



SHYAM SUNDER & ASSOCIATES
Chartered Accountant

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Valuation Report of Mercury Metals Limited for the purpose of scheme of arrangement under section 391 to 394 read with section 100 to 104 of the companies act, 1956

We have been appointed for carrying out the Valuation of M/s Mercury Metals Limited (here-in-after referred as "Company") as on 31st March, 2014 for the purpose of 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).

We understand that undergoing the scheme of arrangement in the nature of reconstruction of capital (capital reduction) of the company is in process of Capital reduction as there are continuous losses in the company and it has substantially wiped off the value represented by the Share Capital of the company.

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.6,77,03,772/- 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. There are no changes in the Share holding pattern of the company pursuant to reduction of capital.

The shares of the company are listed at BSE Limited. We have referred the average of the last 26 week price or 2 weeks whichever is higher. Further, We understand that the shares of the Company are not frequently traded therefore effect to it, we have also referred to the Regulation 8(2)(e) of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, however as the Net Asset Value of the company is coming negative, so we have ignored it.

Thus on the basis of 26 weeks average price as shown in BSE site we recommend a fair value of shares to be Rs.2.82/- per share.



For, SHYAMSUNDER & ASSOCIATES

Chartered Accountant
ERN 130197W

[Shyamsunder Nanwal]

Proprietor

M.No. 128896

Place : Ahmedabad
Date : 10/09/2014



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ANNEXURE -1 COMPUTATION OF FAIR VALUE OF EQUITY SHARES

S. No.	Valuation Methodologies Adopted	Value (In Rs.)
1.	Based on Net Asset Value Methodology*	N/A
2.	Based on average of 26 Weeks Market price	2.82
3.	Based on average of 2 Weeks Market price**	N/A

*As per Net Asset Value Methodology the per share value coming negative, so we have ignored it.
**2 Weeks Market price is not available; hence we have ignored it and taken average of 26 Weeks Market price.

Fair Value of shares	
Market Price	2.82

ANNEXURE-2 EXTRACT OF PROVISIONAL FINANCIAL STATEMENT

EXTRACT OF BALANCE SHEET AS ON 31 ST MARCH, 2014	
Particulars	Amount in Rs.
EQUITY & LIABILITY	
Shareholders Fund	
Share Capital	74,656,580.00
Reserves and Surplus	(85,243,952.00)
Non Current Liabilities	39,916,659.00
Current Liabilities	918,250.00
	30,247,537.00
ASSETS	
Non Current – Investment	3,001,250.00
Current Assets	27,246,287.00
	30,247,537.00

EXTRACT OF PROFIT & LOSS ACCOUNT FOR THE PERIOD ENDED 31 ST MARCH, 2014	
Particulars	Amount in Rs.
Total Revenue	
Revenue from Operation	4,823,437
Other Income	13,250
Total Revenue	4,836,687
Total Expenses	5,368,787
Earnings before Tax	(532,100)
Tax Expenses	-
Extraordinary Items	(20,633,396)
Profit after Tax	(21,165,497)

