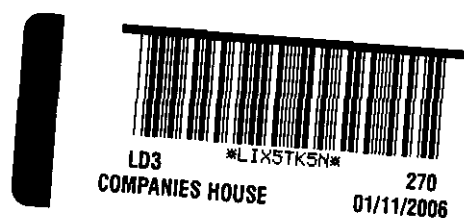


India Minerals Plc
REPORT AND FINANCIAL STATEMENTS

Year ended 31 March 2006



India Minerals Plc

DIRECTORS AND OFFICERS

DIRECTORS

A Balme
P Jarosek
D Paxton
S Singh

SECRETARY

Laytons Secretaries Limited

REGISTERED OFFICE

Fifth Floor Carmelite
London
EC4Y 0LS

AUDITORS

Baker Tilly
Chartered Accountants
Springpark House
Basing View
Basingstoke
Hampshire RG21 4HG

SOLICITORS

Laytons
Carmelite
50 Victoria Embankment
Blackfriars
London
EC4Y 0L9

BANKERS

Close Banking Services
PO Box 203
St George's Court
Upper Church Street
Douglas
Isle of Man IM99 1RB

India Minerals Plc

DIRECTORS' REPORT

The directors submit their report and the group financial statements of India Minerals plc for the period ended 31 March 2006.

PRINCIPAL ACTIVITIES

The principal activity of the group during the period was that of evaluation and acquisition of mineral exploration targets, principally precious minerals and base metals.

REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS

In May of this year, the company entered an option agreement with Track Investments Ltd whereby the latter could purchase Crown Mining for £265,000 or shares in an AIM quoted company, at India Minerals sole discretion. As part of the agreement Track have funded the acquisition of data on the properties in Rajasthan and associated work by consultants. We are currently in discussion with Track on the way forward.

As a result of the arrangements with Track, India Minerals Plc would no longer have an active exploration interest and it would be the intention of the directors to put alternatives for the future to the shareholders.

Under the Companies Act we are obligated to note the risks the business faces. Resource exploration is normally classified as high risk and in particular the business faces the uncertainty of commodity prices, discovery of a commercial resource, and maintaining good title to the reconnaissance permit.

DIVIDENDS

The directors do not recommend a dividend for the period.

DIRECTORS

The following directors have held office since 1 April 2005:

A Balme
P Jarosek
D Paxton
S Singh

DIRECTORS' INTERESTS IN SHARES AND SHARE OPTIONS

Directors' interests in the shares of the company, including family interests, were as follows:

	Number of ordinary shares of 5p each 31 March 2006	Number of ordinary shares of 5p each 1 April 2005
A Balme	500,000	500,000
P Jarosek	-	-
D Paxton	600,000	600,000
S Singh	-	-

- 1 AMC Limited own 100,000 ordinary shares of 5p each, a company in which A Balme is a director.
- 2 Carter Capital own 200,000 ordinary shares of 5p each, a company in which A Balme is a director.
- 3 Sectram Limited own 353,000 ordinary shares of 5p each, a company in which D Paxton is a director.
- 4 Burnbank Limited own 7,500,000 ordinary shares of 5p each, a company in which S Singh is a director.

India Minerals Plc

DIRECTORS' REPORT

DIRECTORS' INTERESTS IN SHARES AND SHARE OPTIONS (*continued*)

Directors' interests in share warrants in the company, including family interests, as at 31 March 2006 were as follows:

	<i>Date of grant</i>	<i>Number of Shares</i>	<i>Exercise Price</i>	<i>Lapse date</i>
A Balme	26.10.04	400,000	10p	31.10.07
D Paxton	26.10.04	400,000	10p	31.10.07
S Singh	26.10.04	400,000	10p	31.10.07
P Jarosek	26.10.04	200,000	10p	31.10.07

The warrants are exercisable within 3 years and leavers are required to exercise within 120 days of leaving the company.

No share options were exercised or waived during the year.

CREDITOR PAYMENT POLICY

The company's current policy concerning the payment of trade creditors is to:

- settle the terms of payment with suppliers when agreeing the terms of each transaction
- ensure that suppliers are made aware of the terms of payment by inclusion of the relevant terms in contracts; and
- pay in accordance with the company's contractual and other legal obligations.

On average, trade creditors at the year end represented 30 days' purchases.

AUDITORS

Baker Tilly were appointed auditors to the company and in accordance with Section 385 of the Companies Act 1985, a resolution proposing that they be re-appointed will be put to the Annual General Meeting.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

The directors who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditors are unaware. Each of the directors have confirmed that they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

By order of the board


For Laytons Secretaries Limited
Company Secretary

Date: 23.10.06

India Minerals Plc

DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Practice. Company law requires the directors to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the company and the group of the profit or loss of the group for that period.

In preparing those financial statements, the directors are required to:

- a. select suitable accounting policies and then apply them consistently;
- b. make judgements and estimates that are reasonable and prudent;
- c. state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- d. prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and the group and to enable them to ensure that the financial statements comply with the requirements of the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF INDIA MINERALS Plc

We have audited the financial statements on pages 6 – 17.

This report is made solely to the company's members, as a body. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinion we have formed.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion, the Directors' Report is not consistent with the financial statements.

In addition, we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of affairs of the group and company at 31 March 2006 and of the group loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.
- The information given in the Directors' Report is consistent with the financial statements.

BAKER TILLY



Registered Auditor
Chartered Accountants
Springpark House
Basing View
Basingstoke
Hampshire RG21 4HG

31.10.06

India Minerals Plc
CONSOLIDATED PROFIT AND LOSS ACCOUNT
for the period ended 31 March 2006

	Notes	2006 £	2005 £
TURNOVER		-	-
Net operating expenses	2	(36,480)	(222,611)
OPERATING LOSS		<u>(36,480)</u>	<u>(222,611)</u>
Amounts written off investments		(170,030)	-
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION	3	<u>(206,510)</u>	<u>(222,611)</u>
Taxation	4	-	-
LOSS ON ORDINARY ACTIVITIES AFTER TAXATION	11	<u><u>(206,510)</u></u>	<u><u>(222,611)</u></u>

The operating loss for the period arises from the group's continuing operations.

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

	31 March 2006 £	31 March 2005 £
Loss for financial period	(206,510)	(222,611)
Currency translation losses on foreign currency net investments	-	-
Total recognised gains and losses for period	<u><u>(206,510)</u></u>	<u><u>(222,611)</u></u>

India Minerals Plc
CONSOLIDATED BALANCE SHEET
31 March 2006

	Notes	31 March 2006 £	31 March 2005 £
FIXED ASSETS			
Intangible assets	5	264,426	428,012
CURRENT ASSETS			
Debtors	7	14,939	46,507
Cash at bank and in hand		8,149	23,673
		23,088	70,180
CREDITORS: Amounts falling due within one year	8	(9,235)	(13,403)
NET CURRENT ASSETS		13,853	56,777
NET ASSETS		278,279	484,789
CAPITAL AND RESERVES			
Called up share capital	9	619,150	619,150
Share premium account	10	88,250	88,250
Profit and loss account	11	(429,121)	(222,611)
EQUITY SHAREHOLDERS' FUNDS	12	278,279	484,789

Authorised for issue by the board on [date] 23/10/06

A Balme

Director



D Paxton

Director



India Minerals Plc
 COMPANY BALANCE SHEET
 31 March 2006

	Notes	2006 £	2005 £
FIXED ASSETS			
Investments	6	265,000	435,030
CURRENT ASSETS			
Debtors	7	14,272	46,507
Cash at bank and in hand		4,122	13,135
		18,394	59,642
CREDITORS: Amounts falling due within one year	8	(5,115)	(9,883)
NET CURRENT ASSETS		13,279	49,759
NET ASSETS		278,279	484,789
CAPITAL AND RESERVES			
Called up share capital	9	619,150	619,150
Share premium account	10	88,250	88,250
Profit and loss account	11	(429,121)	(222,611)
EQUITY SHAREHOLDERS' FUNDS	12	278,279	484,789

Authorised for issue by the board on [date] 23/10/06

A Balme

Director



D Paxton

Director



India Minerals Plc
CONSOLIDATED CASH FLOW STATEMENT
for the year ended 31 March 2006

	<i>Notes</i>	2006 £	2005 £
Cash outflow flow from operating activities	13	(9,080)	(259,235)
Capital expenditure and financial investment	13	(6,444)	-
Acquisitions and disposals	13b	-	508
CASH OUTFLOW BEFORE MANAGEMENT OF LIQUID RESOURCES AND FINANCING		(15,524)	(258,727)
Financing	13b	-	282,400
(DECREASE)/INCREASE IN CASH IN THE PERIOD		(15,524)	23,673
RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS			
		2006 £	2005 £
(Decrease)/Increase in cash in the period		(15,524)	23,673
Cash outflow from increase in liquid resources		-	-
Change in net funds resulting from cash flows		(15,524)	23,673
Translation difference		-	-
Movement in net funds in the period		(15,524)	23,673
NET FUNDS AT 1 APRIL 2005		23,673	-
NET FUNDS AT 31 MARCH 2006		8,149	23,673

India Minerals Plc

ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

BASIS OF CONSOLIDATION

The consolidated financial statements incorporate those of India Minerals Plc and all its subsidiary undertakings. Subsidiaries are consolidated using the acquisition method. All financial statements are made up to 31 March 2006.

FOREIGN CURRENCIES

Assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to the profit and loss account.

Assets, liabilities, and results of overseas subsidiaries are translated at the rate ruling at the balance sheet date. Exchange differences arising are dealt with through reserves.

INTANGIBLE FIXED ASSETS

All costs relating to the acquisition, exploration and development incurred by the Company and Group on its mineral properties are carried as intangible assets until such time as it is determined that there are commercially exploitable reserves at which time such costs will be transferred to tangible fixed assets to be amortised over the expected productive life of the asset. The directors periodically review the intangible assets for impairment and where a project is abandoned or is considered not to be economically viable, the related costs are written off.

INVESTMENTS

Long term investments representing interests in subsidiary undertakings are stated at cost less any provision for impairment in the value of the fixed asset investment.

TURNOVER

Turnover represents the invoiced value, net of Value Added Tax, of goods sold and services provided to customers.

RESEARCH & DEVELOPMENT

All research and development costs are written off as incurred. Development expenditure is carried forward when its future recoverability can be foreseen with reasonable assurance and is amortised in line with sales from the related product. All research and other development costs are written off as incurred.

DEFERRED TAX

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Group's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements. Deferred tax is recognised in the Statement of Total Recognised Gains and Losses on revaluations where at the balance sheet date there is an agreement to sell the asset. Deferred tax is recognised in respect of the retained earnings of overseas subsidiaries and associates only to the extent that, at the balance sheet date, dividends have been accrued as receivable or a binding agreement to distribute past earnings in future has been entered into by the subsidiary or associate. Deferred tax is measured at the average tax rates that are expected to apply in the periods in which timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantially enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

India Minerals Plc

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2006

1 LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION

The group's loss on ordinary activities before taxation was derived from its principal activity.

2	NET OPERATING EXPENSES	2006 £	2005 £
	Administration expenses	36,480	222,611
		<u> </u>	<u> </u>

3 LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION

	2006 £	2005 £
Loss on ordinary activities before taxation is stated after charging:		
Auditors' remuneration - audit (principal auditor)	5,000	4,000
	<u> </u>	<u> </u>

India Minerals Plc

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2006

4	TAXATION	2006 £	2005 £
	Current tax:		
	UK corporation tax on losses of the period	-	-
	Adjustments in respect of previous periods	-	-
		<hr/>	<hr/>
	Total current tax	-	-
		<hr/>	<hr/>
	Deferred tax:		
	Origination and reversal of timing differences	-	-
		<hr/>	<hr/>
		-	-
		<hr/>	<hr/>
	Tax on loss on ordinary activities	-	-
		<hr/>	<hr/>
	Factors affecting tax charge for period:		
	Loss on ordinary activities before tax		
	Loss on ordinary activities multiplied by the rate of corporation tax for small companies of 19%		
	Effects of:		
	Expenses not deductible for tax purposes		
	Depreciation in excess of capital allowances		
	Differences in tax rates		
	Unrelieved tax losses carried forward		
		<hr/>	<hr/>
	Tax charge for period	-	-
		<hr/>	<hr/>

Unrelieved tax losses of £255,967 (2005: £219,847) carried forward have not been recognised as a deferred tax asset, as there is currently insufficient evidence that the asset will be recoverable in the foreseeable future.

India Minerals Plc

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2006

5	INTANGIBLE FIXED ASSETS	Development costs £
	GROUP	
	Acquired with subsidiaries	264,426
	31 March 2006	<u>264,426</u>

6	INVESTMENTS	Shares in subsidiary undertakings £	Total £
	COMPANY		
	Cost		
	1 April 2005	435,030	435,030
	31 March 2006	<u>435,030</u>	<u>435,030</u>
	Provisions for diminution in value		
	1 April 2005	-	-
	Charge in the year	170,030	170,030
	31 March 2006	<u>170,030</u>	<u>170,030</u>
	Net book value		
	31 March 2006	<u>265,000</u>	<u>265,000</u>

The group acquired 100% of the called up ordinary share capital of Crown Mining PVT Limited by the issue of 8,500,000 ordinary shares of 5p. The assets and liabilities of Crown Mining PVT Limited group have been consolidated at their fair values to the group. The adjustment represents the inherent value of the mining and exploration rights which the India Minerals (UK) Limited group owns.

At 31 March 2006 the company held more than 20 per cent of the equity of the following undertaking:

	Class of Holding	Proportion Held	Country of Incorporation	Nature of business
Direct:				
Crown Mining PVT Limited	Ordinary	100%	India	Mining and exploration

7	DEBTORS	2006 £	Group 2005 £	2006 £	Company 2005 £
	Due within one year:				
	Other debtors	14,939	46,507	14,272	46,507
		<u>14,939</u>	<u>46,507</u>	<u>14,272</u>	<u>46,507</u>

India Minerals Plc

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2006

8	CREDITORS: Amounts falling due within one year:	2006 £	Group 2005 £	2006 £	Company 2005 £
	Trade creditors	2,115	715	2,115	715
	Other taxes and social security	-	-	-	-
	Accruals and deferred income	3,000	9,760	3,000	9,168
	Directors current account	4,120	2,928	-	-
		<u>9,235</u>	<u>13,403</u>	<u>5,115</u>	<u>9,883</u>

9	SHARE CAPITAL	Group and Company 2006 £	2005 £
	Authorised: 50,000,000 ordinary shares of 5p each (50,000,000 ordinary shares of 5p each)	2,500,000	2,500,000
	Allotted, issued and fully paid: 12,383,000 ordinary shares of 5p each	<u>619,150</u>	<u>619,150</u>

Share warrants

At 31 March 2006, the following share warrants over ordinary shares of 5p each of the Company had been granted and not exercised:

Date of grant	Number of shares	Exercise Price	Exercise Period
Warrant	1,600,000	10p	3 years

The warrants are exercisable within 3 years and leavers are required to exercise within 120 days of leaving the company.

10	SHARE PREMIUM ACCOUNT	Group and Company 2006 £	2005 £
	1 April 2005	-	-
	Premium on shares issued during the period	88,250	-
	31 March 2006	<u>88,250</u>	<u>-</u>

India Minerals Plc

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2006

11	PROFIT AND LOSS ACCOUNT	2006 £	Group 2005 £	2006 £	Company 2005 £
	1 April 2005	(222,611)	-	(222,611)	-
	Loss for the financial period	(206,510)	(222,611)	(206,510)	(222,611)
	Exchange rate adjustments	-	-	-	-
	Transfer from share premium account	-	-	-	-
	31 March 2006	<u>(429,121)</u>	<u>(222,611)</u>	<u>(429,121)</u>	<u>(222,611)</u>

In accordance with s230 of the Companies Act 1985, India Minerals Plc has not presented its own profit and loss account.

India Minerals Plc

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2006

12	RECONCILIATION OF MOVEMENT IN EQUITY SHAREHOLDERS' FUNDS	2006 £	Group 2005 £	2006 £	Company 2005 £
	Loss for the financial period	(206,510)	(222,611)	(206,510)	(222,611)
	Issue of shares during the period	-	707,400	-	707,400
	Share issue costs	-	-	-	-
	Exchange rate adjustments	-	-	-	-
	Net addition to shareholders' funds	(206,510)	484,789	(206,510)	484,789
	Opening shareholders' funds	484,789		484,789	
	Closing shareholders' funds	278,279	484,789	278,279	484,789
13	CASH FLOWS			2006 £	2005 £
a	Reconciliation of operating loss to net cash outflow from operating activities				
	Operating loss			(36,480)	(222,611)
	Decrease in debtors			31,568	(46,507)
	Decrease in creditors			(4,168)	9,883
	Net cash outflow from operating activities			(9,080)	(259,235)
b	Analysis of cash flows for headings netted in the cash flow			2006 £	2005 £
	Capital Expenditure				
	Payments to acquire tangible fixed assets			6,444	-
				6,444	-
	Acquisitions and disposals				
	Cash acquired with subsidiary			-	10,538
	Acquisition of subsidiary			-	(10,030)
	Net cash inflow from acquisitions and disposals			-	508
	Financing				
	Proceeds from issue of share capital			-	282,400
	Net cash inflow from financing			-	282,400

India Minerals Plc

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2006

13 CASH FLOWS (*continued*)

	At 1 April 2005 £	Cash- flow £	At 31 March 2006 £
c Analysis of net funds			
Cash at bank and in hand	23,673	15,524	8,149
Cash on deposit	-	-	-
	<u>23,673</u>	<u>15,524</u>	<u>8,149</u>
d Analysis of the net outflow of cash in respect of the purchase of subsidiary undertaking:		2006 £	2005 £
Cash acquired with subsidiary		-	10,538
Acquisition of subsidiary		-	(10,030)
Net inflow of cash in respect of the purchase of subsidiary		<u>-</u>	<u>508</u>

14 RELATED PARTY TRANSACTIONS

Payments made to directors of the group during the year for the provision of consultancy services were as follows:

Name of director	2006 £
S P Singh	
D Paxton	
A Balme	1,800

£29,809 was paid to Burnbank (of which S P Singh is a director) during the year for research costs.

£1,800 was paid to Carter Capital Ltd (of which A Balme is a director) during the year for consultancy fees.

£2,115 was outstanding to Carter Capital by the group at the period end in relation to these transactions.

The group has taken advantage of the exemption under FRS8 in regard to the disclosure of transactions and balances with group companies.