

**10th Annual Report
2004-2005**

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Goldmines Media Limited

Board of Directors :

Mr. Manish Shah (Managing Director)
 Mrs. Ulka Shah (Whole-time Director)
 Mr. Kunal Singh

Company Secretary & President-Corporate Affairs :

Mr. R. B. Uparkar

Auditors :

M/s Sanjay Raja Jain & Co.
 Chartered Accountants
 F-3, Dadar Manish A.C. Market,
 Senapati Bapat Marg,
 Dadar (West), Mumbai 400 028.

Registered Office :

Plot No. 45,
 Ganpati Bhavan, 1st Floor,
 M. G. Road, Goregaon (West),
 Mumbai 400 062.
 Tele. 2874 8995/9001
 Fax 2876 7645
 Email : goldminesmedia@hotmail.com

Registrars & Transfer Agents :

Bigshare Services Private Limited
 E/2, Ansa Industrial Estate,
 Saki Vihar Road, Saki Naka,
 Andheri (East),
 Mumbai 400 072
 Tele 2847 3474, 2847 0652/53
 Fax 2852 5207
 Email : bigshare@bom7.vsnl.net.in

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Goldmines Media Limited**Notice to the Members**

NOTICE is hereby given that the Tenth Annual General Meeting of Goldmines Media Limited will be held on Friday, 23rd December, 2005 at Keshav Gore Smarak Trust Hall, "Smriti", Aarey Road, Goregaon (West), Mumbai 400062 at 11.30 a.m. to transact the following business:

Ordinary Business :

1. To receive, consider and adopt the Balance Sheet as at 30th June, 2005 and the Profit and Loss Account for the year ended on that date and Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Kunal Singh who retires by rotation and, being eligible, offers himself for re-appointment.
3. To re-appoint M/s. Sanjay Raja Jain & Co., Chartered Accountants, the retiring Auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company on a remuneration to be decided by the Board of Directors in consultation with the Auditors.

Special Business :

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

"RESOLVED THAT, pursuant to Sections 198, 269, 309 and 314 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modifications or re-enactment thereof for the time being in force), the Company hereby accords its consent and approval to the re-appointment of Mrs. Ulka Shah as the Director in whole-time employment of the Company for a period of five years from 16th November 2005, on the following terms and conditions:

Salary:

Rs.25,000/- per month, with an annual increase of Rs.3,000/- upto Rs.40,000/- in five years.

Commission:

Commission on the Net Profit of the Company for each financial year subject to the condition that it shall not exceed one percent of net profit of the Company in any year.

Benefits and perquisites:

- (i) Reimbursement of medical expenses actually incurred for self and family not exceeding an amount equivalent to one month salary in any year.
- (ii) Leave with full pay and allowances, as per the rules of the Company, not exceeding one month leave salary for every eleven months of service rendered subject to the condition that leave accumulated but not availed will be allowed to be encashed at the end of the tenure.
- (iii) Reimbursement of expenses incurred on travel for self, spouse and dependent children once in a year to and from any place in India.
- (iv) Furnished residential accommodation together with utilities such as gas, electricity and two servants etc., the monetary value of which will be calculated as per the Income Tax Rules, 1962.
- (v) Free Telephone facility at residence and cellular phone for office use. Personal long distance calls shall not be paid.

"RESOLVED FURTHER THAT in case Mrs. Ulka Shah is removed from the position of Whole-time Director before she completes her stipulated term, she shall be paid a compensation of salary equivalent to 50% of salary that she would have been entitled to had she continued as Whole-time Director.

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"RESOLVED FURTHER THAT Mrs. Ulka Shah shall not be liable to retire by rotation as a Director as long as she continues to be the Whole-time Director of the Company.

"RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to execute all such documents and to do such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution".

By Order of the Board

Manish Shah

Managing Director

Place: Mumbai

Dated: 19th November, 2005

Notes:

1. An Explanatory Statement pursuant to Section 173 (2) of the Companies Act, 1956, in respect of item no. 4 of the Notice as set out above, is annexed hereto
2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY SHOULD, HOWEVER BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**
3. The Register of Members and Share Transfer Books of the Company shall remain closed from Thursday 15th December, 2005 to Friday 16th December 2005 (both days inclusive).
4. Members seeking any information with regard to accounts of the Company are requested to send their queries so as to reach the registered office at least 10 days before the meeting to enable the management to keep the information ready.
5. As a measure of economy, copies of Annual Reports will not be distributed at the Annual General Meeting. Members are requested to bring their copies of Annual Report to the Meeting.

Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956

Item No. 4

Members may be aware that Mrs. Ulka Shah was appointed as Director-Finance in the whole time employment of the Company with effect from 16th November 2000 for a period of five years. Subject to the approval of members, the Board of Directors, in its meeting held on 14th November 2005 have re-appointed her as Director in the whole time employment of the Company for a further period of five years from 16th November 2005 on the terms and conditions stated in the aforesaid resolution.

This explanatory statement together with the accompanying Notice should be treated as an abstract under 302 of the Companies Act, 1956.

The Special Resolution contained in item no. 4 of the accompanying notice is intended for obtaining such approval of the shareholders. Your Directors recommend passing it.

None of the Directors other than Mrs. Ulka Shah and Mr. Manish Shah is concerned or interested in passing the said resolution.

Goldmines Media Limited**Directors Report**

Your Directors have pleasure in presenting their Tenth Annual Report together with the Audited Accounts of the Company for the year ended on 30th June, 2005.

Financial Results

(Amount in Rs.)

	For the 12 months year ended on 30th June, 2005	For the 15 months year ended on 30th June, 2004
Gross Income	12,35,20,446	5,47,08,596
Expenditure	10,89,08,721	5,32,99,977
Profit before Taxation & Depreciation	1,46,11,725	14,08,619
Depreciation	2,82,612	5,36,197
Profit / (Loss) before tax	1,43,29,113	8,72,422
Less : Income Tax	9,36,890	Nil
Profit / (Loss) after tax	1,33,92,223	8,72,422
Profit / (Loss) brought forward from last year	(2,19,60,036)	(2,28,32,458)
Profit / (Loss) carried forward to Balance Sheet	(85,67,813)	(2,19,60,036)

Your Company continued to move upwards during the current year. The gross income rose from Rs.547.09 lakhs in the previous year (of 15 months duration) to Rs.1235.20 lakhs in the current year (of 12 months duration), thereby registering 181% increase over previous year on annualized basis. The profit before tax rose from Rs.8.72 lakhs in the previous year to Rs.143.29 lakhs in the current year, thereby registering a 20 times growth over previous year on annualized basis. (A detailed analysis of financial results has been made in "Management Discussion & Analysis Report" which is annexed hereto.)

Management Discussion and Analysis

In accordance with the Listing Agreement entered into with stock exchanges, the Management Discussion and Analysis Report is annexed hereto and forms part of this report.

Fixed Deposits

The Company has not accepted any deposits from the Public within the meaning of Section 58A of the Companies Act, 1956 during the period under review.

Re-issue of forfeited shares

As members are aware, the Board of Directors had forfeited 8,32,000 equity shares of the Company on 9th July, 2001 for non-payment of allotment money. Out of these 8,32,000 shares, the Board had revoked the forfeiture of 1,100 shares during the year 2001-2003.

The Board has reissued 8,00,000 forfeited shares on 24th January 2005 to various bodies corporate at a price of Rs.10/- per share.

De-listing of shares from Ahmedabad Stock Exchange

Further to the resolution passed by the members in the last annual general meeting of the Company, the equity shares of the Company have been de-listed from Ahmedabad Stock Exchange with effect from 11th October 2005. The de-listing process in respect of Hyderabad Stock Exchange is in progress.

Directors

While Mr. Dinesh Gandhi did not seek the re-appointment as director at last annual general meeting of the Company, Mrs. Tabassum Govil as well as Mr. Rahul Merchant resigned from the Board during the year due to pre-occupation. The Board places on record its sincere appreciation of the valuable services rendered by them during their tenure as Directors of the Company.

Mrs. Ulka Shah was appointed as Director-Finance in whole time appointment of the Company for a period of five years with effect from 16th November 2000. Subject to the approval of members, the Board of Directors, in its meeting held on 14th November 2005 have re-appointed her for a further period of five years from 16th November 2005. Your Directors recommend her re-appointment as Director

Mr. Kunal Singh will retire by rotation and being eligible, has offered himself for re-appointment at the ensuing Annual General Meeting. Your Directors recommend his re-appointment as Director.

Directors Responsibility Statement

Pursuant to provisions of Section 217(2AA) of the Companies Act, 1956, your Directors confirm that:

- In the preparation of these annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;

- (ii) The accounting policies have been consistently applied and reasonable and prudent judgments and estimates have been made, so as to give a true and fair view of the state of affairs of the Company for the year ended on 30th June 2005 and of the profit of the Company for that year;
- (iii) Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of this Act, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) These annual accounts have been prepared on a going concern basis.

Auditors

M/s. Sanjay Raja Jain & Co., Chartered Accountants, the auditors of the Company retire at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment as the Auditors of the Company. A certificate from the Auditors has been received to the effect that their appointment, if made, would be within limits prescribed under Section 224(1B) of the Companies Act, 1956.

Auditors Report

The Auditors Report to the Shareholders does not contain any adverse qualifications.

Internal Control System

The Company maintains adequate internal control systems, which provide, among other things, reasonable assurance of recording the transaction of its operations in all material respects and of providing protection against significant misuse or loss of company's assets. The Company is now in the process of setting up Internal Audit System.

Corporate Governance

Pursuant to clause 49 of the listing agreement entered with the Stock Exchanges, the Company has complied with the provisions of Corporate Governance and a report on corporate governance is annexed hereto and forms part of this report. A certificate from the auditors of the Company regarding compliance of conditions of Corporate Governance is attached to this Report.

In future, the Company intends to implement the non-mandatory recommendations, as prescribed in Code of Corporate Governance.

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings & Outgo

The Company is not strictly engaged in the manufacturing activity; as such particulars relating to conservation of energy and technology absorption are not applicable. However, in the editing facilities, offices etc., adequate measures are being taken to conserve energy as far as possible.

As far as foreign exchange earning and outgo is concerned, the Company has neither earned nor used any foreign exchange during the period under review.

Particulars of Employees

There is no employee covered pursuant to Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended. Hence, no particulars are given.

Subsidiary Companies

During the year, Goldmines Telefilms Private Limited ceased to be the subsidiary of the Company.

A statement pursuant to Section 212 of the Companies Act, 1956 relating to Company's subsidiaries is attached to the Balance Sheet.

Consolidated Financial Statements

Your Directors have pleasure in attaching the Consolidated Financial Statements prepared in accordance with the Accounting Standards prescribed by the Institute of Chartered Accountants of India, in this regard.

Acknowledgments

Your Directors wish to place on record their appreciation and acknowledge with gratitude the support and co-operation extended by the Bankers, Shareholders, Registrar & Transfer Agents, the artists and technicians associated with the Company's programmes, media and channels, whose continued support has been a source of strength to the Company. Your Directors also place on record their appreciation for the dedicated and sincere services rendered by the employees of the Company.

For and on behalf of the Board

(Manish Shah)
Managing Director

Place: Mumbai
Date: 19th November, 2005

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Management Discussion and Analysis Report

Industry Structure and Development

The Indian Entertainment industry (consisting of television, cinema, music, radio and live entertainment) continued to grow during the year 2004 too. The total size of the industry at present is about Rs.222 billion and is expected to grow to Rs.595 billion by 2010. The size of Indian television market was Rs.139 billion in 2004 and is expected to touch a figure of Rs.371 billion by 2007.

The television software segment, which provides content to broadcaster, accounted for about 13 percent of the entertainment industry and about 20 per cent of the Indian television industry. The same is expected to grow at the rate of about 17% per year.

Cable and satellite (C&S) penetration reached about 48 million households while average number of channels increased to about 130. C&S, which was initially an urban phenomenon, began to penetrate rural areas. This is because the rural market for colour television is progressing rapidly. Of 250 lakhs households that brought television sets in India during last three years, 190 lakhs (77%) are in rural areas.

Television advertising spending grew by about 12.5% during the year 2004 and is expected to grow a little over 8% to Rs.78 billion by 2010.

The Government of India amended Cable Network (Regulation) Act, 1995 in January 2003 whereby it was mandatory to view pay channels only via set top box. However, the failures of the CAS scheme and the repeated delays in the rollout of DTH have affected the sentiments of the industry in general.

The Indian film industry was worth an estimated Rs.59 billion in 2004 and is expected to reach at about Rs.143 billion by 2010. The industry is going through a radical change with advent of multiplexes.

The rise in multiplexes has been the largest single factor in the growth of the film sector. It is expected that over the next few years there will be significant rise in the number of multiplexes. Considering that ARPU (Average Realisation Per Unit) in the multiplexes is several times than in single screen, this is likely to impact the film industry in a very positive manner.

Opportunities and Threats

Opportunities

It is hoped that DTH and CAS becomes operational during next few years. These systems will end the monopoly of cable operators and shift the power to consumers.

International markets will continue to offer potential for niche programming and repeat telecasts.

Emergence of international audiences and NRI's as a strong and lucrative market are looking for Indian Television serials as well as feature films.

Television enjoys the highest reach across the people all over India. It has direct, day-to-day and continuous mass appeal when compared with newspapers, radio or cinema. There still exists a vast potential for reaching cable television.

The access of cable and satellite channels into television households is currently 21 percent compared to 43 per cent of all Indian households having television sets- a considerable room for growth within India's existing market.

The international markets represent a large untapped market for the Indian soap. India is in a position to capture the attention of a large Indian population across UK, UAE, South Africa and US.

Threats

However, we perceive certain threats as follows:

The economic / industrial recession which had affected most of the industries in the country still continues. The power sector is the most affected one, and more than 50% of Indian population still goes without electricity for major part of the day. That may affect the viewership of TV programs.

To save cost, most of the Channels still look for a re-run of old programmes which may affect the market for new programmes.

The possibility of a shake up in the Cable and Satellite Channels will result in stiff competition between the existing content providers. A delay in introduction of CAS and DTH had negative effects on the industry. The freeze on rates imposed through a TRAI notification may affect growth of broadcasters and cable operator's revenue. This may reduce

the profitability and hence the growth rates in TV industry and ultimately, the margins of producers and content suppliers of TV programmes.

The media industry may feel a positive or negative impact in future due to the changes in the regulatory framework and tax laws as compared with the current scenario.

Segment-wise or Product-wise performance

The Company had a vision to establish itself into three main areas – television software, Internet and stage shows. As already explained to you in last two annual reports, the Company has dropped out from internet/ stage shows. During the year 2004-05, even though the Company reduced its reliance on television software significantly, the same was compensated by entering into (and developing) the business of trading in film rights.

Serials

As you are aware, during the year 2000-2005, the Company's main thrust was on producing quality serials. Some of the notable serials produced by the Company include Kabhie Kabhie for Zee TV (72 episodes), Hansa Chakratu for Alpha Marathi (56 episodes), Ka Kaa Ki Ku for ETV Marathi (26 episodes), Aatey Kya Khandala for Hungama (26 episodes).

However, intense competition from other production houses, a long waiting period before telecast, lower consideration for regional serials stood as hurdles in the way of producing serials and the Company shifted its business thrust on film rights market.

Hiring out Equipment

The Company has its own EDIT V6 Real Time Non Linear Editing Systems. Edit 6 includes innovative new tools and many important new features that combine to provide a creative professional editing and compositing solution. The EDIT System is being used by the Company for editing the serials of other production houses as well as its own serials.

Purchasing rights of films

The Company is pioneer in acquiring negative rights (i.e. absolute rights) of films for a period of 99 years. Negative rights gives absolute monopoly to the Company in the matter of exploitation of all rights such as theatrical rights, video rights, satellite rights, cable TV rights, overseas rights, doordarshan rights, Pay TV rights, video on demand rights, ship borne rights, airborne rights, mobile telephony rights, internet rights etc. The Company buys negative rights of films produced in Hindi, Marathi, Gujarati, Bengali and Assamese languages and sells them on a piecemeal basis to various media organizations for a period of 5 years at a time.

The Company sells the satellite rights to channels such as Star, Zee, Sony, Sahara, ETV etc. and video rights to video companies such as Time, Bombino etc. The Company offers movies to Doordarshan for one time single telecast. The overseas rights are sold country wise to various buyers.

The rights are initially sold at close to cost or with a small profit margin for a period of 5 years. As a result, the rights for balance 94 years appear in the books of the Company at zero cost. When the rights are sold again, the entire income generating therefrom would translate into profit. This stream would continue till the time the rights stay with the Company i.e. for a period of 99 years.

The Company has acquired the rights of about 300 Hindi feature films and 150 regional films. These films consist of big hits such as Joru Ka Ghulam, Bade Dilwala, Khamoshi, Kohraa, Bees Saal Baad, Janta Hawaldar, Saheb, Sangram, Tada, Judge Mujrim, Angrakshak, Zor, Lakeer, in Hindi; Gharkul, Sobati, Molkarin, Jivhala, Lakhachi Gosht, Prapanch in Marathi; Meera Datar, Kunku, Rupali Datanwali, Dharati Na Aame in Gujarati to name a few.

Out of the rights so acquired, the Company has already sold the rights of about 160 films to various satellite channels/ video companies for a period of 5 years.

Production of feature films

During the year, the Company has entered into the business of making feature films. In film production, the Company evolved a unique Minimum Guarantee-Revenue Sharing Model for sale of distribution rights, keeping in mind the contemporary realities. The Company marketed its maiden film production "Tezaab" as per this model. In the industry, the producers normally sell their films upfront to distributors who in turn sell the same to the exhibitors. In such system, it is the distributor who gets all the returns while the producer has to be content with upfront payment for the sale of film. In the above model, even the producer is benefited if the film becomes a super hit. This novel revenue sharing model has met with a wider acceptance among the distributors. The Company made a good profit on the minimum committed revenue. This is likely to be the future model of the Hindi film industry.

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Future Outlook

In spite of certain negative factors, the entertainment media sector has high potential for growth when compared with other sectors. Television has emerged as most effective mass communication medium. With increase in households having Cable TV's, advertisers are resorting to Television advertising for promoting their products. New television channels are being launched which has widened the market for television software as well as for feature films.

The phenomenal growth of private television channels has widened the market for television entertainment software. Television has emerged as most effective mass communication medium and therefore, its growth rate is higher than any other media. As the television is cheapest form of entertainment, the time spent in watching it continues to go on increasing.

With 15% of the world's population being in, or having originated from the Indian sub-continent, this opportunity for re-exploitation has high potential at a very low incremental cost.

As the media industry expands, it is inevitable that the bigger channels and larger houses will seek to acquire the better software/ content providers in a bid to secure their programming. Innovative attempts to attract and lock in viewers would include content sharing, advertising and financial alliances with other media such as print etc.

The Indian film industry is going at the rate of 18 per cent per annum. There will be scope for film producers as well as distributors.

In view of these factors, the Directors are optimistic of further improvement in the company's performance.

Internal Control System and their adequacy

The Company maintains adequate internal control systems, which provide, among other things, reasonable assurance of recording the transaction of its operations in all material respects and of providing protection against significant misuse or loss of company's assets.

Discussion on financial performance with respect to operational performance

At the last Annual General Meeting of the Company, the Board of Directors had expressed the confidence that the Company would do better and better in the years to come. The stupendous financial results of the current year would vouch for that. The profit before tax rose from Rs.8.72 lakhs in the previous year to Rs.143.29 lakhs in the current year, thereby registering a 20 times growth over previous year on annualized basis.

The gross income rose from Rs.547.09 lakhs in the previous year (of 15 months duration) to Rs.1235.20 lakhs in the current year (of 12 months duration), thereby registering 182% increase on annualized basis.

The most beneficial segment has been the trading/making of films. About 67% of the Company's revenue came from this segment. The sale on this account increased from Rs.129.10 lakhs in the previous year to Rs.824.52 lakhs in the current year, the increase being about 7 times on annualized basis.

As the Company reduced its spread on making of serials, the income from serials decreased from Rs.194.81 lakhs in the previous year to Rs.104.87 lakhs in current year.

The profit would have been more but for Rs.6.51 lakhs as public issue expenses write-off and Rs.10.37 lakhs as production expenses write-off. This write-off is not operating expense in real terms.

It has always been the policy of the Company to control and reduce the expenditure to the extent possible. No director has claimed any sitting fees / out of pocket expenses for attending board/ committee meetings. As a cost cutting measure, the strength of employees was kept to the bare minimum.

The Company continued to keep strict control over the expenses. That's why in spite of 181% increase in income, the increase in production expenses and administrative expenses taken together increased by just 17% on annualized basis.

Material Development in Human/ Industrial Relations Front

The Company believes that the manpower is the primary and most valuable resource to the growth of the organisation. Therefore, the Company is in the process of recruiting competent key managerial personnel in the field of editing, recording, production, post-production etc. The media industry is highly dependent on individual creative talent and the Company will make all the efforts to attract and retain the best and creative talent in the industry.

Report on Corporate Governance

This report on Corporate Governance forms part of the Directors Report. This section besides being in compliance of the mandatory listing agreement requirement gives an insight into the process of functioning of the Company.

Company's Philosophy on Code of Corporate Governance

- To adopt internal and external measures to increase the level of transparency and accountability.
- To demonstrate to stakeholders that the Company is following right governance practices.
- To lead the Company towards high growth path of higher profits and revenue.
- To respect the laws of the land and rights of stakeholders and to get respect from all concerned.
- To uphold at all times fundamental values of accountability, probity and transparency in all areas of its operations and business practices.

Board of Directors

The Board of Directors of the Company consists of eminent persons with considerable professional experience and expertise in the field of media, law, finance, accounts etc.

The strength of the Board of Directors of the Company as on 30th June 2005 is 3.

The Composition of Board of Directors is as follows:

Name of Directors	Designation	Category	Status
Mr. Manish Shah	Managing Director	Executive	Independent
Mrs. Ulka Shah	Director	Executive	Independent
Mr. Kunal Singh	Director	Non-executive	Independent

During the year, 12 Board meetings were held and the requisite quorum was present at all Board meetings. There is no gap of four months between any two meetings. None of the Directors is a member in more than 10 committees or acts as a Chairman in more than five committees across all companies in which he is a Director.

While Mr. Dinesh Gandhi did not seek the re-appointment as director at last annual general meeting of the Company, Mrs. Tabassum Govil as well as Mr. Rahul Merchant resigned from the Board during the year due to pre-occupation. The Board is in the process of re-constituting the Board by appointing additional Directors

Audit Committee

The Composition, powers and functions of the Audit Committee were as stipulated under clause 49 of the Listing Agreement and under Section 292A of the Companies Act, 1956.

Upto 14.03.05, the Composition of Audit Committee was as follows:

Name of Director	Designation	Category	Status
Mrs. Ulka Shah	Chairperson of the Committee	Executive	Independent
Mr. Rahul Merchant	Member of the Committee	Non-executive	Independent
Mr. Kunal Singh	Member of the Committee	Non- executive	Independent

The statutory auditors are the permanent invitees to the Audit Committee meeting. Three Audit Committee meetings were held during the year.

Mr. Rahul Merchant resigned from the directorship of the Company with effect from 14.03.05. The Board is in the process of re-constituting the Board (and thereby Audit Committee) by appointing additional Directors

Remuneration Policy and Details of Remuneration paid

The Company does not have a Remuneration Committee. The remuneration payable to Managing Director and Whole-time Directors is decided by the Board of Directors, subject to the approval of members.