

**SCHEME OF ARRANGEMENT
IN THE NATURE OF
RECONSTRUCTION OF CAPITAL OF
MERCURY METALS LIMITED**

**(UNDER SECTION 391 TO 394 READ WITH SECTION 100 TO 104 OF
THE COMPANIES ACT, 1956)**

PREAMBLE

This Scheme provides for undertaking financial restructuring and reconstruction of Mercury Metals Ltd. (hereinafter referred as "MML or "the Company"), whereby the paid-up share capital of the Mercury Metals Ltd. shall be reduced from Rs.7,46,56,580/- divided into 69,52,808 equity shares of Rs.10/- each fully paid-up and share forfeiture account (Amount originally paid-up) of Rs.51,28,500/- on forfeiture of 10,25,700 partly paid-up shares to Rs.69,52,808/- divided into 69,52,808 equity shares of Re.1/- each fully paid-up and that such reduction be effected by cancelling the capital which has lost or is unrepresented by available tangible assets, to the extent of Rs.9/- per share upon each of the 69,52,808 equity shares which have been issued by reducing the paid-up value of all the shares in the capital of the Company from Rs.10/- per share to Re.1/- per share and cancellation of shares forfeiture account (amount originally paid-up) of Rs.51,28,500/-, as detailed in the Scheme of Arrangement as detailed below:

BENEFITS OF THE SCHEME

The background and circumstances which justify the said arrangement are inter- alia as follows.

- a. Continues losses have substantially wiped off the value represented by the Share Capital thus the financial statements do not reflect the correct picture of the health of the Company.
- b. For ensuring that the financial statements of the Company reflects the real picture and the Capital which is lost is not continued to be shown on the face of balance sheet, it is necessary to carry out reduction of capital of the Company.
- c. Since writing off of losses has become inevitable for growth of the Company and its shareholders, the Company is now proposing to undertake a financial restructuring exercise whereby the Company would

FOR, MERCURY METALS LIMITED.



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create a "Capital Restructuring Account" from its paid up Equity Share Capital.

- d. The reduction of Capital in the manner proposed would enable the Company to have a rational structure which is commensurate with its remaining business and assets.
- e. This Scheme of Arrangement is presented with a view to achieve Restructuring of the Company which would result in improvement in financial health as more business activities shall be brought into the Company thereby preventing it from becoming a sick company.
- f. Hence, the proposed reduction will be for the benefit of the Company and its shareholder, creditors and all concerned as a whole.

SALIENT FEATURES OF THE SCHEME

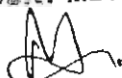
1. The Scheme provides for the reduction of equity share capital of Mercury Metals Limited pursuant to section 100 to 104 read with 391 and other relevant provisions of the Companies Act, 1956.
2. The Scheme provides for the reconstruction of capital of Mercury Metals Limited pursuant to section 391 and other relevant provisions of the Companies Act, 1956.
3. The Scheme also provides for various other matters consequential, supplemental and/or otherwise integrally connected herewith.

SECTION OF THE SCHEME

The Scheme of Arrangement is divided into the following parts:

- a. **SECTION 1** which deals with the Definitions and Date of taking effect of the Scheme.
- b. **SECTION 2** deals with financial restructuring and reconstruction of Mercury Metals Limited.
- c. **SECTION 3** deals with Other Terms and Conditions.

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SECTION 1

DEFINITIONS AND DATE OF TAKING EFFECT OF THE SCHEME

1. DEFINITIONS

In this Scheme (as defined hereinafter), unless inconsistent with the subject or context, the following expressions shall have the following meaning:

- 1.1 "Accumulated Losses" means and includes the total amount shown under the head "Profit and Loss Account" as appearing in the audited balance sheet of the Company as at 31st March, 2014.
- 1.2 "Act" means the Companies Act, 1956, or as applicable, the Companies act, 2013 and shall include any statutory modifications, re-enactment or amendments thereof for the time being in force.
- 1.3 "Appointed Date" means the Effective Date or such other date as may be fixed or approved by the Hon'ble High Court of Judicature at Gujarat.
- 1.4 "Effective Date" means the dates on which certified copies of the Orders of the High Court of Judicature at Gujarat or any other appropriate authority sanctioning the Scheme are filed with Registrar of Companies, Gujarat at Ahmedabad.
- 1.5 "High Court" means the High Court of Judicature at Gujarat having jurisdiction in the matter.
- 1.6 "MML" or "the Company" means Mercury Metals Limited, a Company incorporated under provisions of the Companies Act, 1956 and having Registered Office at 36, Advani Market, O/S Delhi Gate, Shahibaug, Ahmedabad -380 004, Gujarat. The Company is engaged in the business of trading of ferrous and Non-ferrous Metals.
- 1.7 "Record Date"(For Arrangement / Reduction of Capital / Reorganization) means the date to be fixed by the Board of Directors of the MML for the purpose of reckoning name of the Equity Shareholders, who shall be entitled to new share certificate, upon coming into effect, the financial restructuring (reduction of capital /arrangement), of this Scheme.
- 1.8 "Scheme" or "the scheme" or "this scheme" means this Scheme Of Arrangement In The Nature Of Reconstruction Of Capital Of Mercury Metals Limited in its present form submitted to High Court or any other appropriate authority or with any modification(s) made under Clause 11 of this Scheme.
- 1.9 "Para" means paragraph of this Scheme.
- 1.10 "Public" the terms public shall carry the same meaning as defined under Rule 2 of Securities Contracts (Regulation) Rules, 1957.
- 1.11 "The Board" means the Board of Directors of Mercury Metals Ltd. and shall include a duly constituted committee thereof.

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2. DATE OF TAKING EFFECT AND OPERATIVE DATE

The Scheme set out herein in its present form or with any modification(s) approved or imposed or directed by the High Court or any other appropriate authority shall be effective from the Appointed Date.

3. SHARE CAPITAL

The Authorized, Issued, Subscribed and Paid up Share Capital of MERCURY METALS LIMITED as per the latest audited Balance Sheet as at 31ST March, 2014 is as under:-

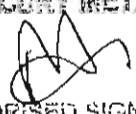
Particulars	(Amount in Rs.)
Authorised Share Capital	
1,00,00,000 Equity Shares of Rs. 10/- each	10,00,00,000

Total	10,00,00,000
Issued & Subscribed Capital	
79,78,508 Equity Shares of Rs. 10/- each	7,97,85,080

Total	7,97,85,080
Paid-up Share Capital	
69,52,808 Equity shares of Rs.10/- each (10,25,700 partly paid-up equity shares forfeited)	6,95,28,080
Share Forfeiture Account (Amount Originally paid-up)	51,28,500

Total	7,46,56,580

FOR MERCURY METALS LIMITED.


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Section 2

Financial Restructuring and Reconstruction of Arrangement of Mercury Metals Limited

4. Applicability of the Scheme of Arrangement for Reduction of Share Capital of Mercury Metals Limited:

The rationale for reduction of Capital is as under.

4.1. The Board of Directors of the Company has considered necessary to undertake a scheme of financial restructuring so as to show a true and fair view of the Balance Sheet and operate with a leaner base Balance Sheet.

4.2. The balance in Profit & Loss Account (debit) as at 31st March, 2014 was Rs.19,50,96,952.29 (Rupees Nineteen Crores Fifty Lacs Ninety Six Thousands Nine Hundreds Fifty Two and Twenty Nine Paise Only).

4.3. The company is engaged in the business of trading of ferrous and non-ferrous metals. Due to volatility of the metal market, high interest cost, non-recovery of debtors, etc. the Company suffered huge losses.

4.4. All the efforts of the company to diversify and expand its market base did not materialize.

4.5. The company has been incurring continuous losses and the chances of recovery are remote. Hence it is prudent to write off part of the debit balance in Profit & Loss account to the extent of Rs.6,77,03,772/- by cancelling the capital which has lost or is unrepresented by available tangible assets, to the extent of Rs.9/- per share upon each of the 69,52,808 equity shares which have been issued by reducing the paid-up value of all the shares in the capital of the Company from Rs.10/- per share to Re.1/- per share and cancelling share forfeiture account (amount originally paid up) of Rs.51,28,500/-, in accordance with the provisions of Sections 100 to 104 and other applicable provisions of the Companies Act, 1956 (hereinafter referred to as "the act"). The resultant paid-up capital of the Company will be Rs.69,52,808/- divided into 69,52,808 equity shares of Re.1/- each fully paid-up.

4.6. The financial restructuring will help the Company to reflect better its operational efficiency, improvements in the future years and reflect the true share value. Further, there would be a positive impact on

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the various key financial ratios such as Net Profit Margin, Return on Capital Employed, and Return on Net worth etc.

- 4.7. The restructuring will also not cause any prejudice to the creditors of the Company. For stake of clarity, it is specified that the reduction in Share Capital does not involve either the diminution of any liability in respect of any unpaid capital or the payment to any shareholder of any paid-up capital nor is any call being waived. The creditors of the Company are in no way affected by the proposed restructuring by way of the reduction of capital as there is no reduction in the amount payable to any of the creditors, no compromise or arrangement is contemplated with the creditors. There is no actual cash out flow. Further, the proposed adjustment would not in any way adversely affect the ordinary operations of the Company or the ability of the Company to honour its commitments or to pay its debts in the ordinary course of business.
5. This Scheme of the Arrangement is between Mercury Metals Limited and its shareholders, wherein;
- 5.1. The Company shall reduce the existing Paid-Up Equity Share Capital FROM **Rs.7,46,56,580/-** (Rupees Seven Crores Forty Six Lacs Fifty Six Thousands Five Hundreds Eighty Only) divided into 69,52,808 Equity Shares of Rs. 10/- (Rupees Ten Only) each fully paid up and share forfeiture account of Rs.51,28,500/- TO **Rs.69,52,808/-** (Rupees Sixty Nine Lacs Fifty Two Thousands Eight Hundred Eight Only) divided into 69,52,808 Equity Shares of Re.1/- (Rupee One Only) each fully paid up and that such reduction be effected by reducing the paid up value of shares of the Company from Rs.10/- per share to Re.1/- per share, on 69,52,808 Equity Shares and cancellation of share forfeiture account of Rs.51,28,500/-, aggregating to 6,77,03,772/- in the existing paid up Equity Share Capital which is lost or un-represented by the available assets i.e. Debit balance in Profit & Loss Account.
- 5.2. To effect such reduction in Issued, Subscribed and Paid-Up Equity Share Capital the shareholders of the Company on the record date will get 1 (One) equity shares of Re.1/- (rupee One Only) each fully paid-up against 1(One) equity shares of Rs.10/- (Rupees Ten Only) each fully paid up.
- 5.3. **The Issued, Subscribed and Paid-up Share Capital, post reduction will be Rs.69,52,808/-** divided into 69,52,808 equity shares of Re.1/- each fully paid-up.

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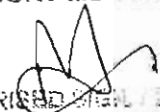
6. TREATMENT OF FRACTIONAL SHARES

Capital reduction shall be effected by reducing the paid up value of shares of the Company from Rs.10/- per share to Re.1/- per share, on 69,52,808 Equity Shares and to effect such reduction in Issued, Subscribed and Paid-Up Equity Share Capital the shareholders of the Company on the record date will get 1 (One) equity shares of Re.1/- each fully paid-up against 1 equity shares of Rs.10/- each fully paid up, therefore there will be no instance of issuance of fractional shares.

7. The pre reduction and post reduction Capital Structure of the Company is as under:

Particulars	Pre Reduction (Rs.)	Particulars	Post Reduction (Rs.)
Authorised Share Capital 1,00,00,000 Equity Shares Of Rs. 10/- each	10,00,00,000	Authorised Share Capital 10,00,00,000 Equity Shares Of Re.1/- each	10,00,00,000
TOTAL	10,00,00,000	TOTAL	10,00,00,000
Issued and Subscribed Capital: 79,78,508 Equity Share of Rs. 10/- Each	7,97,85,080	Issued, Subscribed and Paid-up Share Capital: 69,52,808 equity shares of Re.1/- each	69,52,808
TOTAL	7,97,85,080		
Paid-up Share Capital 69,52,808 Equity shares of Rs.10/- each	6,95,28,080		
Share Forfeiture Account	51,28,500		
TOTAL	7,46,56,580	TOTAL	69,52,808

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7.1. The pre reduction and post reduction share holding pattern is as under:

Category of Shareholder	Number of Shares (pre reduction) of Rs. 10/- each	Pre Reduction %	Number of Shares (post reduction) of Re.1/- each	Post Reduction %
Promoter And Promoter Group	2931308	42.16%	2931308	42.16%
Financial institutions/Bank	Nil	Nil	Nil	Nil
Bodies Corporate	344900	4.96%	344900	4.96%
Individual	3676600	52.88%	3676600	52.88%
Any Other (OCBs, NRI)	Nil	Nil	Nil	Nil
TOTAL	6952808	100%	6952808	100%

The Board of Directors, in consultation with the Stock Exchange where the shares of the Company are listed, will fix the record date.

There is no change in the pre and post reduction shareholding pattern of the Company.

8. FINANCIAL RESTRUCTURING AND ACCOUNTING TREATMENT

8.1 CREATION AND UTILISATION OF CAPITAL RESTRUCTURING ACCOUNT

Pursuant to this Arrangement in this scheme, the treatment in the books of accounts of the Company will be as follows:

Upon the coming into Effect of this Scheme and with effect from the Appointed Date:


8.1.1. The Company shall reduce the existing Paid-Up Equity Share Capital FROM Rs.7,46,56,580/- (Rupees Seven Crores Forty Six Lacs Fifty Six Thousands Five Hundreds Eighty Only) divided into 69,52,808 Equity Shares of Rs. 10/- (Rupees Ten Only) each fully paid up and share forfeiture account of Rs.51,28,500/- TO Rs.69,52,808/- (Rupees Sixty Nine Lacs Fifty Two Thousands Eight Hundred Eight Only) divided into 69,52,808 Equity Shares of Re.1/- (Rupee One Only) each fully paid and upon such reduction of capital a sum, aggregating to Rs.6,77,03,772/-, be transferred to "Capital Restructuring Account".

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- 8.1.2. As referred in Para 5, specifically in Para 5.4 of the scheme, regarding reorganization of the Equity share Capital, the paid up Equity Share Capital of the Company, post reduction, will be Rs. 69,52,808/- divided into 69,52808 Equity Shares of Re.1/-(Rupee One Only) each.
- 8.1.3. Part of the balance of Accumulated Losses of Rs.6,77,03,772/- as at 31st March, 2014, out of the total of Rs. 19,50,96,952.29 be transferred to "Capital Restructuring Account".
- 8.1.4. To the extent of the amount transferred to the Capital Restructuring Account under this Para 8.1.1 above, there shall be reduction of share capital of the Company, which shall be effected as an integral part of the Scheme in accordance with the provision of Section 100 to 104 and other applicable provisions of the Act, without involving either diminution of liability in respect of the unpaid share capital or payment to any shareholder of paid up share capital and without having to follow process under Section 100 to 104 of the Act, separately. However, the Order of the Court sanctioning the Scheme shall be deemed to be an order under Section 102 and other applicable provision of the Act.
- 8.1.5. The Company shall comply with all the Accounting Standards specified by the Central Government in Section 133 of the Companies Act, 2013 or any amendment thereof.
- 8.1.6. Notwithstanding the reduction as mentioned above, the Company shall not be required to add "and reduction" as suffix to its name and the Company shall continue with its existing name.

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Section 3

OTHER TERMS AND CONDITIONS

9. BONUS/RIGHT SHARES

After filling the Scheme and up to the Effective Date, the Company shall not issue or allot any shares or other financial instrument by the way of bonus shares, right shares or otherwise.

10. APPLICATIION TO THE HIGH COURT

The Company shall, with all reasonable dispatch make applications to the High Court of Judicature at Gujarat, under whose jurisdiction the registered offices of the Company is situated, for sanctioning this Scheme under Sections 391 to 394 read with Section 100 to 104 of the Companies Act. 1956.

11. MODIFICATION/AMENDMENTS TO THE SCHEME

The Company through its Board of Directors may consent on behalf of all persons concerned to any modification or amendments of this Scheme or to any conditions which the Court and/or any other authorities under law may deem fit to approve of or impose or which may otherwise be considered necessary or desirable for setting any question or doubt or difficulty that may arise for carrying out the Scheme and do all acts, deeds and things as may be necessary, desirable or expedient for putting this Scheme into effect.

For the purpose of giving effect to this Scheme or to any modifications thereof, the Directors of the Company are authorized to give such directions and / or to take such steps as may be necessary or desirable including any directions for settling any question or doubt or difficulty whatsoever that may arise.

12. CONDITIONALITY OF THE SCHEME

The Scheme is and shall be conditional upon and subject to:

12.1 The consent, approval, sanction, etc., under any law, of the Central Government, or Stock Exchanges or any other agency, department or authorities concerned being obtained and granted in respect of any of the matters provided for in, or relating to, the Scheme for which such consent, approval, sanction, etc., is required;

12.2 The Scheme being approved by the requisite majorities in number and value of such classes of persons including the respective members and/or creditors of the Company.

FOR, MERCURY METALS LIMITED.


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12.3 The requisite resolutions under the applicable provisions of the said Act being passed by shareholders of the Company for any of the matter provided for or relating to the Scheme as may be necessary or desirable.

12.4 The sanctions of the High Court under Sections 391 to 394 read alongwith sections 100 to 104 of the said Act in favour of the Company being obtained.

12.5 Certified or authenticated copies of the Order of the High Court sanctioning the Scheme being filed with the Registrar of Companies, Gujarat, at Ahmedabad by the Company.

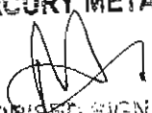
13. EFFECT OF NON RECEIPT OF APPROVALS / SANCTIONS

In the event of any of the said sanctions and approvals not being obtained and / or the Scheme not being sanctioned by the High Court or such other competent authority by **31st December, 2015** or within such further period or periods as may be agreed upon by Boards of Directors of the Company (and which the Boards of Directors of the Company are hereby empowered and authorized to agree to and to extend the Scheme from time to time without any limitation) this Scheme shall stand revoked, cancelled and will be null and void, save and except in respect of any act or deed done prior thereto as it contemplated hereunder or as to any rights and / or liabilities which might have arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as is specifically provided in the Scheme or as may otherwise arise in law.

14. COST, CHARGES AND EXPENSES

All costs, charges and expenses of in relation to or in connection with the Scheme and of carrying out and completing the terms and provisions of the Scheme and / or incidental to the completion of arrangement in pursuance of this Scheme shall be borne and paid by the Company only.

FOR, MERCURY METALS LIMITED.


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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

CIN NO. L27109GJ1986PLC008770

**CERTIFICATE
CONFIRMATION BY THE WHOLE TIME DIRECTOR DESIGNATED AS EXECUTIVE
DIRECTOR
WITH REGARD TO VALUATION**

Mercury Metals Ltd., a company incorporated under the provisions of the Companies Act, 1956 is engaged in the trading of ferrous and non-ferrous metals. The Board of Directors of the Company has decided to propose a draft Scheme of Arrangement in the Nature of Reconstruction of Capital of Mercury Metals Ltd. under the provisions of section 391 to 394 read with section 100 to 104 of the Companies Act, 1956.

The Scheme provides for undertaking financial restructuring and reconstruction of Mercury Metals Ltd. (hereinafter referred as "MML or "the Company"), whereby the paid-up share capital of the Mercury Metals Ltd. shall be reduced from Rs. **7,46,56,580/-** divided into 69,52,808 equity shares of Rs.10/- each fully paid-up and share forfeiture account (Amount originally paid-up) of Rs.51,28,500/- on forfeiture of 10,25,700 partly paid-up shares to Rs. **69,52,808/-** divided into 69,52,808 equity shares of Re.1/- each fully paid-up and that such reduction be effected by cancelling the capital which has lost or is unrepresented by available tangible assets, to the extent of Rs.9/- per share upon each of the 69,52,808 equity shares which have been issued by reducing the paid-up value of all the shares in the capital of the Company from Rs.10/- per share to Re.1/- per share and cancellation of shares forfeiture account (amount originally paid-up) of Rs.51,28,500/-.

The background and circumstances which justify the said arrangement are inter-alia as follows.

- a. Continues losses have substantially wiped off the value represented by the Share Capital thus the financial statements do not reflect the correct picture of the health of the Company.

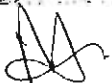
- b. For ensuring that the financial statements of the Company reflects the real picture and the Capital which is lost is not continued to be shown on the face of balance sheet, it is necessary to carry out reduction of capital of the Company.
- c. Since writing off of losses has become inevitable for growth of the Company and its shareholders, the Company is now proposing to undertake a financial restructuring exercise whereby the Company would create a "Capital Restructuring Account" from its paid up Equity Share Capital.
- d. The reduction of Capital in the manner proposed would enable the Company to have a rational structure which is commensurate with its remaining business and assets.
- e. This Scheme of Arrangement is presented with a view to achieve Restructuring of the Company which would result in improvement in financial health as more business activities shall be brought into the Company thereby preventing it from becoming a sick company.
- f. Hence, the proposed reduction will be for the benefit of the Company and its shareholder, creditors and all concerned as a whole.

The Appointed Date means the Effective Date or such other date as may be fixed or approved by the Hon'ble High Court of Judicature at Gujarat and the effective date means the dates on which certified copies of the Orders of the High Court of Judicature at Gujarat or any other appropriate authority sanctioning the Scheme are filed with Registrar of Companies, Gujarat at Ahmedabad.

The proposed Scheme is relating to reconstruction of capital of Mercury Metals Ltd. and to effect such reconstruction of capital it is proposed to cancel the share forfeiture account of Rs.51,28,500/- and also to cancel the paid value of 69,52,808 fully paid equity shares of Rs.10/- each by cancelling Rs.9/- per share. The total such reduction would be Rs.6,77,03,772/-.

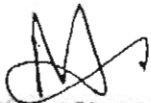
After such reduction the issued, subscribed and paid-up capital of the Company would be Rs.69,52,808/- divided into 69,52,808 equity shares of Re.1/- each.

FOR, MERCURY METALS LIMITED.


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As per the draft Scheme of Arrangement in the nature of Reconstruction of Capital of Mercury Metals Ltd., no new shares are proposed to be issued to any group of promoters and/or non-promoters. Pursuant to SEBI Circular No. CIR/CFD/DIL/5/2013 dated February 4, 2013 read with **CIR/CFD/DIL/8/2013 dated May 21, 2013**, 'Valuation Report from an Independent chartered accountant' need not be required in case where there is no change in the shareholding pattern of the listed company. Accordingly, in the case of the present scheme of the Company, as there is reconstruction of capital of the Company by way of reduction in capital, hence there is no change in the shareholding pattern of the Company post scheme, therefore no valuation report from an Independent Chartered Accountant is required. In our opinion, the proposed draft scheme of arrangement of the Company is fair and reasonable from the interest of equity shareholders of the Company.

FCI/14



AUTHORIZED SIGNATURE

Govindram L. Kabra
Executive Director

Date : 21/07/2014

Place : Ahmedabad

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

CIN NO. L27109GJ1986PLC008770

Report of the Audit Committee of Mercury Metals Ltd. dated 28th July, 2014.

Members

Mr. Bhupendrasingh N. Rajput	Chairman
Mr. Mahendra G. Prajapati	Member
Mr. Ramprakash L. Kabra	Member

1. Background:

The Company has placed before the Audit Committee the draft SCHEME OF ARRANGEMENT IN THE NATURE OF RECONSTRUCTION OF CAPITAL OF MERCURY METALS LIMITED, pursuant to Section 391 to 394 read with Section 100 to 104 and all other applicable provisions of the Companies Act, 1956 (hereinafter referred to as "the scheme"), for recommendation as required under Securities and Exchange Board of India ("SEBI") Circular No. CIR/CFD/DIL/5/2013 dated 4th February, 2013 read with CIR/CFD/DIL/8/2013 dated 21st May, 2013.

The Report of the Audit Committee is made in order to comply with the requirements of the aforesaid Circular after considering the following necessary documents;

- 1) Scheme of Arrangement in the nature of Reconstruction of Capital of Mercury Metals Limited.
- 2) Pursuant to SEBI Circular No. CIR/CFD/DIL/5/2013 dated February 4, 2013 read with CIR/CFD/DIL/8/2013 dated May 21, 2013, 'Valuation Report from an Independent chartered accountant' need not be required in case where there is no change in the shareholding pattern of the listed company. In the case of the present scheme of the Company, as there is reconstruction of capital of the Company by way of reduction in capital, hence there is no change in the shareholding pattern of the Company post scheme, therefore no valuation report from an Independent Chartered Accountant is required, and
- 3) Fairness Opinion issued by M/s Corporate Professionals Capital Pvt. Ltd., SEBI Registered Merchant Bankers.

2. Proposed Scheme

The Audit Committee noted that the proposed scheme would result in the following benefits

- a. Continues losses have substantially wiped off the value represented by the Share Capital thus the financial statements do not reflect the correct picture of the health of the Company.

FOR, MERCURY METALS LIMITED.

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- b. For ensuring that the financial statements of the Company reflects the real picture and the Capital which is lost is not continued to be shown on the face of balance sheet, it is necessary to carry out reduction of capital of the Company.
- c. Since writing off of losses has become inevitable for growth of the Company and its shareholders, the Company is now proposing to undertake a financial restructuring exercise whereby the Company would create a "Capital Restructuring Account" from its paid up Equity Share Capital.
- d. The reduction of Capital in the manner proposed would enable the Company to have a rational structure which is commensurate with its remaining business and assets.
- e. This Scheme of Arrangement is presented with a view to achieve Restructuring of the Company which would result in improvement in financial health as more business activities shall be brought into the Company thereby preventing it from becoming a sick company.
- f. Hence, the proposed reduction will be for the benefit of the Company and its shareholder, creditors and all concerned as a whole.

Silent Features of the Scheme are as under

1. The Scheme provides for the reduction of equity share capital of Mercury Metals Limited pursuant to section 100 to 104 read with 391 and other relevant provisions of the Companies Act, 1956.
2. The Scheme provides for the reconstruction of capital of Mercury Metals Limited pursuant to section 391 and other relevant provisions of the Companies Act, 1956.
3. The Scheme also provides for various other matters consequential, supplemental and/or otherwise integrally connected herewith.

3. Recommendation of the Audit Committee

The Audit Committee recommends the Scheme for favourable consideration by the Board of Directors of the Company, the Stock Exchange and the Securities and Exchange Board of India.

For and on behalf of Audit Committee of Mercury Metals Ltd.
Chairman of the Audit Committee



Date : 28/07/2014
Place : Ahmedabad

FAIRNESS OPINION

MERCURY METALS LIMITED



July, 2014



Strictly Private & Confidential

FOR, MERCURY METALS LIMITED.

A handwritten signature in black ink, appearing to be a stylized 'M' or similar initials.

AUTHORISED SIGN. / DIRECTOR

Ref. No: CPC/MB/016/2014-15

Dated 25.07.2014

SEBI Reg. No: INM000011435

To,

The Board of Directors

Mercury Metals Limited

36, Advani Market O/S Delhi Municipal

Market, Ahmedabad-380004

For the kind attention of Mr. Govindram Laluram Kabra (Executive Director)

Subject: Fairness Opinion on the Scheme of arrangement to be Filed u/s 391 to 394 read with section 100-104 of Companies Act, 1956 for Reduction of Share Capital of Mercury Metals Limited.

Dear Sir,

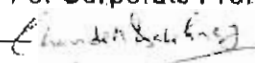
We refer to our discussion held with the key management personnel of M/s Mercury Metals Limited, (here-in-after referred as "Company / Mercury") for the purpose of arriving at an opinion on the revised scheme of arrangement in the nature of reconstruction of capital as shall be proposed to the Board of Directors of Mercury Metals Ltd. at their meeting to be held on 31, July 2014 under the provisions of section 391 to 394 read with section 100 to 104 and any corresponding provisions under the new companies for proposed Reduction of Share Capital of Mercury Metals Limited to be confirmed by Hon'ble High Court of relevant jurisdiction u/s 100 to 104 of the Companies Act, 1956.

In terms of our discussion, we are enclosing our opinion along with this letter. Please note that this is just an opinion on the captioned subject on the basis of the Scheme to be filed the provisions of section 391 to 394 read with section 100 to 104 of Companies Act, 1956 the and other documents submitted to us. All comments as contained herein must be read in conjunction with the Caveats to this opinion

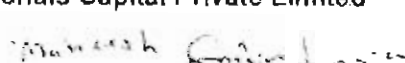
The opinion is confidential and has been made in accordance with clause 24(h) of the listing agreement, It should not be used, reproduced or circulated to any other person, in whole or in part, without the prior consent of Corporate Professionals Capital Private Limited, such consent will only be given after full consideration of the circumstance at the time. We are however aware that the conclusion in this report may be used for the purpose of disclosure to be made to the stock exchange and we provide consent for the same. Please feel free to contact us in case you need any additional information or clarifications.

Yours Faithfully,


For Corporate Professionals Capital Private Limited


Chander Sawhney

[Vice President]


Maneesh Srivastava

[Senior Manager]

FOR, MERCURY METALS LIMITED.

AUTHORISED SIGN.: DIRECTOR

Content

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FOR, MERCURY METALS LIMITED.

AUTHORISED SIGNATORY / DIRECTOR

CONTEXT AND BACKGROUND

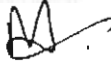
1. We understand that M/s Mercury Metals Limited is a listed entity having its equity shares listed at Ahmadabad Stock Exchange & Bombay Stock Exchange (BSE), now pursuant to a revised scheme of arrangement in the nature of Reconstruction of capital under section 100 – 104 of the companies Act, the company wants to undertake the reduction of share capital based on the latest audited financial statement dated March,31 2014
2. In accordance with Clause 24(h) of the Listing Agreement and SEBI Circular No CIR/CFD/DIL/5/2013, dated February 04, 2013 as amended by SEBI Circular No CIR/CFD/DIL/8/2013 dated May 21, 2013 as applicable to the Listed Companies, the listed Company as well as the Unlisted Company required to obtain a "Fairness Opinion" on the Valuation of assets / Equity shares done by the Valuers for the Company and Unlisted Company from an Independent Merchant Banker.

Clause 24(h) of the Listing Agreement reads as below-

The company agrees that in the explanatory statement forwarded by it to the shareholders u/s 393 of accompanying a proposed resolution to be passed u/s 100 of the Companies Act, it shall disclose the pre and post-arrangement or amalgamation (expected) capital structure and shareholding pattern, and the "fairness opinion" obtained from an Independent merchant bankers on Valuation of assets / Equity shares done by the Valuers for the company and unlisted company."

3. With reference to the above, we, **Corporate Professionals Capital Private Limited, a SEBI Registered Merchant Banker**, have been appointed by M/s, Mercury Metals Limited to provide the "Fairness Opinion" in accordance with the SEBI Circular, stated above.

FOR, MERCURY METALS LIMITED.


AUTHORISED SIGN. / DIRECTOR

KEY FACTS & CERTAIN EXTRACT OF THE SCHEME

- The Scheme provides for the reduction of equity share capital of Mercury Metals Limited pursuant to section 100 to 104 read with 391 and other relevant provisions of the Companies Act, 1956.
- The Capital reduction does not lead to any changes in the Net Worth of the company as the company would write off part of the debit balance in Profit & Loss account to the extent of Rs 6,77,03,770/-(rounded off to the nearest rupee) by cancelling the paid-up value of per share from Rs.10/- to Re.1/- amounting to Rs.62,575,270/- and cancelling share forfeiture account (amount originally paid up) of Rs.51,28,500/-, on the record date, out of the existing paid up Equity Share Capital. There are no changes in the Share holding pattern of the company pursuant to reduction of capital
- The Capital structure of Mercury Metals Limited Pre & Post Reduction of Share Capital is as follows:

Particulars	Pre Reduction (Rs.)	Particulars	Post Reduction (Rs.)
Authorized Share Capital		Authorized Share Capital	
10,000,000 Equity Share of Rs. 10/-each	100,000,000.00	10,00,00,000 Equity Share of Rs. 1/-each	100,000,000.00
Issued and Subscribed Share Capital		Issued, Subscribed and Paid up Share Capital	
79,78,508 Equity Shares of Rs. 10/-each	7,97,85,080.00	69,52,808 Equity Share of Rs. 1/-each	69,52,808.00
Paid up Share Capital			
69,52,808 Equity Share of Rs. 10/-each	6,95,28,080.00		
Share Forfeiture Account	51,28,500.00		
Total	7,46,56,580.00	Total	69,52,808.00

FOR, MERCURY METALS LIMITED.

AUTHORISED SIGN. / DIRECTOR




CONCLUSION & OPINION

- With reference to above and based on information provided by the management, that the present Arrangement has been structured to write off the accumulated losses out of the Equity share Capital, so as to give a True and Fair view of the financial statement of the company.
- The Scheme envisages that the proposed reduction in capital (Equity Share Capital) neither involves any financial outlay/ outgo on the part of the Company nor does it directly or indirectly involves any outflow of the company's assets to its shareholders. For the sake of clarity, it is specified that the reduction of capital also does not involve either the diminution of any liability in respect of unpaid capital or the payment to any shareholders of any paid-up-capital. Consequently, such reduction will not cause any prejudice to the shareholders of the Applicant Company. The proposed adjustment would also not in any way adversely affect the ordinary operations of the Applicant Company or the ability of the Applicant Company to honor its commitments in the ordinary course of business.
- The Pre and Post capital reduction Shareholding Pattern and Net Worth of the company shall remain the same.

"Subject to above read with the caveats as detailed later, we as a Merchant Banker hereby certify that pursuant to Clause 24 of the listing agreement and SEBI circular dated Feb 04, 2013 as amended by SEBI Circular dated May 21 2013, we have reviewed the proposed application for reduction of capital and believe it to be fair and reasonable from a financial and commercial point of view to the holders of Equity shareholders of the company".

FOR, MERCURY METALS LIMITED.


AUTHORISED SIGN. / DIRECTOR



CAVEATS

- We wish to emphasize that, we have relied on explanations and information provided by the respective key management, and other public available information while making a limited review of the scheme to be filed u/s 100- 104 of the companies Act,1956. Although, we have reviewed such data for consistency and reasonableness, we have not independently investigated or otherwise verified the data provided.
- The scope of our work has been limited both in terms of the areas of the business and operations which we have reviewed and the extent to which we have reviewed them. There may be matters, other than those noted in this Report, which might be relevant in the context of the transaction and which a wider scope might uncover.
- We have no present or planned future interest in M/s Mercury Metals Limited and the fee payable for this opinion is not contingent upon the opinion reported herein.
- Our Fairness Opinion should not be construed as investment advice; specifically, we do not express any opinion on the suitability or otherwise of entering into any transaction.
- Although every effort has been made by us to verify and corroborate each document and to ensure that no inaccurate or misleading data, information, statement or opinion appears in this document, we wish to make it clear that the information and data appearing herein are the responsibility of the contributors. Accordingly, we do not accept any responsibility whatsoever for the consequences of any such inaccurate or misleading information or data, opinion or statement.
- The Opinion contained herein is not intended to represent at any time other than the date that is specifically stated in this Report. This opinion is issued on the understanding that the Management M/s Mercury Metals Limited has drawn our attention to all matters of which they are aware, which may have an impact on our opinion.
- The Fairness Opinion provided by us should not be construed as a legal opinion on the Scheme of arrangement.



Introductory sub-table (I)(a)

Name of the Company: MERCURY METALS LIMITED			
Scrip Code, Name of the scrip, class of security: 531357, MERMETL , Equity			
Quarter ended: Pre Reduction			
Partly paid-up shares:-	No. of partly paid-up shares	As a % of total no. of partly paid-up shares	As a % of total no. of shares of the company
Held by promoter/promoter group	NIL	NIL	NIL
Held by public	NIL	NIL	NIL
Total - D	NIL	NIL	NIL
Outstanding convertible securities:-	No. of outstanding securities	As a % of total no. of outstanding convertible securities	As a % of total no. of shares of the company, assuming full conversion of the convertible securities
Held by promoter/promoter group	NIL	NIL	NIL
Held by public	NIL	NIL	NIL
Total - E	NIL	NIL	NIL
Warrants:-	No. of warrants	As a % of total no. of warrants	As a % of total no. of shares of the company, assuming full conversion of warrants
Held by promoter/promoter group	NIL	NIL	NIL
Held by public	NIL	NIL	NIL
Total - F	NIL	NIL	NIL
Total paid-up capital of the company, assuming full conversion of warrants and convertible securities (Grand Total (A+B+C)+ D+E+F)		69,52,808	

FOR, MERCURY METALS LIMITED.


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MERCURY METALS LIMITED

SHAREHOLDING PATTERN AS ON 30-June- 2014

Script Code : 531357

CLASS OF SECURITY : EQUITY

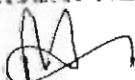
Quarter Ended : Pre Reduction

(I)(a) Statement Showing Shareholding Pattern

Face Value : 10/-

Quarter ended: 30th September 2011	Category of Shareholder(s)	Number of Shareholder(s)	Total Number of shares	Number of shares held in Dematerialised Form	Total shareholding as a percentage of total number of shares		Shares pledged or otherwise encumbered	
					As a percentage of (A+B)	As a percentage of (A+B+C)	Number of shares	As a percentage
(A)	Shareholding of Promoter and Promoter Group							
(1)	Indian							
(a)	Individuals/ Hindu Undivided Family	13	29,31,308	49,300	42.16	42.16	0	0.00
(b)	Central Government/ State Government(s)							
(c)	Bodies Corporate							
(d)	Financial Institutions/ Banks							
(e)	Others							
	i)Trusts							
	ii)Directors							
	iii)Employee Welfare Trust							
	SUB TOTAL (A)(1)	13	2931308	49,300	42.16	42.16	0	0.00
(2)	Foreign							
(a)	Individuals (Non-Residents Individuals/Foreign Individuals)							
(b)	Bodies Corporate							
(c)	Institutions							
(d)	Others							
	i)not Specified							
	ii)not Specified							
	iii)not Specified							
	SUB TOTAL (A)(2)	0	0	0	0.00	0.00	0	0.00
	TOTAL Shareholding of Promoter and Promoter Group(A) = (1) + (2)	13	2931308	49,300	42.16	42.16	0	0.00
(B)	Public Shareholding							
(1)	Institutions							
(a)	Mutual Funds/ UTI							
(b)	Financial Institutions / Banks							
(c)	Central Government/ State Government(s)							
(d)	Venture Capital Funds							
(e)	Insurance Companies							
(f)	Foreign Institutional Investors							
(g)	Foreign Venture Capital Investors							
(h)	Others							
	i)Trusts							
	ii)Not Specified							
	SUB TOTAL (B)(1)							
(2)	Non - Institutions							
(a)	Bodies Corporate	35	3,45,163	4,863	4.96	4.96		
(b)	Individuals							
	i) Individual Shareholders holding nominal share capital up to Rs.1 Lakh	6572	21,66,542	1,84,342	31.16	31.16		
	ii) Individual Shareholders holding nominal share capital in excess of Rs.1 Lakh	33	15,04,195	22,786	21.63	21.63		
(c)	Others							
	i)Employees							
	ii)Non Resident Repatriates							
	iii)Non Resident Non Repatriates							
	iv)Non domestic Companies							
	v)Trusts							
	vi)Others							
	vi)Directors & their Relatives & Friends							
	viii)Foreign Nations							
	ix)Hindu Undivided Families	12	5600	2300	0.08	0.08		
	SUB TOTAL (B)(2)	6652	40,21,500	194100	57.84	57.84		
	TOTAL Public Shareholding(B) = (1) + (2)	6652	4021500	194100	57.84	57.84		
	TOTAL (A)+(B)	6665	6952808	243400	100.00	100.00		
(C)	Shares held by Custodians and against which Depository Receipts have been issued							
1	Promoter and Promoter Group					0.00	0	0.00
2	Public					0.00	0	0.00
	GRAND TOTAL (A) + (B) + (C)	6665	6952808	243400	100.00	100.00	0	0.00

FOR, MERCURY METALS LIMITED.

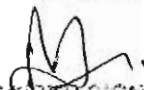

 AUTHORISED SIGN. / DIRECTOR

(1)(b) Statement showing holding of securities (including shares, warrants, convertible securities) of persons belonging to the category "Promoter and Promoter Group"

Sr. No.	Name of the shareholder	Details of Shares held		Encumbered shares (*)			Details of warrants		Details of convertible securities		Total shares (including underlying shares assuming full conversion of warrants and convertible securities) as a % of diluted share capital
		Number of shares held	As a % of grand total (A)+(B)+(C)	No.	As a percentage	As a % of grand total (A)+(B)+(C) of sub-clause (1)(a)	Number of warrants held	As a % total number of warrants of the same class	Number of convertible securities held	As a % total number of convertible securities of the same class	
(i)	(ii)	(iii)	(iv)	(v)	(vi)=(v)/(iii)*100	(vii)	(viii)	(ix)	(x)	(xi)	(xii)
1	Govindram Laluram Kabra	1671800	24.04	0	0.00	0.00	0	0.00	0	0.00	24.04
2	Motilal L Kabra	390508	5.62	0	0.00	0.00	0	0.00	0	0.00	5.62
3	Laxmiben L Kabra	320100	4.60	0	0.00	0.00	0	0.00	0	0.00	4.60
4	Radheshyam L Kabra	200300	2.88	0	0.00	0.00	0	0.00	0	0.00	2.88
5	Girjaben R Kabra	145700	2.10	0	0.00	0.00	0	0.00	0	0.00	2.10
6	Ramswaroop L Kabra	66600	0.96	0	0.00	0.00	0	0.00	0	0.00	0.96
7	Gopal Motilal Kabra	42300	0.61	0	0.00	0.00	0	0.00	0	0.00	0.61
8	Kaushalya D Lahoti	22100	0.32	0	0.00	0.00	0	0.00	0	0.00	0.32
9	Dinesh R Lahoti	27200	0.39	0	0.00	0.00	0	0.00	0	0.00	0.39
10	Neha Raniprakash Kabra	24000	0.35	0	0.00	0.00	0	0.00	0	0.00	0.35
11	Kaushalya D Lahoti	16000	0.23	0	0.00	0.00	0	0.00	0	0.00	0.23
12	Urmila Kabra	4400	0.06	0	0.00	0.00	0	0.00	0	0.00	0.06
13	Kanchan G Kabra	300	0.00	0	0.00	0.00	0	0.00	0	0.00	0.00
	TOTAL	2931308	42.16	0	0.00	0.00	0	0.00	0	0.00	42.16

(*) The term "encumbrance" has the same meaning as assigned to it in regulation 28(3) of the SAST Regulations, 2011

FOR, MERCURY METALS LIMITED.


AUTHORISED SIGN. / DIRECTOR

MERCURY METALS LIMITED

Scrip Code :531357


Quarter ending : 30- June-2014

Details of Locked-in Shares

Sr. No.	Name of the Shareholder	Category	No. of Shares Locked-in	Locked-in Shares as % of Total No. of Shares (i.e. Grand total of (A)+(B)+© indicated in statement at para
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NIL

FOR, MERCURY METALS LIMITED.


AUTHORISED SIGN. / DIRECTOR

(I)(c)(i) Statement showing holding of securities (including shares, warrants, convertible securities) of persons belonging to the category "Public" and holding more than 1% of the total number of shares

Sr. No.	Name of the shareholder	Number of shares held	Shares as a percentage of total number of shares (i.e., Grand Total (A)+(B)+(C) indicated in Statement at para (I)(a) above)	Details of warrants		Details of convertible securities		Total shares (including underlying shares assuming full conversion of warrants and convertible securities) as a % of diluted share capital
				Number of warrants held	As a % total number of warrants of the same class	Number of convertible securities held	% w.r.t total number of convertible securities of the same class	
1	Yaseen Md Jamaludin Mossaji	280000	4.03	0	0.00	0	0.00	4.03
2	Farooq Md Jamaludin Mossaji	230000	3.31	0	0.00	0	0.00	3.31
3	Sohangiri Metals & Alloys Pvt. Ltd.	150000	2.16	0	0.00	0	0.00	2.16
4	Apollo Metachem Private Limited	118600	1.71	0	0.00	0	0.00	1.71
5	Harish Dudani	100000	1.44	0	0.00	0	0.00	1.44
TOTAL		878600	12.64	0	0.00	0	0.00	12.64

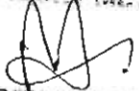
FOR, MERCURY METALS LIMITED.


AUTHORISED SIGN. / DIRECTOR

(I)(c)(ii) Statement showing holding of securities (including shares, warrants, convertible securities) of persons (together with PAC) belonging to the category "Public" and holding more than 5% of the total number of shares of the company

Sr. No.	Name(s) of the shareholder(s) and the Persons Acting in Concert (PAC) with them	Number of shares	Shares as a percentage of total number of shares (i.e., Grand Total (A)+(B)+(C) indicated in Statement at para (I)(a) above)	Details of warrants		Details of convertible securities		Total shares (including underlying shares assuming full conversion of warrants and convertible securities) as a % of diluted share capital
				Number of warrants	As a % total number of warrants of the same class	Number of convertible securities held	% w.r.t total number of convertible securities of the same class	
I				NIL				
TOTAL		0	0	0	0	0	0	0

FOR MERCURY METALS LIMITED.


AUTHORISED SIGN. / DIRECTOR

(II)(a) Statement showing details of Depository Receipts (DRs)

Sr. No.	Type of outstanding DR (ADRs, GDRs, SDRs, etc.)	Number of outstanding DRs	Number of shares underlying outstanding DRs	Shares underlying outstanding DRs as a percentage of total number of shares {i.e., Grand Total (A)+(B)+(C) indicated in Statement at para (I)(a) above}
1		NIL		
TOTAL				

FOR, HEMETAL METALS LIMITED.


AUTHORISED SIGN. / DIRECTOR

Introductory sub-table (I)(a)

Name of the Company: MERCURY METALS LIMITED

CISRI Code, Name of the scrip, class of security: 531357, MERMETL, Equity

Quarter ended: Post Reduction

Partly paid-up shares:-	No. of partly paid-up shares	As a % of total no. of partly paid-up shares	As a % of total no. of shares of the company
held by promoter/promoter group	NIL	NIL	NIL
held by public	NIL	NIL	NIL
Total - D	NIL	NIL	NIL

Outstanding convertible securities:-	No. of outstanding securities	As a % of total no. of outstanding convertible securities	As a % of total no. of shares of the company, assuming full conversion of the convertible securities
held by promoter/promoter group	NIL	NIL	NIL
held by public	NIL	NIL	NIL
Total - E	NIL	NIL	NIL

Warrants:-	No. of warrants	As a % of total no. of warrants	As a % of total no. of shares of the company, assuming full conversion of warrants
held by promoter/promoter group	NIL	NIL	NIL
held by public	NIL	NIL	NIL
Total - F	NIL	NIL	NIL

Total paid-up capital of the company, assuming full conversion of warrants and convertible securities (Grand Total (A+B+C)+ D+E+F)

69,52,808

FOR, MERCURY METALS LIMITED.



AUTHORISED SIGN. / DIRECTOR

MERCURY METALS LIMITED

SHAREHOLDING PATTERN AS ON 30-June- 2014

File Code : 531357

CLASS OF SECURITY : EQUITY

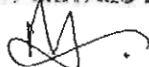
Quarter Ended : Post Reduction

Face Value : 1/-

Statement Showing Shareholding Pattern

Quarter ended: 30th September 2011	Category of Shareholder(s)	Number of Shareholder(s)	Total Number of shares	Number of shares held in Dematerialised Form	Total shareholding as a percentage of total number of shares		Shares pledged or otherwise encumbered	
					As a percentage of (A+B)	As a percentage of (A+B+C)	Number of shares	As a percentage
(A)	Shareholding of Promoter and Promoter Group							
(1)	Indian							
(a)	Individuals/ Hindu Undivided Family	13	29,31,308	49,300	42.16	42.16	0	0.00
(b)	Central Government/ State Government(s)							
(c)	Bodies Corporate							
(d)	Financial Institutions/ Banks							
(e)	Others							
	i)Trusts							
	ii)Directors							
	iii)Employee Welfare Trust							
	SUB TOTAL (A)(1)	13	2931308	49,300	42.16	42.16	0	0.00
(2)	Foreign							
(a)	Individuals (Non-Residents Individuals/Foreign Individuals)							
(b)	Bodies Corporate							
(c)	Institutions							
(d)	Others							
	i)not Specified							
	ii)not Specified							
	iii)not Specified							
	SUB TOTAL (A)(2)	0	0	0	0.00	0.00	0	0.00
	TOTAL Shareholding of Promoter and Promoter Group(A) = (1) + (2)	13	2931308	49,300	42.16	42.16	0	0.00
(B)	Public Shareholding							
(1)	Institutions							
(a)	Mutual Funds/ UTI							
(b)	Financial Institutions / Banks							
(c)	Central Government/ State Government(s)							
(d)	Venture Capital Funds							
(e)	Insurance Companies							
(f)	Foreign Institutional Investors							
(g)	Foreign Venture Capital Investors							
(h)	Others							
	i)Trusts							
	ii)Not Specified							
	SUB TOTAL (B)(1)							
(2)	Non - Institutions							
(a)	Bodies Corporate	35	3,45,163	4,663	4.96	4.96		
(b)	Individuals							
	i) Individual Shareholders holding nominal share capital up to Rs.1 Lakh	6572	21,66,542	1,64,342	31.16	31.16		
	ii) Individual Shareholders holding nominal share capital in excess of Rs.1 Lakh	33	15,04,195	22,795	21.63	21.63		
(c)	Others							
	i)Employees							
	ii)Non Resident Repatriates							
	iii)Non Resident Non Repatriates							
	iv)Non domestic Companies							
	v)Trusts							
	vi)Others							
	vii)Directors & their Relatives & Friends							
	viii)Foreign Nations							
	ix)Hindu Undivided Families	12	5600	2300	0.08	0.08		
	SUB TOTAL (B)(2)	6652	40,21,500	194100	57.84	57.84		
	TOTAL Public Shareholding(B) = (1) + (2)	6652	4021500	194100	57.84	57.84		
	TOTAL (A)+(B)	6665	6952808	243400	100.00	100.00		
(C)	Shares held by Custodians and against which Depository Receipts have been issued							
1	Promoter and Promoter Group					0.00	0	0.00
2	Public					0.00	0	0.00
	GRAND TOTAL (A) + (B) + (C)	6665	6952808	243400	100.00	100.00	0	0.00

FOR, MERCURY METALS LIMITED.



AUTHORISED SIGN. / DIRECTOR

Statement showing holding of securities (including shares, warrants, convertible securities) of persons belonging to the category "Promoter and Promoter Group"

No.	Name of the shareholder	Details of Shares held		Encumbered shares (*)		Details of warrants		Details of convertible securities		Total shares (including underlying shares assuming full conversion of warrants and convertible securities) as a % of diluted share capital	
		Number of shares held	As a % of grand total (A)+(B)+(C)	No.	As a percentage	As a % of grand total (A)+(B)+(C) of sub-clause (I)(a)	Number of warrants held	As a % total number of warrants of the same class	Number of convertible securities held		As a % total number of convertible securities of the same class
(i)	(ii)	(iii)	(iv)	(v)	(vi)=(v)/(iii)*100	(vii)	(viii)	(ix)	(x)	(xi)	(xii)
1	Govindram Laluram Kabra	1671800	24.04	0	0.00	0.00	0	0.00	0	0.00	24.04
2	Motilal L Kabra	390508	5.62	0	0.00	0.00	0	0.00	0	0.00	5.62
3	Laxmiben L Kabra	320100	4.60	0	0.00	0.00	0	0.00	0	0.00	4.60
4	Radheshyam L Kabra	200300	2.88	0	0.00	0.00	0	0.00	0	0.00	2.88
5	Girijaben R Kabra	145700	2.10	0	0.00	0.00	0	0.00	0	0.00	2.10
6	Ramswaroop L Kabra	66600	0.96	0	0.00	0.00	0	0.00	0	0.00	0.96
7	Gopal Motilal Kabra	42300	0.61	0	0.00	0.00	0	0.00	0	0.00	0.61
8	Kaushalya D Lahoti	22100	0.32	0	0.00	0.00	0	0.00	0	0.00	0.32
9	Dinesh R Lahoti	27200	0.39	0	0.00	0.00	0	0.00	0	0.00	0.39
10	Neha Ramprakash Kabra	24000	0.35	0	0.00	0.00	0	0.00	0	0.00	0.35
11	Kaushalya D Lahoti	16000	0.23	0	0.00	0.00	0	0.00	0	0.00	0.23
12	Urmila Kabra	4400	0.06	0	0.00	0.00	0	0.00	0	0.00	0.06
13	Kanchan G Kabra	300	0.00	0	0.00	0.00	0	0.00	0	0.00	0.00
TOTAL		2931308	42.16	0	0.00	0.00	0	0.00	0	0.00	42.16

(*) The term "encumbrance" has the same meaning as assigned to it in regulation 28(3) of the SAST Regulations, 2011

FOR MERCURY METALS LIMITED.


AUTHORISED SIGN. / DIRECTOR

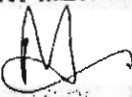
MERCURY METALS LIMITED

Scrip Code :531357 Quarter ending : 30- June-2014

Details of Locked-in Shares

Sr. No.	Name of the Shareholder	Category	No. of Shares Locked-in	Locked-in Shares as % of Total No. of Shares (i.e. Grand total of (A)+(B)+© indicated in statement at para
NIL				

FOR, MERCURY METALS LIMITED.


AUTHORISED SIGNATORY

(c)(i) Statement showing holding of securities (including shares, warrants, convertible securities) of persons belonging to the category "Public" and holding more than 1% of the total number of shares

Sr. No.	Name of the shareholder	Number of shares held	Shares as a percentage of total number of shares {i.e., Grand Total (A)+(B)+(C) indicated in Statement at para (I)(a) above}	Details of warrants		Details of convertible securities		Total shares (including underlying shares assuming full conversion of warrants and convertible securities) as a % of diluted share capital
				Number of warrants held	As a % total number of warrants of the same class	Number of convertible securities held	% w.r.t total number of convertible securities of the same class	
1	Yaseen Md Jamaludin Mossaji	280000	4.03	0	0.00	0	0.00	4.03
2	Farooq Md Jamaludin Mossaji	230000	3.31	0	0.00	0	0.00	3.31
3	Sohangiri Metals & Alloys Pvt. Ltd.	150000	2.16	0	0.00	0	0.00	2.16
4	Apollo Metachem Private Limited	118600	1.71	0	0.00	0	0.00	1.71
5	Harish Dudani	100000	1.44	0	0.00	0	0.00	1.44
TOTAL		878600	12.64	0	0.00	0	0.00	12.64

FOR, MERCURY METALS LIMITED.

AUTHORISED SIGN. / DIRECTOR

(c)(ii) Statement showing holding of securities (including shares, warrants, convertible securities) of persons (together with PAC) belonging to the category "Public" and holding more than 5% of the total number of shares of the company

Sr. No.	Name(s) of the shareholder(s) and the Persons Acting in Concert (PAC) with them	Number of shares	Shares as a percentage of total number of shares (i.e., Grand Total (A)+(B)+(C) indicated in Statement at para (I)(a) above)	Details of warrants		Details of convertible securities		Total shares (including underlying shares assuming full conversion of warrants and convertible securities) as a % of diluted share capital
				Number of warrants	As a % total number of warrants of the same class	Number of convertible securities held	% w.r.t total number of convertible securities of the same class	
1				NIL				
TOTAL		0	0	0	0	0	0	0

FOR, MERCURY METALS LIMITED.


AUTHORISED SIGN. / DIRECTOR

(II)(a) Statement showing details of Depository Receipts (DRs)

Sr. No.	Type of outstanding DR (ADRs, GDRs, SDRs, etc.)	Number of outstanding DRs	Number of shares underlying outstanding DRs	Shares underlying outstanding DRs as a percentage of total number of shares {i.e., Grand Total (A)+(B)+(C) indicated in Statement at para (I)(a) above}
1		NIL		
TOTAL				

FOR, MERCURY METALS LIMITED.



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(II)(b) Statement showing holding of Depository Receipts (DRs), where underlying shares held by "promoter/promoter group" are in excess of 1% of the total number of shares

Sr. No.	Name of the DR Holder	Type of outstanding DR (ADRs, GDRs, SDRs, etc.)	Number of shares underlying outstanding DRs	Shares underlying outstanding DRs as a percentage of total number of shares {i.e., Grand Total (A)+(B)+(C) indicated in Statement at para (I)(a) above}
		NIL		
TOTAL				

FOR, MERCURY METALS LIMITED.


AUTHORISED SIGN. / DIRECTOR

MERCURY METALS LIMITED

36, Advani Market, O/s. Delhi Gate, Shahibaug, Ahmedabad - 380 004

				(Amt in Rs.)
	As Per Last Audited Financial Year	As Per Last Audited Financial Year	1 Year prior to the Last Audited Financial Year	2 Years prior to the Last Audited Financial Year
	2013-14	2012-13	2011-12*	2010-11**
Equity Paid up Capital	74656580	74656580	74656580	74656580
Reserves and surplus	-85243952	-64078456	-63600425.15	-45436752.14
Net Worth	-10587372	10578124	11056154.85	29219827.86
Miscellaneous Expenditure	0	0	0	0
Secured Loans	39916659	39916659	39916659	33345148.94
Unsecured Loans	0	0	0	0
Fixed Assets	0	0	0	495862.73
Income from Operations	4823437	0	10097090	2540892
Total Income	4836687	0	16036675.09	2540892
Total Expenditure	5368787	478030.54	34200318.1	3052494
Extraordinary Items	-20633396	0	0	0
Profit before Tax	-21165496	-478030.54	-18163643.01	-511602
Profit after Tax	-21165496	-478030.54	-18163643.01	-511602
Cash profit @	-21165496	-478030.54	1313233.18	-485504
EPS	-3.04	-0.07	-2.61	-0.07
Bookvalue#	-1.52	1.52	1.59	4.20

* Figures for the financial year 2011-12 have been regrouped wherever necessary and taken from 2012-13 audited financials (corresponding previous year figures).

**Figures for the financial year 2010-11 have been regrouped wherever necessary and taken from 2011-12 financials (corresponding previous year figures)

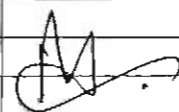
@Cash profit= Net profit before taxation + Non-Cash Items (Depreciation + Provision for Doubtful Trade receivables & advances)

Book Value = (Networth/No. of Shares)

For, Mercury Metals Ltd.

Place : Ahmedabad

Date : 14/08/2014



Executive Director

Govindram L. Kabra

Quarterly Compliance Report on Corporate Governance:-

Name Of Company: Mercury Metals Limited

Quarter Ending on: - 30th June, 2014

Particulars		Clause of Listing Agreement	Compliance Status (Yes/No/N.A)	Remarks
I.	Board of Directors	49 (I)		
	(A) Composition of Board	49 (IA)	Yes	
	(B) Non – executive Directors Compensation & disclosures	49 (IB)	Yes	
	(C) Other Provisions as to Board and Committees	49 (IC)	Yes	
	(D) Code of Conduct	49 (ID)	Yes	Kept on the Website of the Company and declaration will be complied in the annual report
II.	Audit Committee	49 (II)		
	(A) Qualified & Independent Audit Committee	49 (IIA)	Yes	
	(B) Meeting of Audit Committee	49 (IIB)	Yes	
	(C) Powers of Audit Committee	49 (IIC)	Yes	
	(D) Role of Audit Committee	49 (IID)	Yes	
	(E) Review of Information by Audit Committee	49 (IIE)	Yes	
III.	Subsidiary Companies	49 (III)	N.A.	
IV.	Disclosures:	49 (IV)		
	(A) Basis of related party transactions	49 (IVA)	Yes	
	(B) Disclosure of Accounting Treatment	49 (IVB)	Yes	
	(C) Board Disclosures	49 (IVC)	Yes	
	(D) Proceeds from Public Issue, Rights Issues, Preferential issues etc.	49 (IVD)	N.A.	
	(E) Remuneration of Directors	49 (IVE)	Yes	Except E.D no remuneration paid to any other directors
	(F) Management	49 (IVF)	Yes	Will be complied in the Annual Report
	(G) Shareholders	49 (IVG)	Yes	
V.	CEO/ CFO Certification	49 (V)	Yes	Will be complied in the Annual Report
VI.	Report on Corporate Governance	49 (VI)	Yes	Will be complied in the Annual Report
VII.	Compliance	49 (VII)	Yes	Will be complied in the Annual Report

Place: Ahmedabad

Date: 12/07/2014

For, Mercury Metals Limited



Compliance Officer

ANNEXURE IV

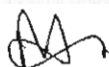
Compliance report with the requirements specified in Part-A of the circular CIR/CFD/DIL/5/2013 dated February 4, 2013 read with circular no. CIR/CFD/DIL/8/2013 dated May 21, 2013

Sub: Application under Clause 24(f) of the listing agreement for the Scheme of Arrangement in the nature of reconstruction of capital of Mercury Metals Limited.

In connection with the above application, we hereby confirm that we satisfy all the conditions as stipulated in the aforesaid SEBI circular, as given hereunder:

Sr. No.	Requirements as per CIR/CFD/DIL/5/2013 dated February 4, 2013 read with circular no. CIR/CFD/DIL/8/2013 dated May 21, 2013	Whether Complied or not & How
1.	Listed companies shall choose one of the stock exchanges having nation-wide trading terminals as the designated stock exchange for the purpose of coordinating with SEBI.	Name of Designated Stock Exchange: Bombay Stock Exchange Limited (BSE)
Compliance as per Part A, Annexure I to the Circular		
2.	Documents to be submitted:	

FOR, MERCURY METALS LIMITED.



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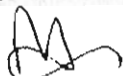
2.a	Draft Scheme of arrangement/ amalgamation/ merger/ reconstruction/ reduction of capital, etc.	Complied with
2.b	Valuation Report from Independent Chartered Accountant	Complied with* *Pursuant to SEBI Circular No. CIR/CFD/DIL/5/2013 dated February 4, 2013 read with CIR/CFD/DIL/8/2013 dated May 21, 2013, 'Valuation Report from an Independent chartered accountant' need not be required in case where there is no change in the shareholding pattern of the listed company. In the case of the present scheme of the Company, as there is reconstruction of capital of the Company by way of reduction in capital, hence there is no change in the shareholding pattern of the Company post scheme, therefore no valuation report from an Independent Chartered Accountant is required. CERTIFICATE, CONFIRMATION BY THE WHOLE TIME DIRECTOR DESIGNATED AS EXECUTIVE DIRECTOR WITH REGARD TO VALUATION, is obtained.
2.c	Report from the Audit Committee recommending the Draft Scheme	Complied with
2.d	Fairness opinion by merchant banker	Complied with
2.e	Pre and post capital reduction shareholding pattern of the Company	Complied with
2.f	Audited financials of last 3 years (financials not being more than 6 months old) of the Company;	Complied with

FOR, MERCURY METALS LIMITED.

AUTHORISED SIGN. / DIRECTOR

2.g	Compliance with Clause 49 of Listing Agreement	Complied with
2.h	Complaints Report	We confirm that we will submit Complaint Report within 7days of expiry of 21 days from the date of filling of application
3.	The equity shares sought to be listed are proposed to be allotted by the unlisted Issuer (transferee entity) to the holders of securities of a listed entity (transferor entity) pursuant to a scheme of reconstruction or amalgamation (Scheme) sanctioned by a High Court under Section 391-394 of the Companies Act, 1956	Not Applicable
4.	At least 25% of the post scheme paid up share capital of the transferee entity shall comprise of shares allotted to the public holders in the transferor entity.	Complied with
5.	The transferee entity will not issue/reissue any shares, not covered under the Draft scheme.	Complied with
6.	As on date of application there are no outstanding warrants/ instruments/ agreements which give right to any person to take the equity shares in the transferee entity at any future date. If there are such instruments stipulated in the Draft scheme, the percentage referred to in point (4) above, shall be computed after giving effect to the consequent increase of capital on account of compulsory conversions	No such warrants/ Instruments/ agreements are outstanding which give right to any person to take the equity shares in the Company at the future date.

FOR, MERCURY METALS LIMITED.



AUTHORISED SIGN. / DIRECTOR

	outstanding as well as on the assumption that the options outstanding, if any, to subscribe for additional capital will be exercised.	
7.	The shares of the transferee entity issued in lieu of the locked-in shares of the transferor entity are subjected to the lock-in for the remaining period.	Not Applicable

Date : 14/08/2014

For, Mercury Metals Ltd.



Govindram L. Kabra
Executive Director

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

CIN NO. L27109GJ1986PLC008770

EXTRACTS FROM THE MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS OF MERCURY METALS LTD. HELD ON THURSDAY, JULY 31ST, 2014.

“RESOLVED THAT subject to approval under section 391 to 394 read with section 100 to 104 of the Companies Act, 1956 and other applicable provisions of the Companies Act, 1956, a Scheme of Arrangement in the nature of Reconstruction of Capital of Mercury Metals Ltd. with the Appointed Date being the Effective Date of the said Scheme be and is hereby approved and the draft Scheme of Arrangement as recommended by the Audit Committee of the Board of Directors as placed before the Board duly initialed by the Chairman for the purpose of identification, be and is hereby approved.”

“RESOLVED FURTHER THAT the Board take on record:-

- Pursuant to SEBI Circular No. CIR/CFD/DIL/5/2013 dated February 4, 2013 read with CIR/CFD/DIL/8/2013 dated May 21, 2013, ‘Valuation Report from an Independent chartered accountant’ need not be required in case where there is no change in the shareholding pattern of the listed company. In the case of the present scheme of the Company, as there is reconstruction of capital of the Company by way of reduction in capital, hence there is no change in the shareholding pattern of the Company post scheme, therefore no valuation report from an Independent Chartered Accountant is required.
- The Fairness Opinion dated 25th July, 2014 issued by Corporate Professional Pvt. Ltd.;
- The Report dated 28th July, 2014 from the Audit Committee recommending the draft of the Scheme; and
- The Rational for the Scheme.

“RESOLVED FURTHER THAT the Bombay Stock Exchange (BSE), having nationwide terminals, be chosen as the designated stock exchange for the purpose of coordinating with Securities and exchange Board of India (SEBI) as required under the SEBI Circular No. CIR/CFD/DIL/5/2013 dated February 4, 2013 as amended by Circular No. CIR/CFD/DIL/8/2013 dated May 21, 2013 (the SEBI Circulars).”

“RESOLVED FURTHER THAT Mr. Govindram L. Kabra, Executive Director of the Company be and is hereby authorized;-

- To get the Scheme implemented and for this purpose make alteration and/or additions to the Scheme as may be required;

FOR MERCURY METALS LIMITED.

AUTHORISED SIGN. / DIRECTOR

- To make necessary applications and submissions under the provisions of the Listing Agreement with the Stock Exchanges and under the SEBI Circulars to the Securities and Exchange Board of India, the stock exchange for such compromise and/or arrangement and directions given by the Securities and Exchange Board of India and/or stock exchange, if any, in relation thereto be carried out.
- To Make necessary applications and petitions under the provisions of section 391 to 394 read with 100 to 104 and any other applicable provisions of the Companies Act, 1956 to the Hon'ble High Court of Gujarat and the rules made thereunder for such compromise and/or arrangement and directions given by the Hon'ble High Court of Gujarat in relation thereto be carried out.
- To appoint advocates, chartered accountants, company secretaries, advisors and any other agency which may be required for Implementation of the Scheme and to sign Vakalatnama, affidavits, applications and petition and necessary papers as per the procedure required for the aforesaid purpose.
- To make further steps, and do acts, matters, things that may be necessary and expedient for making necessary application and to hold necessary meetings with all Lenders, Bankers and Creditors as and when necessary and also to approach government agencies, if necessary, for following up of the restructuring proposal and give effect to the Scheme of Arrangement with effect from the effective date which is also the appointed date of the Scheme.

Certified True Copy
For, **Mercury Metals Limited**



Golindram L. Kabra
Executive Director

ANNEXURE V

Brief particulars of the Mercury Metals Ltd.

Particulars	Company
Name of the company	Mercury Metals Limited
Date of Incorporation & details of name changes, if any	Mercury Metals Ltd. (hereinafter referred as "the Company") was incorporated on July 04, 1986 as a Private Limited Company under name and style of Mercury Metals Private Limited. By virtue of Section 43(1A) of the Companies Act, 1956, it became deemed public limited company as Mercury Metals Limited w.e.f. 9 th February, 1994 and subsequently, the Company adopted fresh Articles of Association. Thereafter, the name of the Company was changed to Mercury Capital Ltd. and consequently fresh Certificate of Incorporation was issued on 17 th February, 1995 by the Registrar of Companies Gujarat. Thereafter, the Company again changed its name to its present Name i.e. Mercury Metals Ltd. and fresh Certificate of Incorporation consequent to change of name was issued on January, 10, 1997 by the ROC, Gujarat.
Registered Office	36 Advani Market O/S Delhi Gate, Shahibaug, Ahmedabad-380004 Gujarat
Brief particulars of the scheme	This Scheme provides for undertaking financial restructuring and reconstruction of Mercury Metals Ltd. (hereinafter referred as "MML or "the Company"), whereby the paid-up share capital of the Mercury Metals Ltd. shall be reduced from Rs.7,46,56,580/- divided into 69,52,808 equity shares of Rs.10/- each fully paid-up and share forfeiture account (Amount originally paid-up) of Rs.51,28,500/- on forfeiture of 10,25,700 partly paid-up shares to Rs.69,52,808/- divided into 69,52,808 equity shares of Re.1/- each fully paid-up and that such reduction be effected by cancelling the capital which has lost or is unrepresented by available tangible assets, to the extent of Rs.9/- per share upon each of the 69,52,808 equity shares which have been issued by reducing the paid-up value of all the shares in the capital of the Company from Rs.10/- per share to Re.1/- per share and cancellation of shares forfeiture account (amount originally paid-up) of Rs.51,28,500/-.
Rationale for the scheme	<p>a. Continues losses have substantially wiped off the value represented by the Share Capital thus the financial statements do not reflect the correct picture of the health of the Company.</p> <p>b. For ensuring that the financial statements of the Company reflects the real picture and the Capital which is lost is not continued to be shown on the face of balance sheet, it is necessary to carry out reduction of capital of the Company.</p> <p>c. Since writing off of losses has become inevitable for growth of the Company and its shareholders, the Company is now proposing to</p>

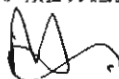
FOR. MERCURY METALS LIMITED.



AUTHORISED SIGN. / DIRECTOR

	<p>undertake a financial restructuring exercise whereby the Company would create a "Capital Restructuring Account" from its paid up Equity Share Capital.</p> <p>d. The reduction of Capital in the manner proposed would enable the Company to have a rational structure which is commensurate with its remaining business and assets.</p> <p>e. This Scheme of Arrangement is presented with a view to achieve Restructuring of the Company which would result in improvement in financial health as more business activities shall be brought into the Company thereby preventing it from becoming a sick company.</p> <p>f. Hence, the proposed reduction will be for the benefit of the Company and its shareholder, creditors and all concerned as a whole.</p>
Date of resolution passed by the Board of Director of the company approving the scheme	31 st July, 2014
Date of meeting of the Audit Committee in which the draft scheme has been approved	28 th July, 2014
Appointed Date	"Appointed Date" means the Effective Date or such other date as may be fixed or approved by the Hon'ble High Court of Judicature at Gujarat.
Name of Exchanges where securities of the company are listed	<ol style="list-style-type: none"> 1. Bombay Stock Exchange Limited 2. Ahmedabad Stock Exchange Limited
Nature of Business	The Company is engaged in Trading of Ferrous And Non Ferrous Metals.
Capital before the scheme	<ul style="list-style-type: none"> • The Authorised Share Capital of the Company is Rs. 10,00,00,000/- divided into 1,00,00,000 Equity Shares of Rs. 10/- each. • The Issued & Subscribed Capital of the Company is Rs. 7,97,85,080/- divided into 79,78,508 Equity Shares of Rs. 10/- each. • The Paid - up Capital of the Company is Rs.7,46,56,580/- divided into 69,52,808 Equity shares of Rs.10/- each and share forfeiture account (amount originally paid-up) of Rs.51,28,500/- .
No. of shares to be issued	Not Applicable
Cancellation of shares on account of cross holding, if any	Not applicable
Capital after the scheme	5.1. The Company shall reduce the existing Paid-Up Equity Share Capital FROM Rs.7,46,56,580/- (Rupees Seven Crores Forty Six Lacs Fifty Six Thousands Five Hundreds Eighty Only) divided into 69,52,808 Equity Shares of Rs.

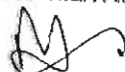
FOR MERCURY METALS LIMITED.



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	<p>10/- (Rupees Ten Only) each fully paid up and share forfeiture account of Rs.51,28,500/- TO Rs.69,52,808/- (Rupees Sixty Nine Lacs Fifty Two Thousands Eight Hundred Eight Only) divided into 69,52,808 Equity Shares of Re.1/- (Rupee One Only) each fully paid up and that such reduction be effected by reducing the paid up value of shares of the Company from Rs.10/- per share to Re.1/- per share, on 69,52,808 Equity Shares and cancellation of share forfeiture account of Rs.51,28,500/-, aggregating to 6,77,03,772/- in the existing paid up Equity Share Capital which is lost or un-represented by the available assets i.e. Debit balance in Profit & Loss Account.</p> <p>5.2. To effect such reduction in Issued, Subscribed and Paid-Up Equity Share Capital the shareholders of the Company on the record date will get 1 (One) equity shares of Re.1/- (rupee One Only) each fully paid-up against 1(One) equity shares of Rs.10/- (Rupees Ten Only) each fully paid up.</p> <p>5.3. The Issued, Subscribed and Paid-up Share Capital, post reduction will be Rs.69,52,808/- divided into 69,52,808 equity shares of Re.1/- each fully paid-up.</p>
Net Worth Pre Capital Reduction	(in Rupees) (1,05,87,372/-)
Post Capital Reduction	(1,05,87,372/-)
Valuation by independent Chartered Accountant – Name of the valuer/valuer firm and Regn no.	<p>*Pursuant to SEBI Circular No. CIR/CFD/DIL/5/2013 dated February 4, 2013 read with CIR/CFD/DIL/8/2013 dated May 21, 2013, 'Valuation Report from an Independent chartered accountant' need not be required in case where there is no change in the shareholding pattern of the listed company. In the case of the present scheme of the Company, as there is reconstruction of capital of the Company by way of reduction in capital, hence there is no change in the shareholding pattern of the Company post scheme, therefore no valuation report from an Independent Chartered Accountant is required.</p> <p>The Company has obtained Certificate confirmation by the whole time director designated as executive director with regard to valuation.</p>
Methods of valuation	Not Applicable

FOR MERCURY METALS LIMITED.



APPROVED SIGN. / DIRECTOR

Fair value per shares	Not Applicable			
Exchange ratio	Not Applicable			
Name of Merchant Banker giving fairness opinion	Corporate Professionals Capital Private Limited			
	Pre Reduction		Post Reduction	
	No. of Shares	% of holding	No. of Shares	% of holding
Promoter	2931308	42.16	2931308	42.16
Public	4021500	57.84	4021500	57.84
Custodian	00	00.00	00	00.00
TOTAL	6952808	100.00	6952808	100.00
No of shareholders	6693		6693	
Name of the Promoters	<ol style="list-style-type: none"> 1. Govindram Laluram Kabra 2. Motilal L Kabra 3. Laxmiben L Kabra 4. Radheshyam L Kabra 5. Girijaben R Kabra 6. Ramswaroop L Kabra 7. Gopal Motilal Kabra 8. Kaushalya D Lahoti 9. Dinesh R Lahoti 10. Neha Ramprakash Kabra 11. Urmila Kabra 12. Kanchan G Kabra 13. Pratik R. Kabra 			
Names of the Board of Directors	<ol style="list-style-type: none"> 1. GOVINDRAM LALURAM KABRA – Executive Director 2. RAMPRAKASH LALURAM KABRA – Director 3. BHUPENDRA SINGH NARAYAN SINGH RAJPUT – Director 4. MAHENDRA GANGARAM PRAJAPATI – Director 			
Details regarding change in management control, if any.	There will be no change in the management of the Company pursuant to the Scheme.			

For, Mercury Metals Ltd.



Govindram L. Kabra
Executive Director

Encls. : As above



Ambalal Patel & Co.
Chartered Accountants

Head Office :-
1st Floor, Sapphire Business Centre,
Above SBI Vadej Branch, Usmanpura,
Ashram Road, Ahmedabad-380013.
Tel. : (079) 27556860, 27556870
Fax : 30087880
E-mail : apcca1@gmail.com
Web Site : www.apcca.com.

Branch Office :-
G/42, Sardar Patel Complex,
Nr. Sardar Chowk,
Unjha -384170.
Tel. : (02767) 253655
E-mail : apccaunjha@gmail.com

AP&Co./Certi./144/2014-15

AUDITOR'S CERTIFICATE/UNDERTAKING

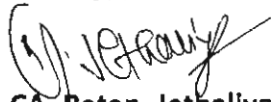
Re. : Scheme of Arrangement In the nature of Reconstruction of Capital of Mercury Metals Ltd. – Non-applicability of e-voting for obtaining approval of Scheme of Arrangement.

This is to certify that the process of e-voting for obtaining approval/consent of the members of Mercury Metals Ltd. for the Draft Scheme of Arrangement in the nature of Reconstruction of Capital of Mercury Metals Ltd. shall not be applicable as none of the conditions is applicable as specified in Para No. 5.16(a)(i), 5.16(a)(ii) and 5.16(a)(iii) of Circular No. No. CIR/CFD/DIL/5/2013 dated February 4, 2013 ("Original SEBI Circular") read with SEBI Circular No. CIR/CFD/DIL/8/2013 dated May 21, 2013 ("Revised SEBI Circular") of Securities and Exchange Board of India (SEBI) and the Scheme of Arrangement in the nature of reconstruction of Capital of Mercury Metals Ltd. is only to reduce the share capital of the Company in order to write off the part of the debit balance of the Profit and Loss Account as at 31.03.2014.

This certificate is issued at the request of the company for onward submission to Bombay Stock Exchange Limited (BSE), with a view to obtaining the no-objection for the Application under Clause 24(f) of the listing agreement for the proposed Scheme of Arrangement in the nature of Reconstruction of Capital of Mercury Metals Ltd.

Date : 12/08/2014
Place : Ahmedabad

For, AMBALAL PATEL & Co.
CHARTERED ACCOUNTANTS
FIRM REG. No. 100305W


CA. Ratan Jethaliya
(Partner)
M. No. 047398

