSTOCK LIMITED

1996-97

Board of Directors

Shri Radheshyam L Kabra
Shri Ramprakash L Kabra
Shri Dineshchandra R Lahoti

Chairman

Auditors

Rajesh Raskiklal Shah & Associates
Chartered Accountants
211, Kamal Complex,
Opp. State Bank of Saurashtra,
Nr. Stadium Circle, C.G. Road,
Navrangpura, Ahmedabad.

Bankers

Vijaya Bank
Bharat Overseas Bank Limited

Registered Office

7th floor, Agrawal Compex,
Nr. Municipal Market,
C.G. Road, Navrangpura,
Ahmedabad - 380 009.



MERCURY FINSTOCK LIMITED

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NOTICE

NOTICE is hereby given that the Third Annual General Meeting of the Company will be held on Monday, the 29th September, 1997 at 11.00 a.m. at the Registered Office of the Company at 7th Floor, Agrawal Complex, C.G. Road, Navrangpura, Ahmedabad - 380 009 to transact the following business:

ORDINARY BUSINESS :

- i. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 1997, and the Profit & Loss Account for the year ended on that date, together with the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Shri Radheshyam L Kabra, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Auditors and fix their remuneration.

SPECIAL BUSINESS :

4. To consider and, if thought fit, to pass with or without modification the following Resolution as an Ordinary Resolution:

RESOLVED that pursuant to the Sections 198, 269, 309, 310 and other applicable provisions, if any, of the Companies Act, 1956 (Act) read with and in accordance with the conditions specified in Schedule XIII to the said Act, approval of the Company be and is hereby accorded to the appointment of Shri Ramprakash L Kabra, as Wholetime Director of the Company for a period of three years commencing from 1st April, 1997 on the following terms and conditions:-

The terms and conditions of appointment of Shri Ramprakash L Kabra as Wholetime Director

1. **Salary** : Rs.15,000/- (Rupees Fifteen Thousands only) per month

In addition to the salary, he shall be entitled to the perquisites listed in Category A, B and C below.

CATEGORY-A:

- a) **Medical Reimbursement :**

Expenses incurred for the Wholetime Director and the family, subject to a ceiling of one month's salary in a year or three months' salary over a period of three years.

Explanation : For the purpose of Category A, family means the spouse, the dependent children and dependent parents of Wholetime Director.

CATEGORY - B:

- a) Gratuity payable shall not exceed half a month's salary for each completed year of service subject to a ceiling of Rs. 2,50,000/-

CATEGORY - C:

Provisions of car for the use of Company's business and telephone at residence will not be considered as perquisites. However, personal long distance calls on telephone and use of car for private purpose shall be billed.



MERCURY FINSTOCK LIMITED

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RESOLVED FURTHER THAT in the event of inadequacy or absence of profits in any financial year, Shri Ramprakash L Kabra, Wholetime Director, subject to the limit prescribed in the Schedule XIII to the Companies Act, 1956, shall be paid the same remuneration as stated hereinabove."

5. To consider and, if thought fit, to pass with or without modification, the following Resolution as an Ordinary Resolution:

"RESOLVED THAT Shri Dineshchandra R Lahoti who was appointed as Additional Director of the Company with effect from 21st May, 1997 under Section 260 of the Companies Act, 1956, and who holds Office upto the date of the forthcoming Annual General Meeting and in respect of whom the Company has received a notice in writing along with a deposit of Rs. 500:- proposing his candidature for the office of Director under Section 257 of the Act, be and is hereby appointed a Director of the Company, liable to retire by rotation."

Regd. Office :

7th Floor, Agrawal Complex,
Nr. Municipal Market,
C.G. Road, Navrangpura,
AHMEDABAD-580 009
Date : July 30, 1997

BY ORDER OF THE BOARD
For MERCURY FINSTOCK LIMITED

Ramprakash L Kabra
Director

NOTES

1. The relevant Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, in respect of the business under item Nos.4 and 5 set out above is annexed hereto.
2. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the Company. The proxy form duly completed and signed should be deposited at the Registered Office of the Company not less than 48 hours before the commencement of Annual General Meeting.
3. The Register of members and the share transfer book will remain closed from 16th September, 1997 to 29th September, 1997 (both days inclusive).
4. Members are requested to notify immediately, if any change, in their address to the Company.
5. Members are requested to bring their copies of Annual Report to the Meeting.
6. A Member or his proxy is requested to produce at the entrance of the meeting, Attendance Slip forwarded to the member duly filled and signed by the Members in accordance with the specimen signature registered with the Company.

Regd. Office :

7th Floor, Agrawal Complex,
Nr. Municipal Market,
C.G. Road, Navrangpura,
AHMEDABAD-580 009
Date : July 30, 1997

BY ORDER OF THE BOARD
For MERCURY FINSTOCK LIMITED

Ramprakash L Kabra
Director



MERCURY FINSTOCK LIMITED

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EXPLANATORY STATEMENT AS REQUIRED UNDER SECTION 173 (2) OF THE COMPANIES ACT, 1956

ITEM NO. 4

Shri Ramprakash L Kbra is a promoter Director. The Board of Directors at their meeting held on 1st April, 1997 unanimously approved his appointment as a Wholetime Director for a period of Three years with effect from April 1, 1997, subject to the approval of shareholders at a General Meeting. Shri Ramprakash L Kbra is a Graduate and having several years of experience in metal and finance business and therefore Directors are of the view that matching his experience, his appointment as a Wholetime Director would be beneficial to the Company and therefore, the Board recommends the Resolution at Item No. 4 of the Notice, for the approval of shareholders.

None of the Directors other than Shri Radheshyam L Kbra and Shri Ramprakash L Kbra, who are relatives, is interested this Resolution.

ITEM NO. 5

The Board of Directors at their meeting held on 21-5-1997, appointed Shri Dineshchandra R Lahoti as Additional Director of the Company with effect from 21st May, 1997 and he vacates his seat at this Annual General Meeting, pursuant to Section 260 of the Companies Act, 1956, and Articles of Association of the Company. Notice under Section 257 of the said Act has been received alongwith a deposit of Rs. 500/- from a member signifying his intention to propose his name for appointment as a Director of the Company. Shri Dineshchandra R Lahoti is a Graduate and having several years of experience in business. Directors consider it to be in the interest of the Company to have his continued presence on the Board and accordingly, the Board of Directors recommend the Resolution set out at item number 5 of the accompanying Notice for approval of the shareholders. He has filed with the Company, his consent to act as a Director.

Shri Dineshchandra R Lahoti is deemed to be concerned or interested in the Resolution set out at Item No. 5 of the Notice as it pertains to his appointment.

None of the other Directors of the Company, is, in any way, concerned or interested in the said Resolution.

Regd. Office :

7th Floor, Agrawal Complex,
Nr. Municipal Market,
C.G. Road, Navrangpura,
AHMEDABAD-580 009
Date : July 30, 1997

BY ORDER OF THE BOARD
For MERCURY FINSTOCK LIMITED

Ramprakash L Kbra
Director



MERCURY FINSTOCK LIMITED

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DIRECTORS' REPORT

Your Directors have pleasure in presenting the Third Annual Report on the business and operations of the company together with the audited statement of Accounts for the year ended 31st March 1997.

Financial Results :

	Rupees in Lacs	
	1996-97	1995-96
Sales	49.30	80.94
Other Income (Interest, Dividend etc.)	21.47	31.49
Profit before interest, depreciation & Tax	7.32	26.94
Interest	10.02	12.33
Depreciation	1.26	1.72
Profit before tax/(Loss)	(-) 3.97	12.89
Tax	0.00	6.14
Profit after tax/(Loss)	(-) 3.97	6.75
Balance brought forward from previous year	9.02	2.27
Balance Carried forward to Balance sheet	5.05	9.02

DIVIDEND :

Due to inadequacy of Profits, Directors are unable to recommend any dividend.

OPERATIONS/FUTURE :

During the current financial year, the stock market continued to remain depressed and due to this, the performance of the Company also got affected. The scenario during financial year 1997-98 has so far not shown any signs of improvement.

Although the Corporate Membership application at Ahmedabad Stock Exchange was accepted, the Board members decided not to opt for the same considering the sluggish market and the easy availability of existing membership cards at much lower rates.

For the remaining period of financial year 1997-98, considering the on-going liberalisation process and good monsoon, the market sentiments are likely to improve and the management would be able to encash the benefits.

LISTING OF EQUITY SHARES :

Consequent to the Public Issue of the Company in April, 1996, the Equity Shares have since been listed and are being traded in Mumbai and Ahmedabad Stock Exchanges.

DISCLOSURE UNDER CLAUSE 43 OF THE LISTING AGREEMENT

Year ended 31-03-1997

PROFITABILITY

Particulars	Rs. in Lacs	
	Projections as per Prospectus	Actual
Sales/Revenue	2340.00	49.30
Other Income	15.00	21.47
Profit before Interest, Depreciation & Tax	467.65	7.32
Interest	0.00	10.02
Depreciation	5.49	1.26
Profit before Tax/ (Loss)	462.16	(-) 3.97
Tax	214.25	---
Net Profit / (Loss)	247.97	(-) 3.97
Equity Capital	525.58	525.63
Reserves & Surplus	306.36	(-) 5.05
Earning per Share (Rs.)	4.72	---
Book Value (Rs.)	15.83	9.87
Dividend	(15%)	---



MERCURY FINSTOCK LIMITED

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