
NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the Thirtieth Annual General Meeting of the Shareholders of DECCAN GOLD MINES LIMITED ("THE COMPANY") will be held on Tuesday, 30 December, 2014 at Banquet Room, Ground Floor, West End Hotel, 45, New Marine Lines, Mumbai – 400 020 at 2.30 P.M. to transact the following Business:

ORDINARY BUSINESS:

1. To consider and adopt the Audited Balance Sheet as at March 31, 2014, Statement of Profit and Loss for the year ended on that date along with the Reports of the Board of Directors and the Auditors thereon.
2. To appoint a Director in place of Mr. Charles Edward English Devenish (DIN: 01252091), who retires by rotation and being eligible, has offered himself for reappointment.
3. To re-appoint M/s. V.K. Beswal & Associates, Chartered Accountants (Firm Registration No. 101083W), as Statutory Auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to authorize the Board of Directors to fix their Remuneration.

SPECIAL BUSINESS :

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 150 and 152 read with Schedule IV and all other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed there under (including any statutory modifications or re-enactment thereof for the time being in force), Mr. Krishnamurthy Ramaswamy Kuduvali (DIN: 00556641), in respect to whom the Company has received a notice in writing proposing his candidature for the office of director of the Company, be and is hereby appointed as an Independent Director of the Company not liable to retire by rotation, to hold office for a period of 5 (Five) years, upto 30 December, 2019."

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 150 and 152 read with Schedule IV and all other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed there under (including any statutory modifications or re-enactment thereof for the time being in force), Dr. Moni Ramakrishnan (DIN: 01193152), in respect to whom the Company has received a notice in writing proposing his candidature for the office of director of the Company, be and is hereby appointed as an Independent Director of the Company not liable to retire by rotation, to hold office for a period of 5 (Five) years upto 30 December, 2019."

6. **To consider and, if thought fit, to pass with or without modification(s), the following Resolution as an Ordinary Resolution:**

"RESOLVED THAT pursuant to the provisions of Sections 149, 150 and 152 read with Schedule IV and all other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed there under (including any statutory modifications or re-enactment thereof for the time being in force), Prof. Vinod Kumar Gaur (DIN: 00611175), in respect to whom the Company has received a notice in writing proposing his candidature for the office of director of the Company, be and is hereby appointed as an Independent Director of the Company not liable to retire by rotation, to hold office for a period of 5 (Five) years upto 30 December, 2019."

7. **To consider and, if thought fit, to pass with or without modification(s), the following Resolution as a Special Resolution:**

"RESOLVED THAT in partial modification of Resolution No. 5 passed at the Annual General Meeting of the Company held on 11th December, 2013 for the appointment and terms of remuneration of Mr. Sandeep Lakhwara (DIN: 01049978), Managing Director of the Company and pursuant to the provisions of Sections 196, 197 and other applicable provisions, if any, of the Companies Act, 2013 (the Act) and the Rules made

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thereunder, as amended from time to time, read with Schedule V to the Act and as per the recommendation of the Nomination and Remuneration Committee (NRC) consent of the Company be and is hereby accorded to the revision in the terms of remuneration of Mr. Sandeep Lakhwara, Managing Director of the Company, with effect from 1st January, 2015 for the remainder of the tenure of his contract, as set out in the Explanatory Statement annexed to the Notice convening this meeting and with authority to the Board of Directors (hereinafter referred to as the "Board", which term shall be deemed to include any Committee of the Board constituted to exercise its powers, including the powers conferred by this Resolution) to vary the terms of appointment including remuneration of the Managing Director from time to time within such maximum amount as may be paid as per the provisions of Schedule V of the Companies Act, 2013 as amended from time to time.

RESOLVED FURTHER that the Board be and is hereby authorised to take all such steps as may be necessary, proper and expedient to give effect to this Resolution."

8. To consider and, if thought fit, to pass with or without modification(s), the following Resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 62(1) (b) and all other applicable provisions of the Companies Act, 2013 ("the Act"), and the Companies (Share Capital and Debentures) Rules, 2014 ("the Rules"), and any other applicable provisions of the Companies Act, 2013, the provisions of the Memorandum and Articles of Association of the Company, and the provisions of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (hereinafter referred to as "the Regulations") (including any statutory modification(s) or re-enactment thereof), the Listing Agreements entered into by the Company with the Stock Exchanges where securities of the Company are listed and any other applicable laws for the time being in force and subject to such other approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions which may be agreed by the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any committees thereof, including the Nomination and Remuneration Committee (hereinafter referred to as "the Committee") to exercise its powers, including the powers conferred by this resolution), the approval and consent of the members of the Company be and are hereby accorded to the Board, to create, offer, issue and allot at any time to or to the benefit of such person(s) who are in permanent employment of the Company, whether working in India or outside India, including any Director of the Company, whether whole time or otherwise but excluding Independent Directors and Promoters of the Company, as may from time to time be allowed to be eligible for the benefit under the provisions of applicable laws and Regulations prevailing from time to time (all such persons are hereinafter collectively referred to as "Employees") under a Scheme titled "Deccan Gold Mines Limited Employees Stock Option Scheme 2014", (hereinafter referred to as the "ESOP Scheme-2014"), such number of equity shares of the Company not exceeding 3,000,000 (Three Million) Equity Shares of the Company of Re.1/- each under the ESOP Scheme, in one or more tranches, at such price and on such terms and conditions as may be fixed or determined by the Board in accordance with the ESOP Scheme, the provisions of the law or regulations issued by the relevant Authority, as may be prevailing at that time.

RESOLVED FURTHER THAT in case of any corporate action(s) such as rights issues, bonus issues, merger and sale of division of the Company and others, the Board / Nomination and Remuneration Committee is authorized to do all such acts, deeds, matters and things as it may deem fit in its absolute discretion and as permitted under applicable laws, so as to ensure that fair and equitable benefits under the Scheme are passed on to the Employee.

RESOLVED FURTHER THAT the Board be and is hereby authorised to issue and allot Equity Shares upon exercise of options from time to time in accordance with the said ESOP Scheme and such Equity Shares shall rank pari passu in all respects with the existing Equity Shares of the Company.

RESOLVED FURTHER THAT for the purpose of giving effect to any creation, offer, issue, allotment of securities, the Board be and is hereby authorized to evolve, decide upon and bring in to effect the Scheme and make any modifications, changes, variations, alterations or revisions in the said ESOP Scheme as it may deem fit, from time to time in its sole and absolute discretion in conformity with the provisions of the Act, and

the rules made thereunder, the Memorandum and Articles of Association of the Company, Regulations and any other applicable laws or to suspend, withdraw or revive the ESOP Scheme from time to time as may be specified by any statutory authority, provided such variations, modifications, alterations or revisions are not detrimental to the interests of the Employees.

FURTHER RESOLVED THAT for the purpose of giving effect to this Resolution, the Board be authorized to determine terms and conditions of issue of the Securities and do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary for such purpose and with power on behalf of the Company to settle any questions, difficulties or doubts that may arise in this regard without requiring the Board to secure any further consent or approval of the Shareholders of the Company."

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any powers conferred herein to Nomination and Remuneration Committee or such other Committee, with power to further delegate to any Executives/Officers of the Company to do all such acts, deeds, matters and things as also to execute such documents, writings etc., as may be necessary in this regard".

9. To consider and, if thought fit, to pass with or without modification(s), the following Resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 62(1) (b) and all other applicable provisions of the Companies Act, 2013 ("the Act"), and the Companies (Share Capital and Debentures) Rules, 2014 ("the Rules"), and any other applicable provisions of the Companies Act, 2013, the provisions of the Memorandum and Articles of Association of the Company, and the provisions of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (hereinafter referred to as "the Regulations") (including any statutory modification(s) or re-enactment thereof), the Listing Agreements entered into by the Company with the Stock Exchanges where securities of the Company are listed and any other applicable laws for the time being in force, the consent and approval of the members be and is hereby accorded to the Board to grant 1,500,000 stock options under ESOP Scheme 2014 to Mr. Sandeep Lakhwara, Managing Director (as specified in the Explanatory Statement hereto) equal to 2.53% of the present issued capital (excluding outstanding warrants and convertibles) of the Company of 59,218,250 equity shares at the time of grant of options under Deccan Gold Mines Limited Employees Stock Option Scheme 2014 ("ESOP Scheme 2014") during the financial year 2014-15 or in any of the subsequent financial years, and on such terms and conditions as may be fixed or determined by the Board in accordance with the provisions of the law or regulations issued by the relevant Authority."

10. To consider and, if thought fit, to pass with or without modification(s), the following Resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 62(1) (b) and all other applicable provisions of the Companies Act, 2013 ("the Act"), and the Companies (Share Capital and Debentures) Rules, 2014 ("the Rules"), and any other applicable provisions of the Companies Act, 2013, the provisions of the Memorandum and Articles of Association of the Company, and the provisions of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (hereinafter referred to as "the Regulations") (including any statutory modification(s) or re-enactment thereof), the Listing Agreements entered into by the Company with the Stock Exchanges where securities of the Company are listed and any other applicable laws for the time being in force and subject to such other approvals, permissions and sanctions, as may be required, and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions and which may be agreed by the Board of Directors (hereinafter referred to as the "Board" which term shall be deemed to include any Committee(s) thereof, including the Nomination and Remuneration Committee which the Board might constitute (hereinafter referred to as "the Committee") to exercise its powers, including the powers conferred by this Resolution, the approval and consent of the members of the Company be and are hereby accorded to the Board, to extend the benefits and coverage of the "Deccan Gold Mines Limited Employees Stock Option Scheme 2014" ("ESOP Scheme 2014"), referred to in the Resolution under Item No. 8 of this Notice, also to such persons who are in permanent employment including the Managing and/or Whole-time Director(s), whether present and future, of the Company's holding and subsidiary companies, whether working in India or outside India, unless they are prohibited from

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participating in the Scheme under any law or regulations for the time being in force, and on such terms and conditions as may be decided by the Board.

RESOLVED FURTHER THAT for the purpose of giving effect to any creation, offer, issue, allotment of securities, the Board be and is hereby authorized to evolve, decide upon and bring into effect the Scheme and make any modifications, changes, variations, alterations or revisions in the said ESOP Scheme as it may deem fit, from time to time in its sole and absolute discretion in conformity with the provisions of the Act, and the rules made thereunder, the Memorandum and Articles of Association of the Company, Regulations and any other applicable laws or to suspend, withdraw or revise the ESOP Scheme from time to time as may be specified by any statutory authority, provided such variations, modifications, alterations or revisions are not detrimental to the interests of the Employees.

RESOLVED FURTHER THAT for the purpose of giving effect to this Resolution, the Board be and is hereby authorised to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, expedient or proper and to settle any questions, difficulties or doubts that may arise in relation to formulation and implementation of the said ESOP Scheme at any stage including at the time of listing of the equity shares issued herein without requiring the Board to secure any further consent or approval of the Members of the Company to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this Resolution.”

By order of the Board
for DECCAN GOLD MINES LIMITED

Place : Mumbai
Date : 19th November, 2014

S. Subramaniam
Company Secretary
ACS 12110

CIN: L51900MH1984PLC034662

REGISTERED OFFICE:

Parinee Crescenzo, C38-C39, G Block,
Bandra Kurla Complex, Bandra (East),
Mumbai – 400 051.
Tel .No.:022-033040797 Fax No.: 022-33040779.
Email.: info@deccangoldmines.com
Website.: www.deccangoldmines.com

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY, OR, WHERE THAT IS ALLOWED, ONE OR MORE PROXIES, TO ATTEND AND VOTE INSTEAD OF HIMSELF, AND THAT A PROXY NEED NOT BE A MEMBER. A person can act as a proxy on behalf of the members not exceeding fifty (50) and holding in aggregate not more than 10% of the total share capital of the Company carrying voting rights. A Member holding more than 10% of the total share capital carrying voting rights may appoint a single person as Proxy and such person cannot act as proxy for any other member.
2. Proxies, if any, in order to be valid and effective, must be received at the Company's Registered Office not later than 48 (forty-eight hours) before the time fixed for commencement of the meeting.
3. Corporate members who intend to send their authorized representatives to attend and vote at the meeting should send a certified copy of their board resolution to this effect.
4. The Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013, in respect of special businesses to be transacted at the meeting, is hereto annexed.
5. The physical copies of notice of 30th Annual General Meeting and the annual report 2013-14 shall be open for inspection at the Registered Office of the Company during business hours between 11.00 am to 1.00 pm except on holidays, up to the date of the annual general meeting.
6. The Register of Members and Share Transfer Books of the Company will remain closed from Monday, 22 December, 2014 to Tuesday, 30 December, 2014 (both days inclusive) for the purpose of the annual general meeting.
7. Members are requested to update their bank mandate / NECS / Direct credit details / name / address / power of attorney and update their Core Banking Solutions enabled account number:
 - For shares held in physical form: with the Registrar and Transfer Agent of the Company.
 - For shares held in dematerialized form: with the depository participant with whom they maintain their demat account.

Request to members:

1. Members desirous of obtaining any information concerning the accounts and operations of the Company are requested to address their queries to the Investor Relations Department, so as to reach the Corporate Office of the Company at least seven working days before the date of the meeting, to enable the Company to make available the required information at the meeting, to the extent practicable.
2. Members / proxy are requested to bring a copy of Annual Report and attendance slip to the meeting.
3. Members who hold shares in the dematerialized form are requested to write their Client ID and DP ID and those who hold shares in the physical form are requested to write their folio number in the attendance slip.
4. Non Resident Indian members are requested to immediately inform their depository participant (in case of shares held in dematerialized form) or the Registrars and Transfer Agents of the Company (in case of shares held in physical form), as the case may be, about:
 - (i) the change in the residential status on return to India for permanent settlement;
 - (ii) the particulars of the NRE account with a bank in India, if not furnished earlier.
5. Pursuant to Section 101 and Section 136 of the Companies Act, 2013 read with relevant Companies (Management and Administration Rules), 2014, companies can serve Annual Reports and other communications through electronic mode to those Members who have registered their e-mail address either with the Company or with the Depository. Members who have not registered their e-mail address with the

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Company are requested to submit their request with their valid e-mail address to Link Intime India Private Limited, Registrar and Share Transfer Agents. Members holding shares in demat form are requested to register/update their e-mail address with their Depository Participant(s) directly. Members of the Company, who have registered their email-address, are entitled to receive such communication in physical form upon request.

6. E-Voting

- I. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members the facility to exercise their right to vote at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by National Securities Depository Limited (NSDL).

The instructions for members for e-voting electronically:-

- A. In case a Member received an email from NSDL [for members whose email IDs are registered with the Company / Depository Participant(s)]
 - (i) Open email and open PDF file viz., "Deccan Gold Mines Limited e-Voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password / PIN for e-voting. Please note that the password is an initial password.
 - (ii) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>
 - (iii) Click on Shareholder-Login
 - (iv) Put user ID and password as initial password / PIN noted in step (i) above.
 - (v) Password change menu appears. Change the password / PIN with new password of your choice with minimum 8 digits / characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
 - (vi) Homepage of e-voting opens. Click on e-Voting: Active Voting Cycles.
 - (vii) Select "EVENT" of Deccan Gold Mines Limited.
 - (viii) Now you are ready for e-voting as Cast Vote page opens.
 - (ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
 - (x) Upon confirmation, the message "Vote cast successfully" will be displayed.
 - (xi) Once you have voted on the resolution, you will not be allowed to modify your vote.
 - (xii) Institutional shareholders (i.e., other than individuals, HUF, NRI etc.), are required to send scanned copy (PDF/JPG Format) of the relevant board resolution / authority letter etc., together with attested specimen signature of the duly authorized signatory (ies) who are authorized to vote, to the Scrutinizer through e-mail to hsk@rathiandassociates.com with a copy marked to evoting@nsdl.co.in.
- B. In case a Member receives physical copy of the Notice of AGM [for members whose email IDs are not registered with the Company / Depository Participant(s) or requesting physical copy]
 - (i) Initial password is provided at the bottom of the Attendance Slip for the AGM.
 - (ii) Please follow all steps from Sl. No. A (ii) to A (xii) above, to cast vote.
- II. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the Downloads section of www.evoting.nsdl.com.
- III. If you are already registered with NSDL for e-voting, then you can use your existing user ID and password / PIN for casting your vote.
- IV. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).

- V. The e-voting period commences on Monday, the 22 December, 2014 (9.00 am) and ends on Wednesday, 24 December, 2014 (5.00 pm). During this period, the shareholders of the Company holding shares either in physical form or in dematerialised form, as on the cut-off date (21 November, 2014), may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
- VI. The voting rights of shareholders shall be in proportion to their shares of the paid-up equity share capital of the Company as on the cut-off date of 21 November, 2014.
- VII. Mr. Himanshu S. Kamdar, Practising Company Secretary, M/s. Rathi & Associates, Mumbai (Membership No. 5171, Certificate of Practice No. 3030) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- VIII. The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Board of Directors of the Company.
- IX. The Results shall be declared on or after the AGM of the Company. The results DECLARED ALONGWITH THE Scrutinizer's Report shall be placed on the Company's website www.deccangoldmines.com and on the website of NSDL within two (2) days of passing of the resolutions at the AGM of the Company and communicated to BSE Limited.
- X. Members are requested to send all communications relating to shares to the Company's Registrar & Share Transfer Agent (R & T Agent) at the following address:

LINK INTIME INDIA PRIVATE LIMITED
C-13, Pannalal Silk Mills Compound,
LBC Marg, Bhandup (West), Mumbai – 400078.
Phone No. (022) 25963838 Fax No. (022) 25946969
Email: rnt.helpdesk@linkintime.co.in

7. Members / Proxies are requested to bring the attendance slips duly filled in to the Meeting.

By order of the Board
for DECCAN GOLD MINES LIMITED

Place : Mumbai
Date : 19th November, 2014

S. Subramaniam
Company Secretary
ACS 12110

CIN: L51900MH1984PLC034662

REGISTERED OFFICE:

Parinee Crescenzo, C38-C39, G Block,
Bandra Kurla Complex, Bandra (East),
Mumbai – 400 051.
Tel .No.:022-033040797 Fax No.: 022-33040779.
Email.: info@deccangoldmines.com
Website.: www.deccangoldmines.com

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EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

ITEM NOS.:- 4, 5 & 6

Pursuant to the provisions of Section 149 and other applicable provisions of the Companies Act, 2013 with respect to appointment and tenure of the Independent Directors which came into effect from 1st April, 2014, the Independent Directors shall be appointed for not more than two terms of five years each and shall not be liable to retire by rotation. The term shall be effective prospectively.

Mr. Krishnamurthy Ramaswamy Kuduvalli (DIN:00556641), Dr. Moni Ramakrishnan (DIN: 01193152) and Prof. Vinod Kumar Gaur (DIN: 0611175) were appointed as Independent Directors of the Company pursuant to Clause 49 (III)(i) of the listing agreement. Being eligible, in terms of Section 149 and other applicable provisions of the Companies Act, 2013, Mr. Krishnamurthy Ramaswamy Kuduvalli, Dr. Moni Ramakrishnan and Prof. Vinod Kumar Gaur offer themselves for appointment, and are proposed to be appointed as Independent Directors for the term as stated in their respective resolution.

The said three directors have given declaration that they meet the criteria of independence as provided under Section 149(6) of the Companies Act, 2013. In the opinion of the Board, each of these Directors fulfill the conditions specified in the Companies Act, 2013 and Rules made thereunder for their appointment as Independent Directors of the Company.

The Board of Directors believes that vast experience and knowledge of the aforesaid directors shall be beneficial for the progress of the Company. Hence, in the interest of the Company, the Board recommends the appointment of Mr. Krishnamurthy Ramaswamy Kuduvalli, Dr. Moni Ramakrishnan and Prof. Vinod Kumar Gaur as Independent Directors.

The draft letters of appointment of aforesaid Independent Directors, setting out the terms and conditions is available for inspection by members at the Registered Office of the Company.

Apart from Mr. Krishnamurthy Ramaswamy Kuduvalli, Dr. Moni Ramakrishnan and Prof. Vinod Kumar Gaur, in their respective resolution, none of the other persons specified in Section 102 of the Companies Act, 2013, namely the Promoters, Directors, Key Managerial Persons, Relatives of Promoters, Directors and Key Managerial Persons or the entities comprising the interest of Promoters, Directors or Key Managerial Persons, are concerned or interested financially or otherwise in the above resolution.

ITEM NO.:- 7

Mr. Sandeep Lakhwara was appointed as Managing Director of your Company vide resolution no. 5 passed by the shareholders at their 29th Annual General Meeting of the Company for a period of 3 years w.e.f. 1st May, 2013 on such remuneration as mentioned therein.

Keeping in mind the future scaling up in the operations of the Company, your Board of Directors at the recommendation of the Nomination and Remuneration Committee at their meeting held on 19 November, 2014, considered and approved revision in the remuneration of Mr. Sandeep Lakhwara, Managing Director to Rs. 700,000 per month with effect from 1 January, 2015 for the remainder of his term up to 30 April, 2016 with proportionate increase in the benefits related to his salary, subject to the approval of the Members of the Company.

The aggregate of the remuneration as aforesaid shall be in compliance with the provisions of Sections 196 and 197 read with Schedule V to the Act, as amended and as in force from time to time. All other terms and conditions of appointment of Mr. Sandeep Lakhwara as Managing Director of the Company, as approved at the AGM of the Company held on 11th December, 2013, shall remain unchanged.

As per provisions of Section 196, 197 read with Part II Section II of Schedule V of the Companies Act, 2013, it would be necessary to seek the approval of members by way of a Special Resolution for revision in terms of appointment of Managing Director, hence revised terms of remuneration of Mr. Sandeep Lakhwara are placed for approval of members.

The disclosure required in terms of Part II Section II of Schedule V of the Companies Act, 2013 is given hereunder.

I. GENERAL INFORMATION:

Nature of Industry	Gold exploration
Date or expected date of commencement of commercial production	Expected commencement of commercial production is early 2016 subject to grant of Mining Lease in respect of the Ganajur Gold Project whose details are given below.
In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	Not applicable

FINANCIAL PERFORMANCE BASED ON GIVEN INDICATORS:

Particulars	(Rs in '000s)		
	2013-14	2012-13	2011-12
Total Income	5,895	1,571	3,028
Profit/(Loss) before Taxation	(3,359)	(10,205)	(10,618)
Profit/(Loss) after Tax	(3,359)	(10,205)	(10,618)
Balance brought forward	(63,467)	(53,262)	(42,644)
Balance transferred to Balance Sheet	(66,826)	(63,467)	(53,262)
	No. of shares	No. of shares	No. of shares
Paid-up capital	58,867,250	58,771,250	58,526,250

The Company is a gold exploration company and awaits grant of Mining Lease in respect of the Ganajur Gold Project of its wholly-owned subsidiary i.e., Deccan Exploration Services Private Limited. As such, the Company has not commenced commercial production.

Foreign investments or collaborations, if any:

Rama Mines Mauritius Limited, Mauritius (RMML) is the promoter of the Company and as on date i.e., 19 November, 2014 holds 24,950,144 equity shares of Re.1/- each holding 42.13% stake in Deccan Gold Mines Limited.

II INFORMATION ABOUT THE APPOINTEE:

Sr. No.	Particulars	
1	Background details	Mr. Sandeep Lakhwara has several years experience advising junior Australian exploration and mining companies on development strategies. Educated at Curtin University in Western Australia and a member of the Australian Society of Certified Practising Accountants (CPAs), Sandeep has been a principal and partner of several Australian based accounting practices specializing in capital raisings for the mineral industry, financial planning and corporate regulatory requirements for publicly listed companies. He lived in Australia for 25 years, headed various organizations in the past, at times taking small start-ups to fully developed successful businesses, and moved to Bangalore, India during 2002 to oversee the development of the mineral exploration projects in India.

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2	Recognition or awards	Mr. Sandeep has made various presentations on factors influencing gold pricing, the operation and business model of international mineral exploration companies, and is regularly called upon to contribute articles on the gold mining industry to various newspapers and magazines.
3	Past remuneration	Rs.100,000 per month.
4	Job profile and his suitability	Mr. Sandeep Lakhwara has been functioning as the Managing Director of the Company and is primarily responsible for the acquisition, growth and operations of Deccan Gold Mines Limited since 2002.
5	Remuneration proposed	Rs 700,000 per month (in terms of the proviso to Part II Section II (A) of Schedule V to the Companies, Act, 2013)
6	Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin).	At present, Deccan Gold Mines Limited is the only gold exploration company in India that is listed on the BSE Limited (BSE). Hence, there is no comparative remuneration profile available in India.
7	Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any.	Nil

III OTHER INFORMATION:

Reasons of loss or inadequate profits	Revenue / profits can only be generated post commencement of commercial production of gold.
	Deccan Gold Mines Limited is a gold exploration company and is yet to commence commercial production.
	Commercial production can commence only after the grant of Mining Lease in respect of the Ganajur Gold Project of its wholly-owned subsidiary viz., Deccan Exploration Services Private Limited (DESPL) which is presently under the active consideration of the Ministry of Mines, Government of India, New Delhi (MoM).
Steps taken or proposed to be taken for improvement	The Company has been vigorously pursuing the grant of mineral concession applications lodged by it and its wholly-owned subsidiary with specific focus on the Mining Lease application over the Ganajur Gold Project of its wholly-owned subsidiary DESPL, which is under the active consideration of MoM.
Expected increase in productivity and profits in measurable terms	<p>Revenue / profits can only be generated post commencement of commercial production of gold. Commercial production can commence only after grant of Mining Lease in respect of the Ganajur Gold Project of DESPL, a wholly-owned subsidiary of the Company.</p> <p>It may be noted that DESPL commissioned an independent agency, viz., SRK Mining Services (India) Private Limited (SRK) to prepare a mineral resource estimate of the Ganajur Gold Project. SRK estimated a JORC (an internationally accepted Code for measuring mineral resources) compliant total resource of 308,000 Ozs of gold, out of which 301,000 Ozs is categorized under 'Indicated' and the rest under 'Inferred' category. Post the grant of Mining Lease in respect of the Ganajur Gold Project, the Company would be able to estimate the productivity and profits in measurable terms.</p>

IV DISCLOSURES:

The remuneration package along with relevant details paid to Mr. Sandeep Lakhwara during the financial year 2013-14 has been mentioned hereinabove and in report on Corporate Governance attached to Directors' Report.

Subject to the approval of the shareholders, it is proposed to grant 1,500,000 stock options to Mr. Sandeep Lakhwara as proposed under Item No. 9 of the Notice convening the Annual General Meeting.

Copy of Memorandum setting out the terms of appointment of the Managing Director shall remain open for inspection by members upto the date of Annual General Meeting, except on holiday, during the period from 11.00 a.m. to 1.00 p.m.

Your Directors recommend this resolution as special resolution in terms of provisions of Sections 196, 197 read with and other applicable provisions, if any, of the Companies Act, 2013 (the Act) and the Rules made thereunder, as amended from time to time, read with Schedule V to the Act.

Apart from Mr. Sandeep Lakhwara, none of the other persons specified in Section 102 of the Companies Act, 2013, namely the Promoters, Directors, Key Managerial Persons, Relatives of Promoters, Directors and Key Managerial Persons or the entities comprising the interest of Promoters, Directors or Key Managerial Persons, are concerned or interested financially or otherwise in the above resolution.

ITEM NOS.- 8, 9 & 10

To motivate the employees and to enable them to participate in the long term growth and financial success of the Company and with a common objective of maximizing the shareholder value, it is proposed to introduce the Deccan Gold Mines Limited Employee Stock Option Scheme, 2014 ("ESOP Scheme 2014") for the benefit of the permanent employees and directors of the Company as well as the employees and directors of Holding and Subsidiary companies. This would enable the Company to attract, motivate and retain employees by rewarding performance as also retain best talents and would further enable the employees to develop a sense of ownership with the Company.

1. Total number of options to be granted:

A total number of options equal to 3,000,000 (Three Million) of the Equity Shares would be available for being granted to the employees under Deccan Gold Mines Limited Employee Stock Option Scheme, 2014 ("ESOP Scheme 2014"). Each option when exercised would be converted into one Equity share of Re. 1/- each fully paid-up.

Vested options that lapse due to non-exercise or unvested options that get cancelled due to resignation of the employees or otherwise, would be available for being re-granted at a future date.

Regulations require that in case of any corporate action(s) a fair and reasonable adjustment needs to be made to the options granted. Accordingly, if any additional Equity Shares are issued by the Company for making such fair and reasonable adjustment, the ceiling of 3,000,000 (Three Million) Equity Shares shall be deemed to be increased to the extent of such additional Equity Shares issued.

2. Identification of classes of employees entitled to participate in the Employee Stock Option Scheme(s):

All permanent employees of the Company working in India or out of India and Directors (whether Managing / Whole-time Director or not) and its holding company or its subsidiary companies (excluding Independent Directors) as may be decided by the Nomination and Remuneration Committee.

Further, Employees not eligible for grant of options:

- (i) An employee who is a promoter or belongs to the promoter group
- (ii) A director who either by himself or through his relative or through anybody corporate, directly or indirectly holds more than 10 per cent of the outstanding equity shares of the Company at the time of granting of option

3. Transferability of employee stock options:

The stock options granted under the Scheme will not be transferable to any person except as mentioned in the provisions of the Regulations and shall not be pledged, hypothecated, mortgaged or otherwise alienated in any other manner.

DECCAN GOLD MINES LIMITED

4. Requirements of vesting and period of vesting:

The Options granted shall vest so long as Mr. Sandeep Lakhwara and other eligible employees continue to be in the employment of the Company, as the case may be. The Nomination and Remuneration Committee may, at its discretion, lay down certain performance metrics on the achievement of which the granted options would vest, the detailed terms and conditions relating to such performance-based vesting, and the proportion in which options granted would vest subject to the minimum and maximum vesting period as specified below.

The options would vest not earlier than one year and not later than four years from the date of grant of options. The exact proportion in which and the exact period over which the options would vest would be determined by the Nomination and Remuneration Committee, subject to the minimum vesting period of one year from the date of grant of options.

5. Maximum period within which the options shall be vested

The maximum period within which the options shall be vested would be four years from the date of grant.

6. Exercise Price and Pricing Formula:

The Exercise Price per option may be decided by the Nomination and Remuneration Committee at the time of Grant. However, the Exercise Price shall not be less than the par value of the Equity Shares of the Company.

7. Exercise Period and the process of Exercise:

The Exercise period would commence from the date of vesting and will expire on completion of 1 (one) year from the date of vesting of options. The options will be exercisable by any employee by a written application to the Company to exercise the options in such manner, and on execution of such documents, as may be prescribed by the Nomination and Remuneration Committee from time to time. The options will lapse if not exercised within the specified exercise period.

8. Appraisal Process for determining the eligibility of employee for the said ESOP Scheme:

The appraisal process for determining the eligibility of any employee will be specified by the Nomination and Remuneration Committee, and will be based on criteria such as role / designation, length of service with the Company, past performance record, future potential and/or such other criteria that may be determined by the Committee at its sole discretion.

9. Time period within which the employee shall exercise the vested option in the event of termination of employment or resignation of employee

The Nomination and Remuneration Committee shall determine the time period within which the vested unexercised option in the event of termination of employment or resignation of employee shall be exercised.

10. Maximum number of options to be issued to an employee:

The number of options that may be granted to any specific employee under the Scheme shall be less than 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant of options, except Mr. Sandeep Lakhwara, Managing Director who will be entitled to grant of options to the extent of 2.53% of the present issued capital of the Company as specified below:

Sl. No.	Name (Mr.)	No. of options to be granted	Present issued capital	Options as a %age of present issued capital
1	Sandeep Lakhwara	1,500,000	59,218,250	2.53%

11. Disclosure and Accounting Policies:

The Company shall confirm to the Accounting Policies specified in the Securities and Exchange Board of India (Share Based Employee Benefit) Regulations, 2014 and the 'Guidance Note on Accounting for employee share-based Payments' (Guidance Note) or Accounting Standards as may be prescribed by the Institute of Chartered Accountants of India (ICAI) from time to time, including the disclosure requirements prescribed therein or applicable Accounting Standard as may be prescribed by the ICAI from time to time.

12. Method of option valuation:

To calculate the employee compensation cost, the Company shall use the Intrinsic Value Method for valuation of the options granted.

In case the Company calculates the employee compensation cost using the Intrinsic Value of the stock options, the difference between the employee compensation cost so computed and the cost that shall have been recognized if it had used the Fair Value of the options, shall be disclosed in the Directors' Report and also the impact of this difference on profits and on Earnings Per Share (EPS) of the Company shall also be disclosed in the Directors' Report.

13. Condition under which Option may lapse:

The option will lapse if not exercised within the specified exercise period. The options may also lapse under certain circumstances even before the expiry of the specified exercise period i.e., in the event of termination of employment or resignation of employee.

As per Regulation 6(1) of the Regulations, any Employees Stock Option Scheme must be approved by way of a special resolution. Further, as the ESOP Scheme provides for issue of shares to be offered to persons other than existing shareholders of the Company, consent of the members as set out at Item No. 8 of the Notice is being sought pursuant to Section 62(1) (b) of the Companies Act, 2013 and all other applicable provisions, if any, of the Act and as per the regulation.

Regulation 6(3)(c) of the Regulations requires that a separate resolution is required to be passed if the benefits of the Scheme are to be extended to eligible employees of the holding / subsidiary companies. Accordingly, the resolution set out at item no. 10 is being placed for approval of the members.

As per Regulation 6(3)(d) of the Regulations, approval of the shareholders by way of a separate resolution is required to be obtained, in case grant of options to eligible employees, during any one year, equal to or exceeding 1% of the issued capital of the Company at the time of grant of options is proposed to be made. Since, it is proposed to grant options to Mr. Sandeep Lakhwara, Managing Director, to the extent of 2.53% of the present issued capital of the Company, resolution set out in item no. 9 is placed for approval of the members.

The options to be granted / shares to be issued under the ESOP Scheme shall not be treated as an offer or invitation made to public for subscription in the securities of the Company.

A copy of the "Deccan Gold Mines Limited Employee Stock Option Scheme, 2014" is open for inspection by the Members at the Registered Office of the Company upto the date of Annual General Meeting, except on holiday, during the period from 11.00 a.m. to 1.00 p.m..

Your Directors recommend for your approval the special resolutions as set out at Item Nos. 8, 9 and 10.

None of the Directors or Key Managerial Personnel of the Company or their relatives except Mr. Sandeep Lakhwara, Managing Director and his relatives to the extent of securities that may be offered to him under the ESOP Scheme, is in any way, concerned or interested in these resolutions.

By order of the Board
for DECCAN GOLD MINES LIMITED

S. Subramaniam
Company Secretary
ACS 12110

Place : Mumbai

Date : 19th November, 2014

CIN: L51900MH1984PLC034662

REGISTERED OFFICE:

Parinee Crescenzo, C38-C39, G Block,
Bandra Kurla Complex, Bandra (East),
Mumbai – 400 051.

Tel .No.:022-033040797 Fax No.: 022-33040779.

Email.: info@deccangoldmines.com

Website.: www.deccangoldmines.com

DECCAN GOLD MINES LIMITED

INFORMATION ABOUT DIRECTORS SEEKING APPOINTMENT / REAPPOINTMENT AT THE ANNUAL GENERAL MEETING

(Pursuant to Clause 49 of the Listing Agreement)

DETAILS OF DIRECTORS SEEKING APPOINTMENT / RE-APPOINTMENT

Name (Mr.)	Charles Edward English Devenish	Sandeep Lakhwara	Krishnamurthy Ramaswamy Kuduvalli	Moni Ramakrishnan (Dr.)	Vinod Kumar Gaur (Prof)
Director Identification Number (DIN)	01252091	01049978	00556641	01193152	0611175
Date of Birth	24 October, 1940	5 September, 1955	5 March, 1939	27 April, 1940	11 July, 1936
Appointed on	21 January, 2003	31 July, 2002	24 April, 2004	24 April, 2004	24 April, 2004
Qualification	School Leaving Certificate	B.Bus (Curtin University, Western Australia Certified Practising Accountant (CPA, Australia)	B.Sc. First Class Metalliferrous Mine Manager's Certificate of Competency (Unrestricted) Chartered Engineer, Institution of Engineers Fellow of the Institution of Engineers (India) Fellow of the Geological Society of India	M.Sc., (Geology) Ph.D., (Geology & Geochemistry)	B.Sc., M.Sc., DIC (Imperial College, London) Ph.D., (London University) Post-Doctoral Fellow (Sorbonne University, Paris)
Expertise in specific functional areas	Promoter of mineral exploration companies	Managing and developing mineral exploration businesses	Mining Consultancy, Financial Management etc.,	Pre-cambrian Geology	Geoscientist
Directorship held in Public Companies	Nil	Nil	Nil	Nil	Nil
Membership / Chairmanships of Committees across Public Companies (other than Deccan Gold Mines Limited)	Nil	Nil	Nil	Nil	Nil
No. of shares held in the Company	Nil	110,000	Nil	Nil	Nil



DECCAN GOLD MINES LIMITED

Regd. Office: Parinee Crescenzo, C38-C39, G Block, Bandra Kurla Complex, Bandra (E), Mumbai – 400 051.
Tel.:022 33040797; Fax: +91 22 33040779; Website: deccangoldmines.com; Email: info@deccangoldmines.com
CIN: L51900MH1984PLC034662

ATTENDANCE SLIP

Registered Folio / DPID & Client ID	
Name and address of the Shareholder	
Joint Shareholders	

1. I hereby record my presence at the 30TH ANNUAL GENERAL MEETING of the Company held on Tuesday, the 30th day of December, 2014 at 2:30 p.m. at Banquet Room, Ground Floor, West End Hotel, 45, New Marine Lines, Mumbai 400 020.
2. Signature of the Shareholder/ Proxy Present
3. Shareholder / Proxy attending meeting must bring the Attendance Slip to the meeting and handover at the entrance duly signed.
4. Shareholder/ Proxy desiring to attend the meeting may bring his/her copy of the Annual Report for reference at the meeting.

Note: PLEASE CUT HERE AND BRING THE ABOVE ATTENDANCE SLIP TO THE MEETING

.....

ELECTRONIC VOTING PARTICULARS

Electronic Voting Event Number (EVEN)	User ID	Password
		USE YOUR EXISTING PASSWORD

Note: Please read the instructions printed in the Notes attached to the Notice dated 19 November, 2014 of the 30th Annual General Meeting. The Voting period starts from 9.00 a.m. on Monday, 22 December, 2014 and ends at 5.00 p.m. on Wednesday, 24 December, 2014. The voting module shall be disabled by NSDL for voting thereafter.

DECCAN GOLD MINES LIMITED

Parinee Crescenzo, C38-C39, G Block, Bandra Kurla Complex, Bandra (E), Mumbai- 400051

CIN: L51900MH1984PLC034662

Proxy Form

Form No. MGT-11

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014)

Name of the member (s): Registered address: E-mail Id:	Folio No: *Client Id: *DP ID:
--	---

*applicable for investors holding shares in electronic form)

I/ We, being the member (s) of shares of the above named company, hereby appoint:

1. Name
Address.....
.....
E-mail id:.....Signature:..... or failing him.
2. Name
Address.....
.....
E-mail id:.....Signature:..... or failing him.
3. Name
Address.....
.....
E-mail id:.....Signature:..... or failing him.

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 30th Annual General meeting of the Company, to be held on Tuesday, the 30th day of December, 2014 At 2.30 p.m. at Banquet Room, Ground Floor, West End Hotel, 45 New Marine Lines, Mumbai – 400 020 and at any adjournment thereof in respect of such resolutions as are indicated below:

****I wish my proxy to vote in the manner as indicated in the box below:**

Item No.	Description	Type of resolution (Ordinary / Special)	For	Against
1.	Adoption of the audited Balance Sheet and Profit & Loss Account for the year ended March 31, 2014 and the reports of the Board of Directors and Auditors thereon.	Ordinary		
2.	Appointment of Director in place of Mr. Charles Edward English Devenish who retires by rotation and being eligible offers himself for re-appointment.	Ordinary		
3.	Appointment of Auditors and fixing of their remuneration.	Ordinary		
4.	Appointment of Mr. Krishnamurthy Ramaswamy Kuduvali as an Independent Director of the Company	Ordinary		
5.	Appointment of Dr. Moni Ramakrishnan as an Independent Director of the Company	Ordinary		
6.	Appointment of Prof. Vinod Kumar Gaur as an Independent Director of the Company	Ordinary		
7.	Revision in terms of appointment of Mr. Sandeep Lakhwara, Managing Director	Special		
8.	Consent for Adoption of Employee Stock Option Scheme 2014 and to create, offer, issue and allot stock options to permanent employees of the Company.	Special		
9.	Consent for grant of stock options in excess of 1% of the issued capital to Mr. Sandeep Lakhwara.	Special		
10.	Consent for Adoption of Employee Stock Option Scheme 2014 and to create, offer, issue and allot stock options to permanent employees of the Holding and subsidiary companies.	Special		

Signed this..... day of..... 20....

Signature of Shareholder

Affix
Revenue
Stamp

Signature of Proxy holder(s)

Notes:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. A proxy need not be member of the Company
3. A person can act as proxy on behalf of Members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company. In case a proxy is proposed to be appointed by a Member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.
4. ** This is only optional. Please put a 'X' in the appropriate column against the resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.
5. In case of joint holders, the signature of any other holder will be sufficient, but names of all the joint holders should be stated.

DECCAN GOLD MINES LIMITED

CHAIRMAN'S LETTER

1 December, 2014

Dear Shareholders

As India battles the decreasing value of the rupee and a foreign exchange deficit of more than \$ 460 billion, it is sitting on an enormous untapped storehouse of riches in the ground in the form of gold, silver, copper, nickel, platinum rare earths, diamonds and many other minerals that could add as much as \$ 250 billion to the nation's Gross Domestic Product (GDP) and create 13 to 15 million jobs in rural India by 2025. All of these commodities are currently imported.

This drain on foreign exchange reserves due to gold imports could be greatly reduced by tapping the large number of gold resources known to exist through the country, but not much has been done to speed the process of grant of mineral concessions and fast-track mine development in the past.

The new Indian Government that assumed office in May, 2014 has sought to amend the MMDR Act, 1957 and has placed the proposed amendments for public comments on 16 November, 2014. The Amendment Bill is designed to put in place mechanisms for inter-alia improved transparency in the allocation of mineral resources; attracting private investment and the latest technology; and eliminating delay in administration so as to enable expeditious and optimum development of the mineral resources of the country. Further, the T S R Subramaniam Committee constituted about 3 months ago by the Union Government to review the laws related to environment and forest protection has recommended some big-ticket changes to the rules and legislation. These include a complete overhaul of certain laws, special fast-track dispensation for power, mining and linear projects, self-certification of compliance by industry and diluting the powers of the National Green Tribunal.

The mining and mineral exploration industry keenly awaits the legislative and regulatory initiatives from the Government to promote private and foreign investment and introduction of internationally compatible mining policies.

The Ganajur-Karajgi Prospecting Licence (PL) block, which hosts the Ganajur Main Gold deposit of Deccan Exploration Services Private Limited ("DESPL") which is a 100% subsidiary of Deccan Gold Mines Limited ("DGML") has continued as the flag ship project. During the first three years of exploration in the PL Block, substantial progress was achieved in the Ganajur Main and its adjoining satellite prospects. DESPL considered that by carrying out further exploration in the PL block, there is a strong possibility of converting some of these prospects into economic mineable resources in the future. DESPL continued its exploration for two more years under the deemed extension as per Rule 11(2b) of Mineral Concession Rules, 1960 to achieve these objectives. The application of sophisticated Geophysical Surveys has resulted in new discoveries of some significant geophysical anomalies pointing to the depth-ward and lengthwise extensions of the mineralized gold bearing zones within the PL block. To confirm these possibilities, DESPL had during the last year drill tested the highly prospective Ganajur SE and Karajgi Main prospect. The drilling has resulted in finding new resources with potential to find more as the extensions of the mineralised zones are open along the strike and depth. This confirms our belief that the entire PL block is very prospective in terms of gold mineralization.

The new targets require more drilling to define additional resources in the PL Block and thereby significantly increase the life of the project. The geology of the PL block is comparable to similar gold bearing geological settings elsewhere in the world and we strongly believe that achieving a one million ozs resource is a distinct possibility.

On the Hutti front, Hutti Gold Mines Limited has filed its Statement of Objections to DESPL's Special Leave Petition (SLP) with the Hon'ble Supreme Court. We are shortly filing our Rejoinder to the same in consultation with our legal counsel. In the meanwhile, we have also received copies of the SLP and other documents filed by Ministry of Mines, New Delhi (MoM) before the Hon'ble Supreme Court on the same issue. MoM's SLP is supportive of our stand. Both these SLPs have been clubbed together for hearing and we are positive that the outcome will restore our rights over the Hutti belt prospects.

On a personal note, I would like to formally acknowledge the support of our shareholders and staff who have stood with us in this journey. I have ultimate faith in the future of the Company and rest assured that all of us are working towards achieving our common goals.

Yours truly,

Charles E.E. Devenish

Chairman

DIN : 01252091

CIN: L51900MH1984PLC034662

Registered Office:

Parinee Crescenzo, C38-C39,
G Block, Bandra Kurla Complex,
Bandra (E),
Mumbai – 400 051.

Tel No. : 022-33040797

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Web site: www.deccangoldmines.com

Email. : info@deccangoldmines.com

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CORPORATE INFORMATION

Chairman	:	Mr. Charles E.E. Devenish
Managing Director	:	Mr. Sandeep Lakhwara
Directors	:	Mr. K.R. Krishnamurthy Dr. M. Ramakrishnan Prof. V.K. Gaur
Head-Legal & Company Secretary	:	Mr. S. Subramaniam
Auditors	:	M/s. V.K. Beswal & Associates Chartered Accountants, Mumbai.
Legal Advisors	:	M/s. Crest Law Partners No. F-3, Ligoury Court, 7, Palmgrove Road, Victoria Layout, Bangalore – 560 047.
Registrars & Share Transfer Agents	:	Link Intime India Private Limited Pannalal Silk Mills Compound, C-13, LBS Marg, Bandhup (West), Mumbai – 400 078. Tel : 91-22-55555454 Fax : 91-22-55555353 Email: mumbai@linkintime.co.in
Bankers	:	Standard Chartered Bank
CIN	:	L51900MH1984PLC034662
Registered Office	:	Parinee Crescenzo, C38-C39, G Block, Bandra Kurla Complex, Bandra (E), Mumbai – 400 051 Tel : 91-22-33040797 Fax : 91-22-33040779 Email : info@deccangoldmines.com Web : www.deccangoldmines.com
Corporate Office	:	'Raja Ikon Building', # 89/1, 4 th Floor, Marathahalli Outer Ring Road, Bangalore – 560 037. Tel : 91-80-40428400 Fax : 91-80-40428401 Email : info@deccangoldmines.com

PROFILE OF DIRECTORS**CHARLES E.E. DEVENISH**

Chairman

Charles Devenish has extensive experience spanning 35 years in mining, with a large range of interests in India, Australia and Burma. He has strong involvement in mineral exploration in Australia and overseas for decades and was the founder and first chairman of two publicly listed companies in the 1980's and 1990's that pioneered diamond exploration in Australia. For 38 years, he was the Principal of Charles Edward Jewellers, one of Australia's leading specialist retail and wholesale outlets with international links in Europe, Middle East and USA. He also acted as an advisor to the Government of Vietnam on the development of that country's gemstone mining and cutting industry. Charles moved to India in August, 2002 and ever since has been actively liaising with various Government Departments and providing support and guidance to progress the development of gold exploration and mining industry in India. Charles' active role in exploration and mining projects, his profound knowledge of the mining industry, his extensive corporate background and his concerns for Indian rural development based on mining provide significant and valued input to the Company.

SANDEEP LAKHWARA

Managing Director

Sandeep Lakhwara has several years experience advising junior Australian exploration and mining companies on development strategies. Educated at Curtin University in Western Australia and a member of the Australian Society of Certified Practising Accountants (CPAs), Sandeep has been a principal and partner of several Australian based accounting practices specializing in capital raisings for the mineral industry, financial planning and corporate regulatory requirements for publicly listed companies. He lived in Australia for 25 years, headed various organizations in the past, at times taking small start-ups to fully developed successful businesses, and moved to Bangalore, India during 2002 to oversee the development of the mineral exploration projects in India. He is primarily responsible for the acquisition and growth of Deccan Gold Mines Limited and is the Managing Director of the Company. Sandeep has made various presentations on factors influencing gold pricing, the operation and business model of international mineral exploration companies, and is regularly called upon to contribute articles on the gold mining industry to various newspapers and magazines.

K.R. KRISHNAMURTHY

Director

K.R.Krishnamurthy is a well known Mining Engineer, practising as a consultant since 1990. Earlier he worked for the gold mines (KGMU) in Kolar Gold Fields, copper mines (ICC/HCL) in Mosaboni, and in Ingaldhal mines of Chitradurga Copper Company, and later for Ashanti Gold Fields, Ghana. He was a consultant for Bharat Gold Mines Ltd., and he continues to advise many mineral based industries in India and abroad.

DR. M. RAMAKRISHNAN

Director

Dr. Ramakrishnan is a well known Precambrian Geologist. He was earlier Senior Deputy Director General of the Geological Survey of India. He is a Fellow of the Indian Academy of Sciences and Vice President of the Geological Society of India.

PROF. V.K. GAUR

Director

Professor V.K. Gaur is an eminent geoscientist of this country. He is a former Director of the National Geophysical Research Institute and distinguished Professor at the Indian Institute of Astrophysics.

KEY PERSONNEL

CHIEF CONSULTING GEOLOGIST

DR. V. N. VASUDEV

Dr. V.N. Vasudev is Chief Consulting Geologist. An INSA Young Scientist Awardee with several years of experience in mineral exploration, Dr. Vasudev has published several papers on the geology structure, gold and sulphide mineralization in Archean greenstone belts of Dharwar Craton. He has also undertaken overseas research in Southeast Greenland and was associated with Russian geologists in a research project on Kolar Gold Fields, India. He was with Government of Karnataka, Department of Mines and Geology as a Senior Geologist and Mining Geologist of Chitradurga Copper Company Limited. He has carried out extensive literature research and field reconnaissance throughout India for the Company.

DIRECTOR (EXPLORATION)

S.C.R.PESHWA, FGS (LONDON)

Mr. Peshwa has nearly 30 years of experience as a mining and exploration geologist and specializes in gold exploration and resource modeling. He worked as a Mining & Exploration Geologist for 13 years with Bharat Gold Mines Limited. He has the distinction of working in the world famous Champion Reef Mine and carried out detailed exploration of Champion lode system both in deep and shallow levels. This has resulted in delineating new parallel lodes of the Champion Lode system. From 1996 to 2002 he worked as a Project Manager with ACC Limited and was involved in exploration of gold and other minerals. He successfully carried out gold prospecting in the Red Sea hills region of Sudan. Mr. Peshwa is responsible the DGML's Gold Projects and has implemented different exploration methods as per international standards including QA/QC programmes. Mr. Peshwa is an RQP awarded by Indian Bureau of Mines. Being a Fellow of Geological Society of London, he also qualifies as a competent person as defined by the JORC Code.

PROJECT MANAGER

DR. S.B. HARISH KUMAR

Dr. S.B. Harish Kumar, has nearly 18 years of experience in mineral exploration, particularly in the States of Karnataka, Andhra Pradesh, Tamil Nadu and Kerala. He was a key member of the exploration team of DGML involved in the discovery of Ganjaur gold deposit. Since then he has been actively involved in the exploration and development of the Ganajur gold project at all stages, including, geological mapping, ground geophysical surveys, execution of drilling programmes, Scoping studies, EIA and EMP studies etc. Besides, he has also been involved in the exploration of Mangalagatti and Bhavihal prospects of DGML.

HEAD-LEGAL & COMPANY SECRETARY

MR. S. SUBRAMANIAM

Mr. Subramaniam is an Associate Member of the Institute of Company Secretaries of India and a Law Graduate from Bangalore University. Also holds an Advanced Diploma in Management Accounting from CIMA, UK. He has 17 years of experience in the field of Company Law and other corporate laws. During his career, he has handled corporate restructuring exercises including mergers / demergers, amalgamations, joint ventures, foreign collaborations, listing of securities on domestic and foreign stock exchanges. He is in charge of the corporate legal and company secretarial matters and also functions as the Compliance Officer of the Company.

REPORT ON EXPLORATION ACTIVITIES

DHARWAR-SHIMOGA GOLD EXPLORATION PROJECT, KARNATAKA STATE

This Project area forms part of Archaean Western Dharwar Craton in the State of Karnataka. Deccan Exploration Services Private Limited (DESPL), a wholly-owned subsidiary of Deccan Gold Mines Limited (DGML), explored an area of 5,660 sq km of the Dharwar-Shimoga Greenstone belt covered under 3 RP blocks and identified 22 gold prospects (Fig-1, 2). Gold mineralization in all the prospects is hosted within sulphidic banded ferruginous chert. Prospects around Dharwar towards north (Dharwar Cluster) and Haveri in the south (Ganajur-Karajgi Cluster)

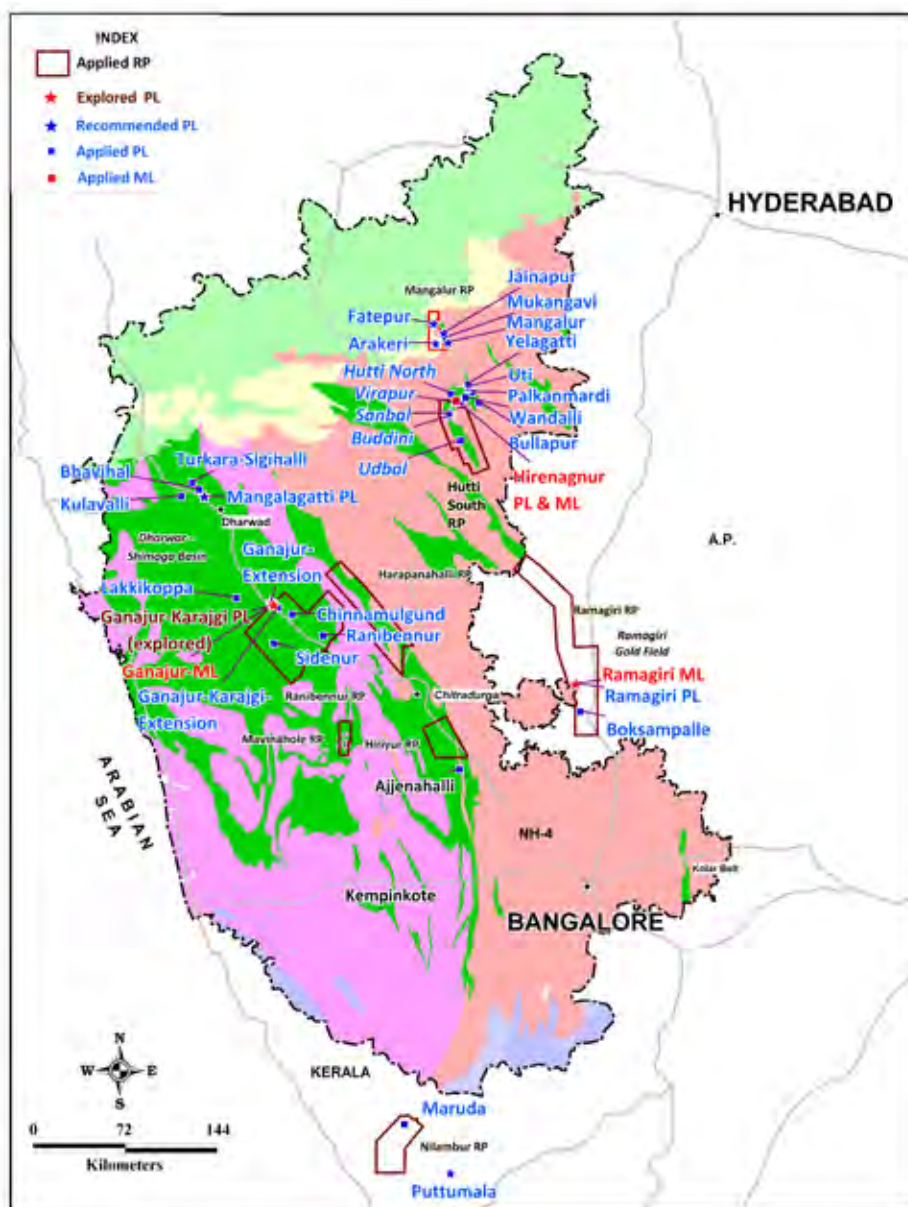


Fig-1 : Geological map of Karnataka showing DGML related applications.

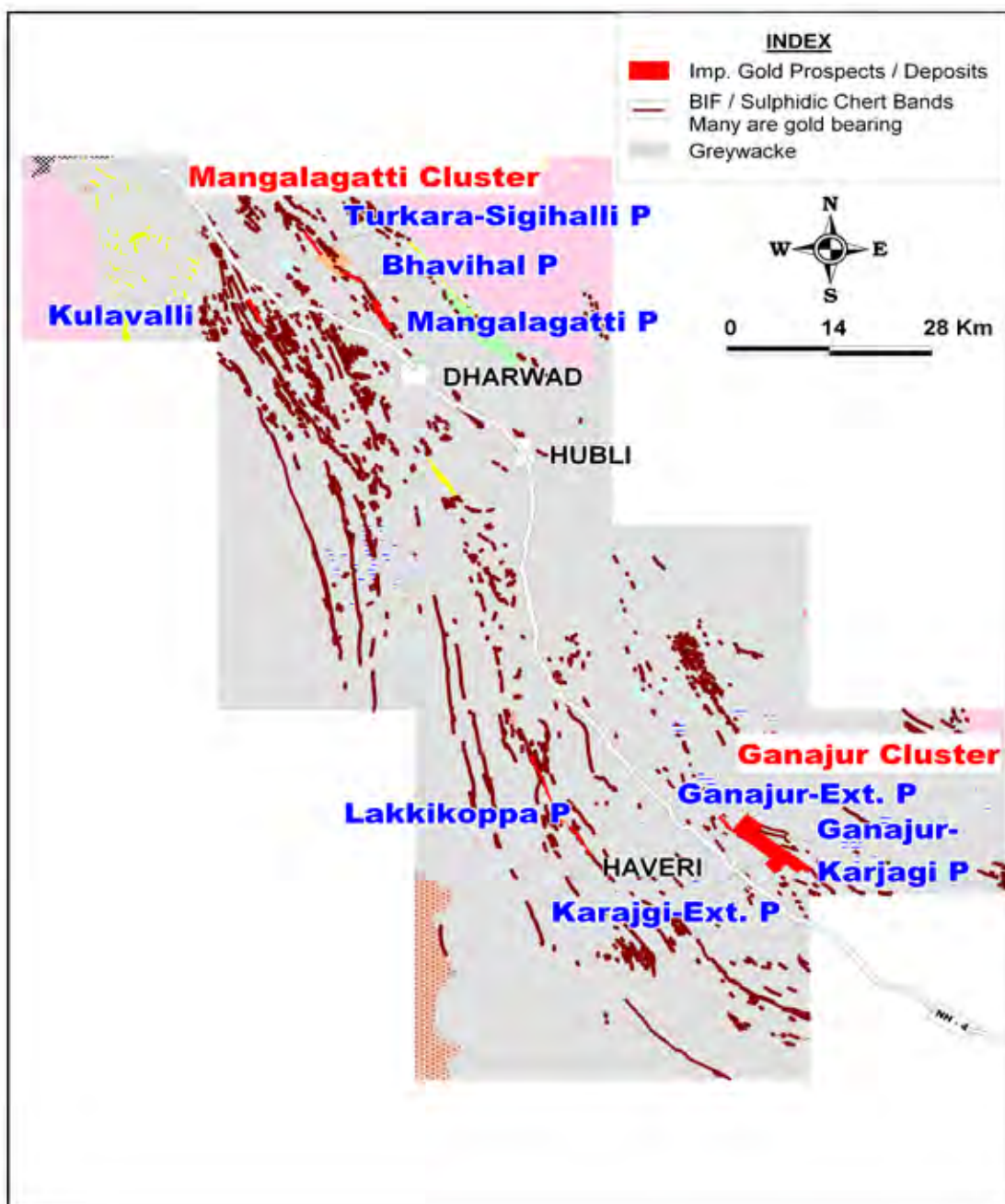


Fig-2 : Dharwar Shimoga Basin, Details of Leases/Applications.

are considered as significant discoveries. Prospecting License (PL) Seven (7) and two (2) Mining Lease (ML) applications, covering all the important prospects of Dharwar-Shimoga basin, were filed. The Ganajur-Karajgi PL, within the southern Ganajur-Karajgi cluster, was granted in the year 2009. The Mangalagatti PL, which is located in the northern Dharwar Cluster, has been granted in the year 2013 and the execution process is underway. The remaining applications are under various stages of processing. The updates on the Dharwar-Shimoga Belt Projects are presented below:

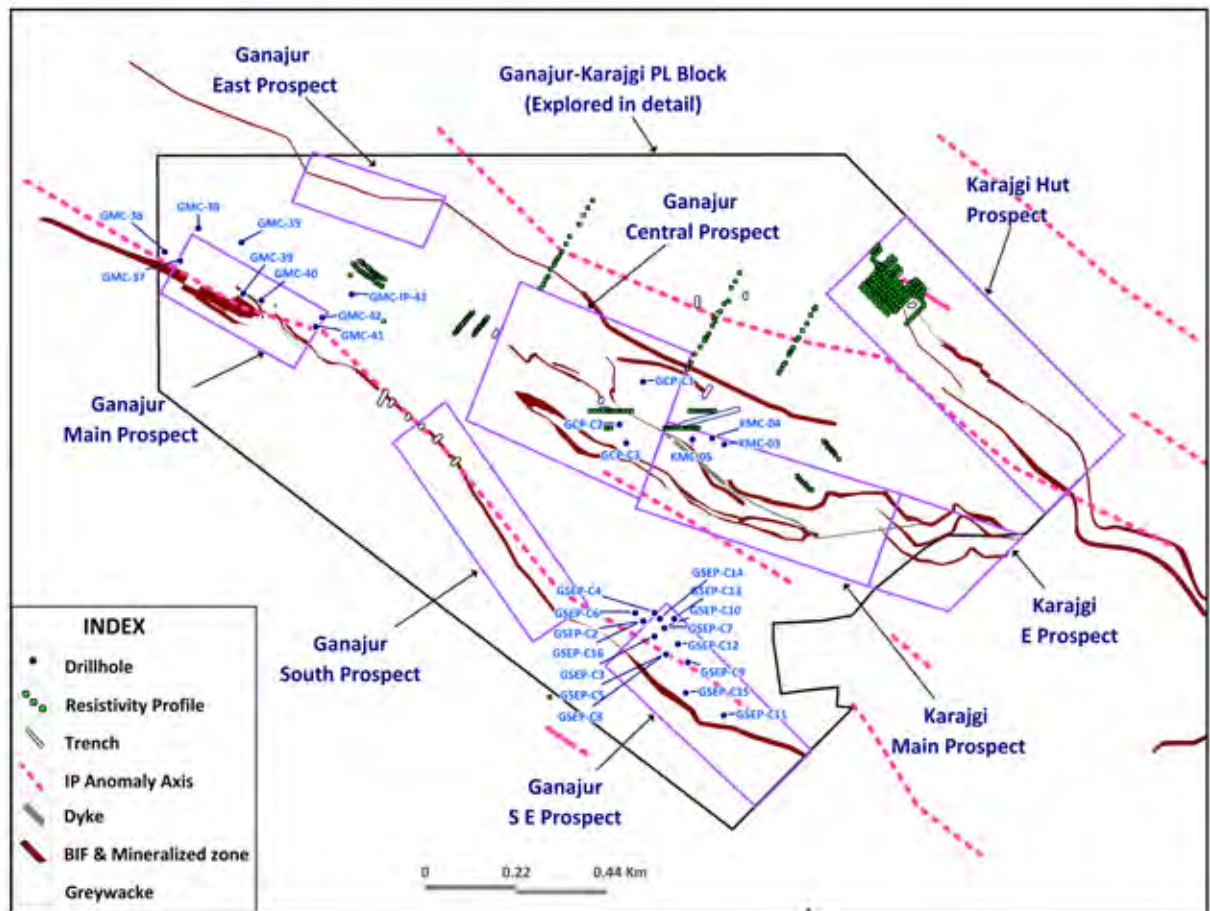


Fig-3 : Ganajur-Karajgi PL Block showing the Ganajur Main and other key gold prospects.

GANAJUR MAIN GOLD DEPOSIT & ITS SATELLITE PROSPECTS IN THE GANAJUR – KARAJGI CLUSTER

DESPL held a Prospecting Licence (PL) over an area of 2.2 sq.kms in the Ganajur – Karajgi block since 2009. The Ganajur – Karajgi PL block covers the Ganajur Main gold deposit a discovery of DESPL and seven satellite gold prospects, viz., Ganajur East, Ganajur South, Ganajur South East, Ganajur Central, Karajgi Main, Karajgi East and Hut prospects (Fig. 3). First three years of exploration resulted in achieving substantial progress in the PL Block particularly involving Ganajur Main Prospect.

DESPL considered that by carrying out further exploration in the PL block, there is a strong possibility of converting some of these prospects into economic mineable resource in future. DESPL has continued its prospecting operations under deemed renewal provision in the PL area as per Rule-11(2b) of Mineral Concession Rules, 1960 to achieve these objectives.

DESPL explored the PL Block by using multi disciplinary techniques as per international standards that included systematic geological mapping, geophysical surveys and several phases of Diamond Core & RC drilling etc. These exploration efforts have resulted in upgrading the PL Block in terms of resource augmentation and overall value, particularly the Ganajur Main Gold Deposit suggesting that PL block is a large mineralised corridor with possibility of finding substantial gold resource. New resources have been added in Ganajur SE and Karajgi Main Prospect.

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The complete summary of the work carried out during the last 5 years of PL tenure is given in Table-1:

TABLE-1, SUMMARY OF EXPLORATION WORK CARRIED OUT IN GANAJUR-KARAJGI PL BLOCK

SL NO	TYPE OF EXPLORATION	UNIT	QUANTUM
1	TOPOGRAPHIC SURVEY	SQ.KMS	2.2
2	GEOLOGICAL MAPPING (1: 2000 AND 1:5000 SCALE)	SQ.KMS	2.2
3	GROUND GEOPHYSICAL MAGNETIC SURVEY	LINE KMS	288
4	GROUND GEOPHYSICAL SP-RESISTIVITY SURVEY	LINE KMS	20
5	GROUND GEOPHYSICAL IP SURVEY	LINE KMS	17.4
6	GROUND GEOPHYSICAL EM SURVEY	LINE KMS	9
7	TRENCHING	LENGTH (M)	945.3
8	SAMPLING AND ANALYSIS	Nos	2873
9	DRILLING		
	A. RC DRILLING (51 DRILL HOLES)	METRES	2328
	B. DIAMOND CORE DRILLING (76 DRILL HOLES)	METRES	6147.29
	TOTAL DRILLING		8475.29
10	COMPREHENSIVE METALLURGICAL STUDIES (AMMTEC)	KGS	200
11	ENVIRONMENTAL BASE LINE DATA COLLECTION (AIR, DUST FALL, NOISE, WATER, SOIL)	SAMPLES	207
12	MINERAL RESOURCE ESTIMATION FOR GANAJUR MAIN BY SRK (AS PER JORC)	COMPLETED	
13	MINERAL RESOURCE ESTIMATION FOR GANAJUR SE PROSPECT	COMPLETED	
14	SCOPING/PRE-FEASIBILITY STUDIES (for Ganajur Main Gold Project)	COMPLETED	
15	LAND ACQUISITION	IN PROCESS	

GANAJUR MAIN GOLD DEPOSIT :

Ganajur Main Gold Deposit is situated in the northwestern part of the Ganajur – Karajgi PL (Fig-3). Ganajur Main Deposit has been the key project of DESPL ever since its discovery and hence the project attracted continuous attention in terms of exploration and upgradation.

As reported previously, DESPL Commissioned SRK Mining services (India) Private Limited (SRK) to prepare a mineral resource estimate as well as the Preliminary Economic Assessment of the Ganajur Main Gold Deposit based on the available exploration data. SRK estimated a JORC compliant total resource of 308,000 Ounces of gold, out of which 301,000 Oz is categorized under Indicated and the rest under Inferred category (Table-2). The resource has been estimated up to a depth of 120m.

CATEGORY AS PER SRK (JORC)	Quantity (tonnes)	Grade (g/t)	Gold (ounces)	UNFC CODE AS PER IBM
A. SULPHIDE				
B. OXIDE	1,921,000	3.83	237,000	
1. INDICATED	631,000	3.19	65,000	
TOTAL INDICATED	2,552,000	3.67	301,000	121
A. SULPHIDE	93,000	1.82	5,000	
B. OXIDE	17,000	3.26	2,000	
2. INFERRED				
TOTAL INFERRED	109,000	2.06	7,000	

Table 2- Mineral Resource statement of Ganajur Main Gold Deposit

The Scoping study carried out by SRK addressed the mine optimization, process design, waste disposal and management plans, site lay out and infrastructure, capital /operating expenditure estimates, project economics (including key risks and opportunities) and future work programme. The Study has revealed that project economics is technically and economically viable that could be improved upon considering the fact that there are a number of highly prospective gold bearing targets in the PL block with distinct possibilities of adding to the existing mineral resource. SRK's scoping studies have demonstrated that at a sustainable gold price greater than USD850/oz, the Ganajur Main Project has the potential to be developed into a viable open-pit mining operation. The key aspect of the scoping study was cash flow projection and project valuation.

A valuation of the Project has been derived based on the application of Discounted Cash Flow (DCF) techniques. In summary, at an Au price of USD1250/oz and a 10% discount rate the project has an NPV of USD37.39M. Sensitivity analysis of the project at different gold prices is given below:

PROJECT VALUATION AND SENSITIVITY ANALYSIS UNDER DIFFERENT GOLD PRICE SCENARIOS

DESCRIPTION	UNIT	1000	1100	1250 BASE CAE	1400	1500	1650
NET PRE TAX CASH FLOW	INR- CRORES MUSD	318.87 70.86	415.62 92.36	560.75 124.61	705.83 156.85	802.58 178.35	947.70 210.6
NPV @ 10% DISCOUNT RATE	INR- CRORES MUSD	66.96 14.88	107.46 23.88	168.26 37.39	229.01 50.89	269.42 59.87	329.27 73.17
IRR	%	20.15	25.61	33.11	39.95	44.22	50.24

MINING LEASE UNDER APPROVAL OF THE MINISTRY OF MINES, NEW DELHI :

DESPL has lodged a Mining Lease application over 0.29 sq.kms covering the Ganajur Main Gold deposit and its extensions. This application is currently awaiting approval of the Ministry of Mines, Government of India (MoM) after it was recommended by the State Government of Karnataka (SG). Recently the Government of India (MoM) has addressed 2 query letters (copies attached) regarding the Mining Lease application in respect of Ganajur Gold Project of Deccan Deccan Exploration Services Private Limited (DESPL), which is under their consideration. These query letters (both dated 22 October, 2014) have been addressed to the Commerce & Industrial Department, State Government of Karnataka (SG); and the Indian Bureau of Mines, Nagpur (IBM) respectively.

Prior to this, the MoM had sought clarifications on various issues including mineral resource details at Ganajur from both IBM and SG vide its letters dated 18 November, 2013. IBM in its response to the MoM in April, 2014 had indicated that the SG did not furnish details regarding mineralization at Ganajur as per UNFC guidelines (a system adopted to categorise mineral resources). Therefore, IBM was unable to comment on the mineral resources at Ganajur. This response was however, contrary to the response made by IBM in June, 2013 wherein they had categorized the gold resources at Ganajur under the UNFC 121 category (Economic Probable Mineral Reserve).

Now, the MoM has vide its query letter dated 22 October, 2014 advised the SG to forward all the required information and documents as sought by IBM so that IBM would be able to give their views on the mineral resources as per UNFC Guidelines. The receipt of the required information / documents from SG would enable IBM to respond to MoM's query letter dated 22 October, 2014. The MoM has also asked the IBM to clarify why their comments dated 2 April, 2014 are different from the comments dated 3 June, 2013.

It may be also noted from the query letters dated 22 October, 2014 issued by MoM that the matter is being monitored by the Project Monitoring Group of the Cabinet Secretariat and decision on the proposal is expected to be taken at the earliest. It is our belief that furnishing of the required information by SG and IBM to MoM would facilitate the speedy consideration of DESPL's Mining Lease application over the Ganajur Gold Project.

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FURTHER WORK IN THE MINING LEASE AREA :

DGML has made all out efforts to speed up the implementation of the project while the approval of the ML is awaited. Additional works carried out in this respect include a) Preparation of Mining Plan b) Environmental Impact Assessment (EIA) and Management Plan (EMP) studies as per Terms of Reference issued by the MOEF c) Hydro geological survey to locate water resources for the gold processing plant and mine operations, d) consultations with leading metallurgical and process engineering groups e) Submission of application to the KIADB for land acquisition and d) Geophysical studies and additional drilling in the Ganajur Main as well as the satellite prospects to enhance the overall resource.

APPROVAL OF TOR AND EIA STUDIES :

The Expert Appraisal Committee (Industry) constituted by the Ministry of Environment and Forests has accepted our application for TOR for the proposed 2000 tpd Ganajur gold ore Processing Plant. The proposal was considered during the EAC meeting held On 5th March 2013 at New Delhi.

Similarly the State Level Expert Appraisal Committee, Karnataka had also accepted our application for TOR for the proposed 2000 tpd Ganajur gold ore mine. The company has appointed B.S.Envitech a highly reputed Environmental Consultant for undertaking the Environmental studies and preparation of EIA and EMP report for both Ganajur Gold mine and the proposed processing plant. As per MOEF guidelines, TOR is granted for a period of only two years and with a provision to apply for an extension of the validity of the TOR for one more year. As per this the two year time for the Mine TOR will be expiring in January 2015 and DESPL has already submitted its application for the extension of the TOR for one more year. The shareholders are informed that DGML could not complete public hearing and submit the EIA/EMP report within the prescribed two years time limit due to the delay in obtaining the LOI from the State Government. With the change in the government at the centre we are hopeful that the ML will be granted soon after the queries have been addressed by the State Government and the IBM.

METALLURGICAL PLANT AND PROCESS DESIGN:

DGML has initiated discussions with leading Gold ore processing and engineering groups to understand and finalise a suitable process route for recovering the gold efficiently keeping in mind environmental and economic aspects. The possible process routes suggested include, Pressure Oxidation (POX), Biological Oxidation (BIOX), Calcination and CIL leaching, Conventional CIL leaching and ultrafine grinding and leaching.

DGML will be appointing a leading group to undertake a prefeasibility study to cover all these aspects while addressing CAPEX and OPEX parameters.

GOVERNMENT OF KARNATAKA'S APPROVAL FOR LAND ACQUISITION :

DESPL has received a Government Order (G.O.) after the State High Level Clearance Committee (SHLCC) cleared our request for allotment of 200 acres of land for the Ganajur Main Gold Mining and Ore Processing Plant. The G.O. has approved DESPL's request for additional 55 acres of land from 145 acres to 200 acres at Ganajur Village in Haveri District, Karnataka for the proposed gold mine and processing plant.

The G.O. has also facilitated land acquisition process through Karnataka Industrial Areas Development Board (KIADB), for which DESPL has submitted application to the KIADB in March, 2013. KIADB had asked DESPL to obtain consent letters from 70% of the land owners, which is a pre-requisite as per the guidelines of The Government of Karnataka. Accordingly, DESPL has obtained this consent from land owners and it may be mentioned that DESPL's long term lease agreement with land owners of the proposed gold mine will be an added advantage in the land acquisition process.

UPDATES ON EXPLORATION

During the last year which is the 5th year of the PL tenure, DESPL carried out Geophysical Resistivity Survey, Trenching/ channel sampling and Diamond Core drilling in the PL block. DESPL completed a total of 2381 metres of diamond core drilling which was focused primarily on Ganajur SE Prospect apart from exploring Ganajur Central, Karajgi Main, Ganajur Main prospects. Prospect-wise summary of the drilling is given below in Table 3 :

Table - 3 : SUMMARY OF THE RECENT DRILLING IN THE PL BLOCK

PROSPECT NAME	NO OF HOLES	METREAGE
GANAJUR SE	15	1276.95
GANAJUR CENTRAL	3	297.8
KARAJGI MAIN	3	162.2
GANAJUR MAIN	9	644.2
TOTAL	30	2381.15

The objective of the current drilling programme was

- To identify and assess the gold ore resources in the Ganajur SE Prospect which appears as a continuum of Ganajur Main Prospect.
- To undertake shallow drilling at Ganajur Main for Metallurgical testing as well as Geotechnical studies as part of the feasibility study
- To examine the Resource potential of the satellite prospects such as Karajgi Main and Ganajur Central for gold mineralization.

GEOPHYSICAL RESISTIVITY PROFILE SURVEY:

DESPL has also completed around 3.5 line kms of Geophysical Resistivity survey in the PL block.

Resistivity profiling surveys are of indirect application methods for gold exploration and they may be used to locate targets for gold mineralization. Some of the areas around Ganajur Main, Ganjur Central, Karajgi Main and Karajgi Hut prospects are soil covered and it was therefore considered useful to investigate the occurrence of a hidden sulphidic chert below the surface using Resistivity survey technique before embarking on a detailed trenching programme. Apart from this objective, we can also define the litho contacts using the geo-electrical properties of different litho units.

The total of 3.515 line kms of profiling from 41 lines was carried in all the above mentioned prospects. Summary of the Resistivity survey is furnished in Table-4.

Table-4: SUMMARY OF RESISTIVITY SURVEY

Serial No.	Prospect Name	No of Profiles	Length (Metres)
1	Ganajur Main	2	160
2	Ganajur Central	6	710
3	Karajgi Main	4	245
4	Karajgi Hut	29	2400
	Total	41	3515

Based on the results of IP/Resistivity surveys DESPL exposed 17 trenches (Fig-4) in Ganajur South, Central and Karajgi Hut prospects. Prospect wise details of exploration is given below.

GANAJUR MAIN PROSPECT:

Ganajur Main is the most important prospect within the PL block and as such attracted detailed exploration during the last 5 years. During the last year DESPL completed a total of 7 infill drill holes (GMC-35, 36, 37, 39, 40, 41, 42) on the Main ore body targeting the Oxide domain in order to upgrade the same to JORC indicated category (UNFC 121). All the seven holes (Fig- 3 & 5) intersected the oxide zone at the anticipated depth with significant width and grades. The drill core samples will also be utilized for carrying out a comprehensive metallurgical studies for the oxide zone. A similar study for the sulphide ore was already completed at the internationally reputed ALS-AMMTEC lab in Australia.

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Apart from this DES also drilled one hole GMC-38 exclusively for geotechnical studies a pre-requisite before undertaking the proposed open pit mining operation. Thus a total of 9 drill holes were completed involving 644.20 metres. A total of 155 samples were analysed for Au, Ag, Pb, Zn, Cu, As and Fe.



Fig-4: A trench exposed in Ganajur Central Prospect.



Fig-5: A drilling Rig in operation Ganajur Main Prospect.

The average grade and width of mineralized zones intersected in the drill holes are furnished in the following Table-5.

TABLE-5: DETAILS OF MINERALISED ZONES INTERSECTED IN THE DRILL HOLES, GANAJUR MAIN PROSPECT

SI No.	Hole No	Depth (m)	No of samples	SAMPPLD DEPTH		Width (m)	Au g/t
				From (m)	To		
1	GMC-35	122.6	15	104.9	105.85	0.95	1.94
				110.45	114	2.95	2.18
2	GMC-36	42.6	13	19.1	24.1	5	2.99
3	GMC-37	40	51	10.6	28.6	18	2.04
				30.1	35.2	5	3.07
4	GMC-38	101.6	GEOTECHNICAL DRILLING				
5	GMC-39	45.6	53	3.1	28.2	25.1	1.42
				40.6	41.7	0.8	3.34
6	GMC-40	45.6	16	9.8	20.6	10.8	2.4
7	GMC-41	42.6	5	23.45	26.35	3	1.69
8	GMC-42	65.6	2	42.2	42.6	0.4	1.3
9	GMC-IP-43	138	NOT SAMPLED				
GRAND TOTAL		644.2	155				

As reported SRK has estimated an overall resource of 308,000 ozs of gold as per JORC standards of which more than 90% is classified under indicated category.

As already reported, the geophysical survey with a combination of Transient Electromagnetic Survey (TEM) and Induced Polarization (IP) survey was used to delineate conductive zones and also to locate geological structures favorable for hosting gold mineralization in the entire Ganajur –Karaji PL Block. The IP survey has also clearly brought out a 2.8 km long, strong linear Chargeability anomaly with high resistivity background, which encloses the 600 metre long Ganajur Main Gold Deposit. This clearly indicates that the gold mineralization of the Ganajur Main deposit could now probably extend for nearly 2.8 kms. The 2D Inversion model also indicates that the Ganajur Main ore body and its extension may continue beyond 150metre depth (Fig-6). The Geophysical IP survey has been very successful in tracing new zones of possible gold mineralization, which correlates well with world class gold deposits with multimillion ozs of gold resources.

Exploratory drilling for testing the deep seated IP anomaly in Ganajur Main Prospect was quite positive.

DESPL plans to undertake further drilling for exploring the possible deep seated gold resource. DESPL has drawn up an exploration programme involving 7000 metres of drilling that also includes deep drilling at Ganajur Main Gold Deposit.

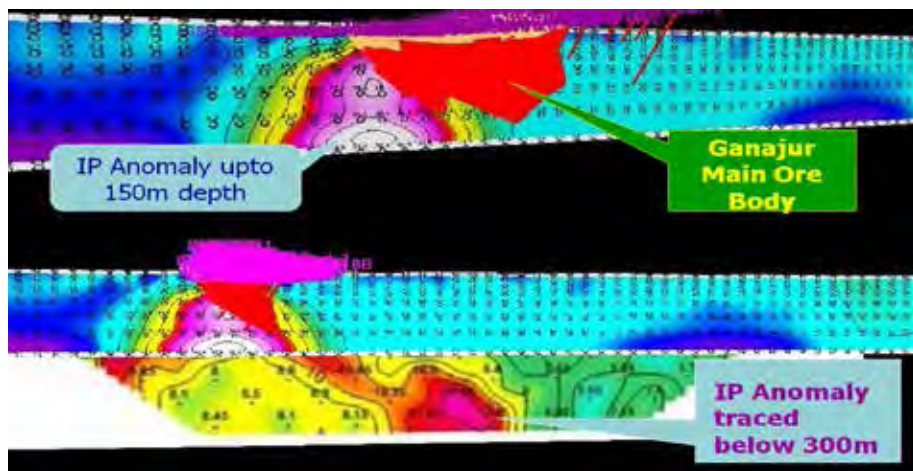


Fig-6: 2D Inversion model showing deep seated IP Anomaly, Ganajur-Karaji PL.

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GANAJUR SOUTH EAST PROSPECT:

Ganajur southeast prospect is located at 1.2 km SE of Ganajur Main prospect. The mineralized body is a gossanous banded sulphidic chert (Fig-7) hosted by greywacke & traversed by fine stringers of quartz-carbonate veins and is considered as the southeastern extension of Ganajur Main Gold Deposit. The prospect was discovered during exploration under a RP that was further confirmed by detailed trenching and drilling during the PL stage. Exploration under the PL stage also defined mineralized zone for a length of 455 metres. Recent IP survey had indicated significant chargeability anomaly extending for nearly 2.8 kms that included Ganajur SE prospect. These results indicate possible extension of Ganajur SE Prospect along strike direction. Significant intersections were obtained that included gold value of 6.23 g/t over 15.0m width in one of the drill holes.

Encouraged by these findings a close spaced diamond core drilling programme was initiated and 1276.95 metres of drilling was carried out in 15 drill holes (Fig-8). The drilling was in accordance with the international best practices and QA/QC procedures. Most of the drill



Fig-7: Mineralized BIF exposed in Ganajur SE Prospect.

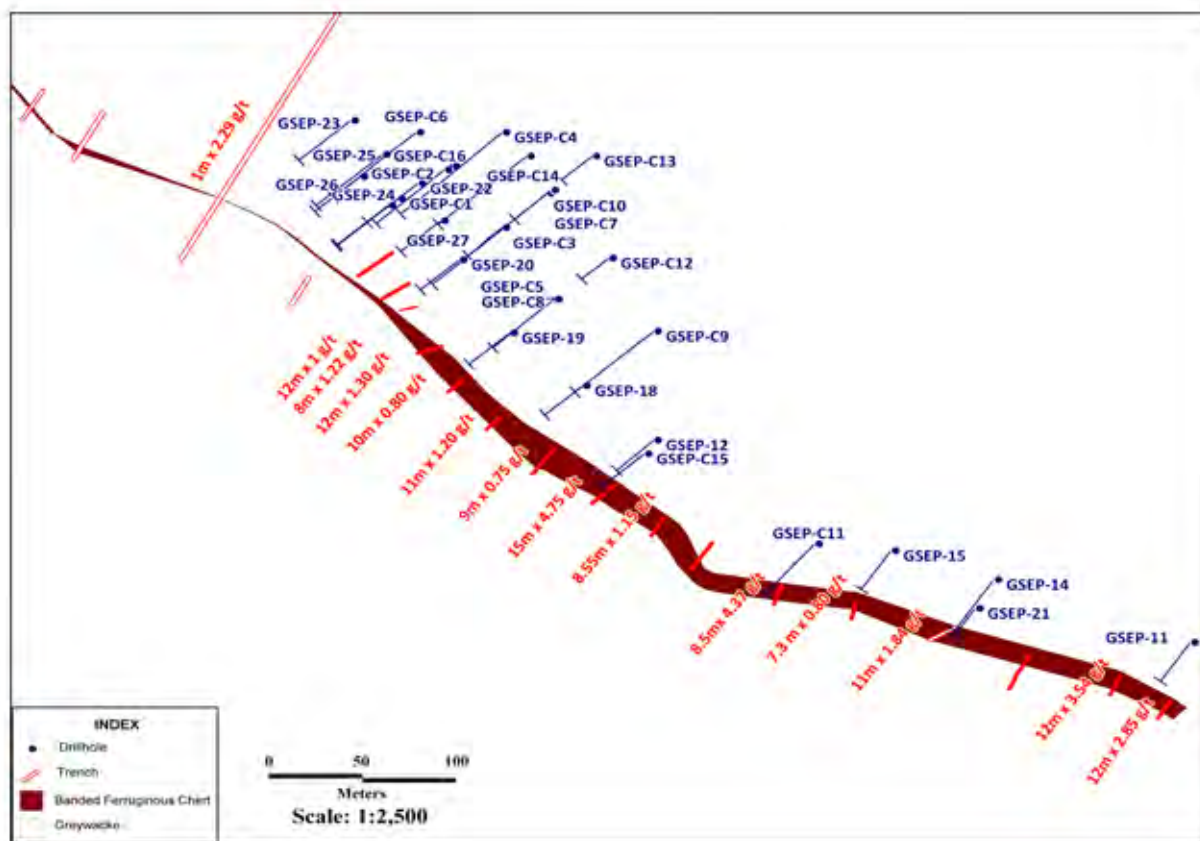


Fig-8: Ganajur South East Prospect drill hole plan map.

holes intersected a sulphidic chert band carrying significant gold values. Table-6 summarizes the intersections of gold in the drill holes. Typical drill hole cross section is given in Fig-9.

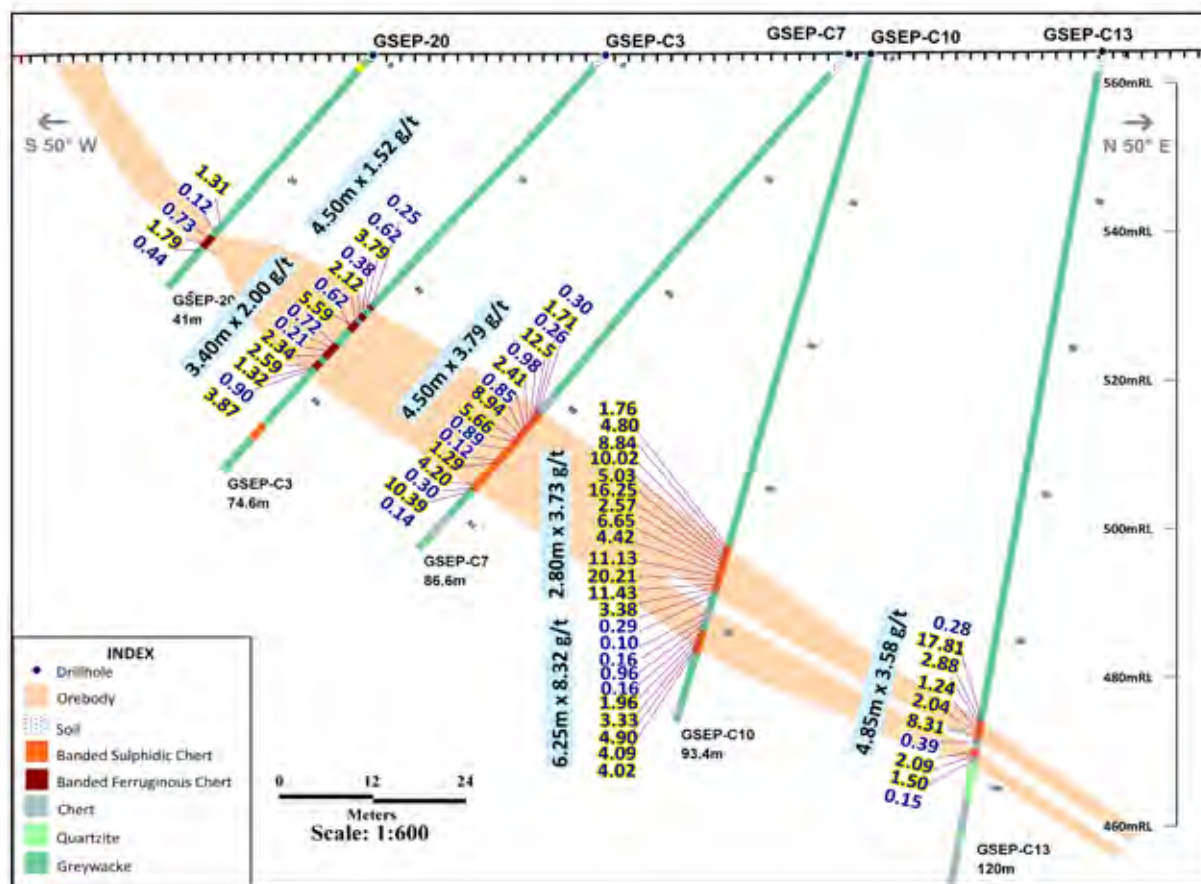


Fig-9: Drill Hole Cross section along GSEP_C3_C7_C10-C13 (Ganajur SE P).

TABLE-6, DETAILS OF MINERALISED ZONES INTERSECTED IN THE DRILL HOLES, GANAJUR SE PROSPECT

BHID	FROM (M)	TO (M)	WIDTH (M)	GRADE AU G/T	HIGHEST GOLD VALUE
GSEP-C7	63.4	67.9	4.5	3.81	12.5
	70.6	71.6	1	2.75	4.2
	74.6	76.2	1.6	4.1	10.39
GSEP-C8	38.5	42.5	4	4.3	17.38
GSEP-C10	68.65	74.9	6.25	8.31	20.21
	80.4	83.2	2.8	3.73	4.9
GSEP-C2	54	57.15	3.15	3.58	11.01
	62	62.5	0.5	5.95	5.95
GSEP-C3	46.2	49.1	2.9	2.24	5.59
	53.1	56.6	3.5	1.82	3.87

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GSEP-C4	80.6	81.1	0.5	7.58	7.58
GSEP-C5	41.2	44.2	3	1.32	2.28
GSEP-C6	64.7	66.3	1.6	2.25	3.15
GSEP-C12	71.2	74.1	2.4	1.96	4.1
GSEP-C13	91.6	96.45	4.85	3.58	17.81
GSEP-C14	70.35	76.55	2.7	5.41	10.44
	78.75	81.4	2.65	4.36	8.56

The results from the latest drilling programme has confirmed our interpretation of finding additional gold Resources in the satellite prospects surrounding the Ganajur Main Gold Deposit which is currently under consideration of the Govt. of India for grant of Mining Lease.

The Mineral resource was estimated to a vertical depth of 110 metres. The parameters considered include specific gravity of 2.95 and cut-off grade of 0.5 g/t Au. The ore body extends for a strike length of 150 metres and is open along the strike and depth (Fig-10).

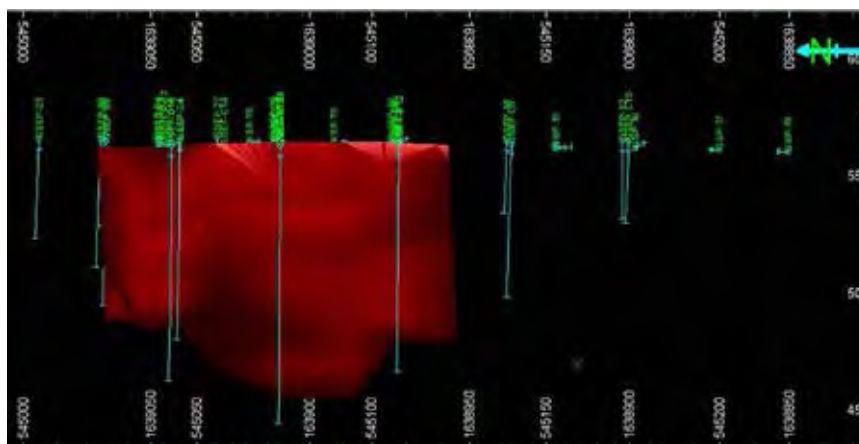


Fig-10: LV Section on Ganajur SE Ore body.

Based on the above information, DGML has estimated a resource of 35000 ozs of gold that could be classified as Indicated as per JORC standards (Subject to validation by an Independent Competent person).

Category (JORC)	Category (UNFC)	Quantity (tonnes)	Gold Grade g/t	Contained metal Gold (ounce)
Indicated	121	357657	3.04	34930.42

KARAJGI MAIN PROSPECT:

Karajgi Main is located at 1 km South East of Ganajur Main Prospect. It is rated by DGML as one of the most important among the prospects in the PL block. Karajgi Main comprises of a southern auriferous BIF which has a drilled resource of 90000 tonnes averaging 2.23 g/t and two sulphidic chert bands towards the northern slope area designated as A and B with significant grade and width. Number of old workings (Fig-11) are noticed all along these chert bands. The gold mineralization in the Karajgi Main Prospect is associated with a deformed iron formation. The gold mineralization is characterized by sulphide mineralization, silica breccia and minor quartz veining developed within a sulphidic chert unit. The gold mineralization is epigenetic in nature but stratabound because it is confined to the cherty iron formation. The initial drilling during RP and PL revealed high grade gold intersections in many of the drill holes. Apart from this Significant IP geophysical signatures were observed over this prospect indicating potentiality of the same.



Fig-11: Old Working from Karajgi Main Prospect.

DESPL completed 2 diamond core drill holes at Karajgi Main prospect in order to test the geophysical IP anomaly and also to understand structural controls of gold mineralisation. Out of two holes drilled, KMC-01 intersected two significant zones of gold mineralisation. The first one is 5.0 m thick which passed through between 45.50 to 50.50m averaging 7.43 g/t. gold including a high value of 33.60 g/t. The second zone is 9.0 m thick and was encountered between 71.1 and 80.1m averaging 3.19 g/t gold. The results from Karajgi Main Prospect have confirmed the existence of high grade gold bearing zones and distinct possibility of finding additional resources.

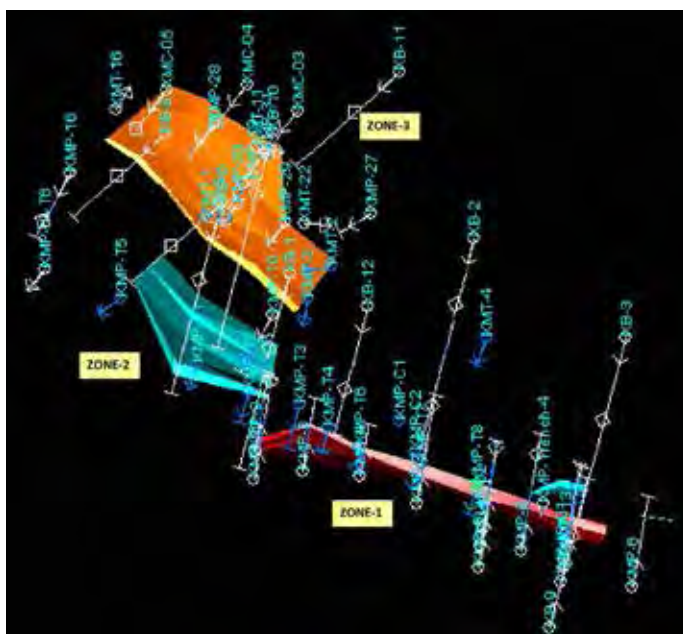
During last year DESPL completed a limited drilling for the Band A located in the northern slope of the Karajgi Hill that involved three drill holes involving 162.2 metres from three drill holes. KMC-03 intersected 1.10 m of mineralization between 44.75 to 45.85 m averaging 1.17g/t. One of the

drill holes KMC-04 drilled to test the deeper extension of the earlier drilled R.C. drill hole KMP-28 intersected a mineralised zone of 1.30 m assaying 7.44 g/t Au.

DESPL compiled all the data generated under RP and PL stages in Karajgi Main prospect and using the available data, a 3D resource model was generated. The ore body section was constructed using 0.5 g/t Au as cut off and a minimum width of 1m.

A total of 3 auriferous zones were defined trending northwest and dipping towards northeast (Fig-12). Zone-1 and 2 with cumulative strike length of 360 metres with steep dips towards NE are the two branches that constitute the Karajgi main mineralised zone. Zone-3 is on the northern slope of the Karajgi Main hill that is correlated to Band-A. Zone-3 has a strike length of 140 metres dipping at 30 to 35° towards NE.

Based on these data DESPL revised the resource estimate for Karajgi Main Prospect. The resource was estimated up to a vertical depth of 80 mtrs. The true thickness of the ore body varies between 1.45 to 9.0 metres. The resource statement is furnished in Table-7.



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KARAJGI HUT PROSPECT:

The Karajgi Hut prospect is located around 600m NE of Karajgi Main prospect. Two parallel BIF bands were defined with a cumulative strike length of 530 metres as a result of exploration carried out under RP and PL stage. Preliminary RC drilling has indicated that the north western part is more promising in terms of gold grades and width. Ground IP geophysical survey has also indicated a moderate IP anomaly in this block. DESPL carried out a systematic resistivity survey towards NW part of this prospect in order to examine possibility of finding concealed mineralised chert bands if any and also to explore NW extension of the mineralised chert bands already known. A total of 2.4 line kms of survey was accomplished along NE and SE profiles in a grid pattern. The survey was carried out using Schlumberger array at electrode spacing of 5m, 10m and 15m separation.

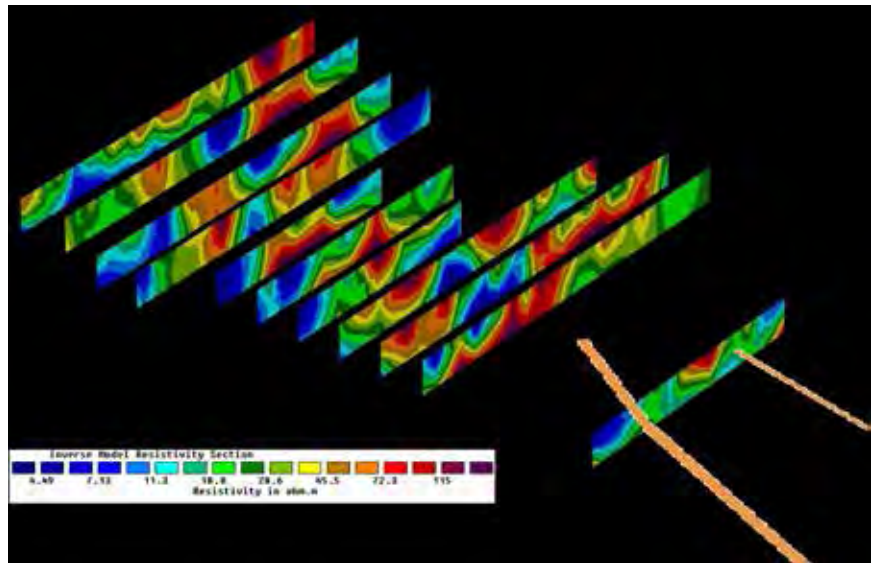


Fig-13: Stacked 2D Resistivity inversion models, Karajgi Hut Prospect.

The data was processed using Encom Discover and checked with IP2Win softwares. The resultant plots reveal two NW-SE trending moderately resistive anomalies that could be interpreted as two limbs of a folded structure (Fig-13). These anomalies are now interpreted as the North west extension of the mineralised chert band of Hut Prospect. DSPL now plans to expose the new targets by way of trenching.

FUTURE PLANS OF EXPLORATION IN THE GANAJUR-KARAJGI PL BLOCK

Consolidation of all the exploration data (RP and PL) by DESPL has resulted in defining several new targets that require further exploration by drilling. Considering these aspects, DESPL has now proposed an exploration programme involving around 7000 metres of Diamond core drilling at Ganajur Main and its satellite prospects.

By undertaking this drilling programme, DESPL strongly believes that the overall resource of Ganajur Main Prospect would be increased and the inferred and indicated category of resources would also be upgraded. There are also enough indicators of finding additional resources in the satellite prospects particularly in Karajgi Main and Ganajur SE Prospect.

FEASIBILITY STUDIES:

Feasibility Study is a priority for Ganajur Gold Project considering the fact that DGML would be commencing mining operation in the immediate future. The study would involve commercial and technical feasibility of mining and producing gold in significant quantities. The study shall include estimation of ore reserves; description of the suggested methods of mining and extraction; description of proposed processing and waste disposal; an economic evaluation including an estimate of the capital expenditure requirements and operating costs and a comparative analysis of the effect of various assumptions, financing costs, operating costs and taxation; legal and infrastructure, and an estimate of operating levels, environmental costs, mine closure and reclamation costs. This study would be carried out by an independent agency of international repute.

DHARWAR CLUSTER

MANGALAGATTI AND BHAVIHAL PROSPECTS :

Mangalagatti and Bhavihal prospects are located 12 to 20 kms north of Dharwar city (Fig-1,2). They form part of the 'Dharwar Cluster' of gold bearing sulphidic Chert bands. The Dharwar cluster comprises of Mangalagatti SE, Mangalagatti Main, East and Bhavihal prospects (Fig-14). All these are considered as highly potential like the Ganajur-Karajgi cluster near Haveri. DESPL's application of Prospecting License over an area of 4 sq.kms and covering the Mangalagatti Prospects was approved by Ministry of Mines and Government of Karnataka issued grant order in the month of October, 2012 and the PL is expected to be executed shortly.

Initial exploration during the RP tenure in the Mangalagatti SE prospect by RC drilling and channel sampling had revealed significant gold mineralization. Gold mineralization is hosted by south-easterly plunging folded banded iron formation. Two auriferous zones extending for nearly 500 metres over a width of 30 metres were defined. An ancient working and adjacent pounding marks indicates ancient mining activity in the area.

An inferred resource of 1.5 million tonnes@ 1.63 g/t Au was estimated based upon results of shallow RC drilling programme. After the successful exploration by geophysical methods in the Ganajur-Karajgi PL block, DGML conducted Induced Polarization (IP) survey in the PL block to investigate the existence of possible mineralised zones in addition to those already explored. The IP survey was carried out on 12 lines by dipole-dipole configuration at 50 to 100 m dipole spacing involving 19.7 line kms.

The results of the IP survey revealed a 300 to 400 metres wide broad based chargeability anomaly suggesting that the mineralization is controlled by a folded structure. More interestingly the IP anomaly has been traced all along for a distance of 2.0 kms and the anomaly is still open (Fig-15).

DGML also tested the depth extension of the IP anomaly by carrying out the survey at larger dipole separation.

The survey indicates that the IP anomaly continue to greater depths below 200 metres with sharp increase in the intensity of the anomaly.

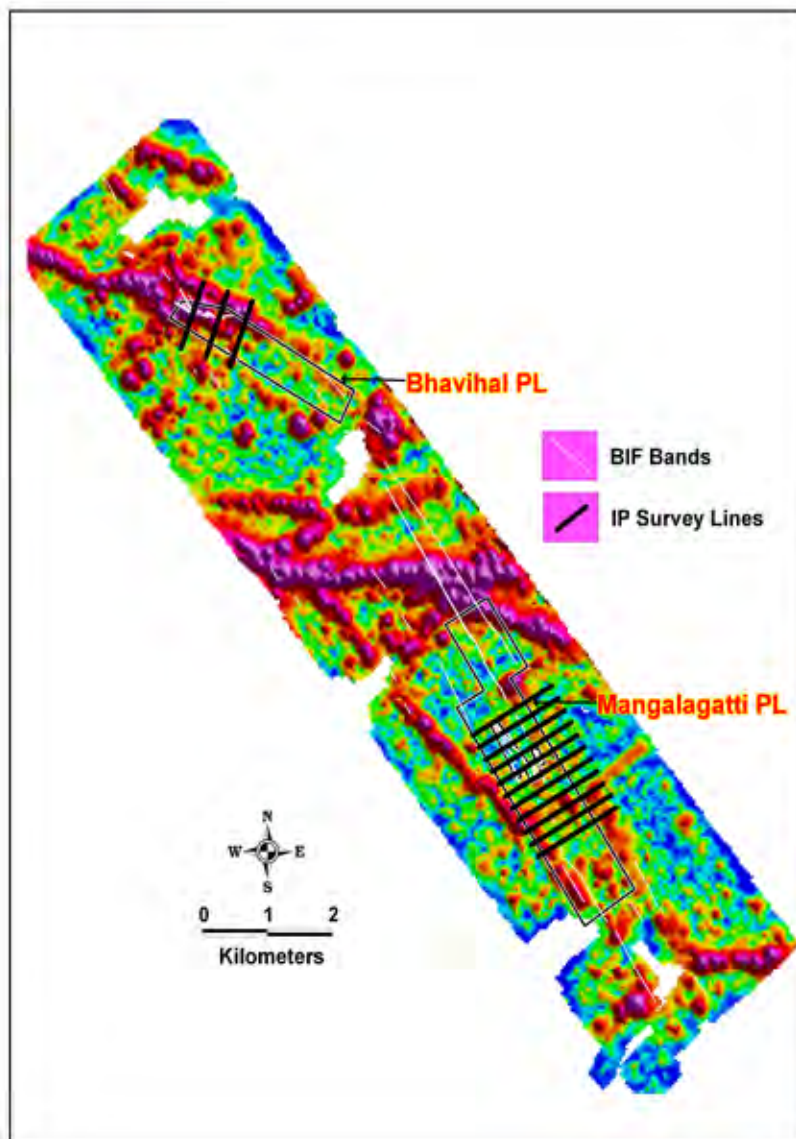


Fig-14: Magnetic image with IP profiles of Mangalagatti-Bhavihal prospects.

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These results are very positive and warrants detailed exploration by drilling. DGML will launch resource drilling in Mangalagatti SE prospect and its adjacent targets once the PL is executed. DESPL has proposed to drill around 5000 metres of diamond core drilling in the PL Block.

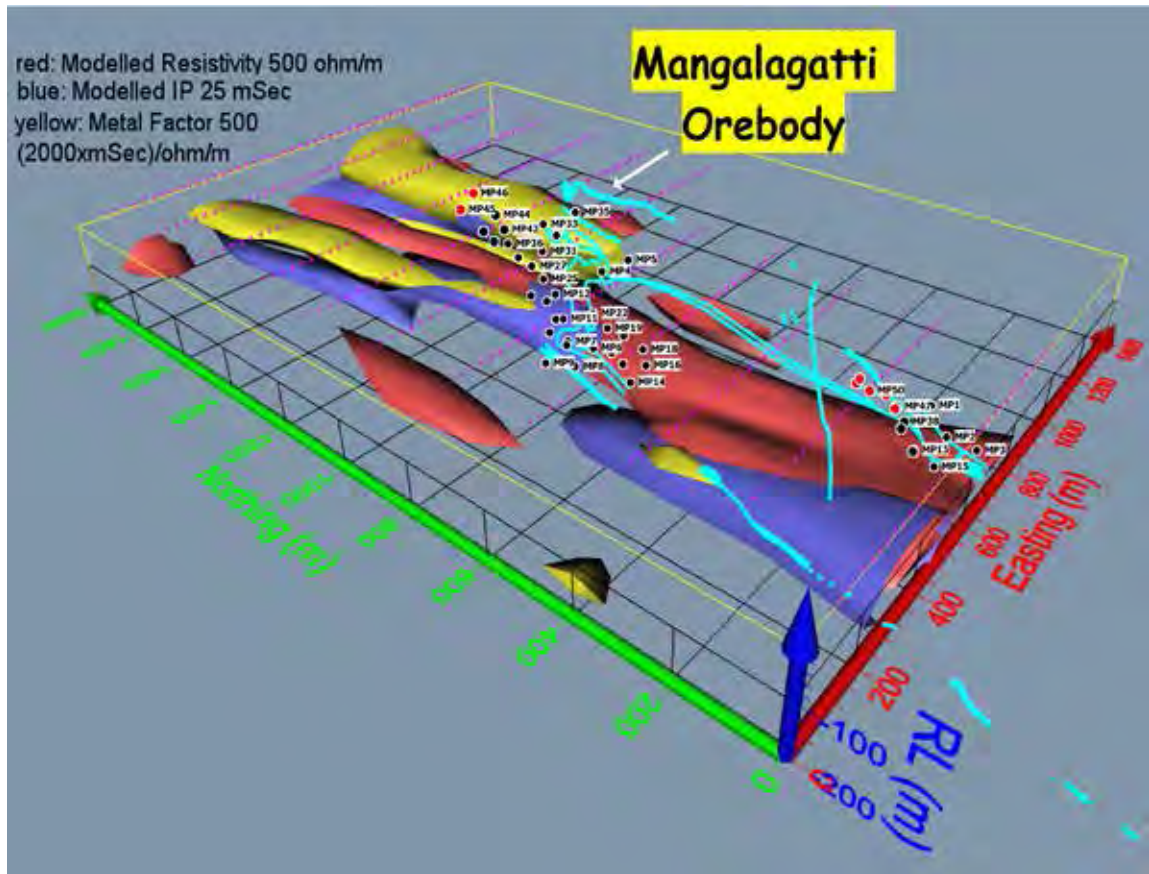


Fig-15: Mangalagatti 3D IP Geophysical Model.

BHAVIHAL PROSPECT :

Is located at a distance of 8 kms NW of Mangalagatti prospect. Preliminary channel sampling followed by RC drilling during the RP tenure had clearly brought out surface expression of a wide ore body hosted in cherty BIF. The limited RC drilling was also intended to examine open pit resource similar to Mangalagatti SE prospect. As a result of this preliminary investigation an area of 400 metres was delineated and an inferred resource of 74,000 oz of Au was estimated averaging 1.76 g/t. A preliminary IP survey was initiated on 3 lines to understand the IP signature. It is very encouraging to note that all the three lines have brought out two moderate chargeability anomalies with co-incident resistivity highs. With this positive information, it is planned to go ahead with additional IP survey to explore the depth and strike continuity of the mineralization.

HUTTI – MASKI BELT PROJECTS

Hutti Maski Greenstone belt is one of the most important Archaean gold bearing belts in India. The Hutti-Maski belt hosts world class Hutti Gold deposit that is being mined by The Hutti Gold Mines Limited. DGML has carried out exploration over an area 851 sq km in the Hutti Belt, which has resulted in identifying 21 gold bearing blocks. A total of 12 prospecting licenses (PLs) applications covering the 21 gold targets and 1 Mining lease (ML) application in Hirenagnur have been filed with the Karnataka State Government (Fig. 16).

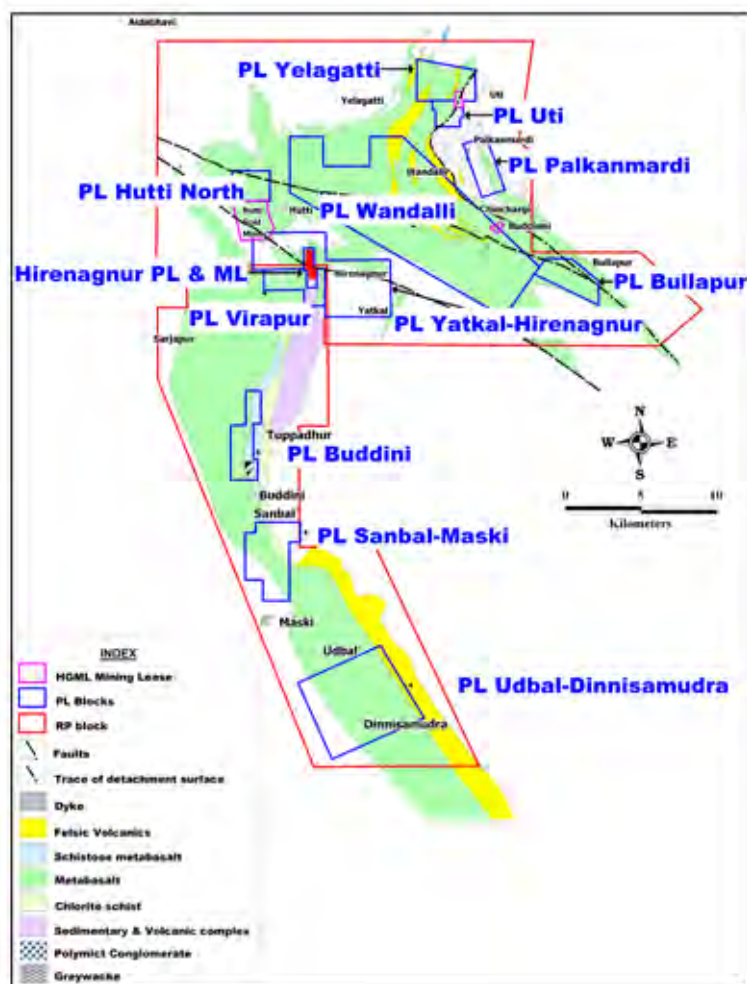


Fig-16 : Geological map of Hutti-Maski Greenstone Belt showing DGML's key gold prospects and applied tenements.

UPDATE ON SLPs IN THE SUPREME COURT (HUTTI BELT):

Our shareholders are aware that DGML is contesting the Order passed by the Hon'ble High Court of Karnataka in the month of April, 2012 favouring Hutti Gold Mines Limited (HGML) regarding the Hutti Belt projects. A Special Leave Petition (SLP) was lodged in the Hon'ble Supreme Court of India, which was admitted in the month of July, 2012. While admitting the SLP, the Hon'ble Supreme Court has also observed that the final decision on the grant of the PL's over Hutti Belt, to be made by the Central Government, shall be subject to the outcome of the present SLP. It is to be noted that the Ministry of Mines also filed an SLP on 7th of September, 2013 against the Karnataka High Court Order.

As regards the SLP filed by the Company, HGML has filed its Statement of Objections and the Company is in the process of filing a Rejoinder to the same in consultation with its Lawyers. The Company has also been served with copies of the SLP filed by the MoM and it is noted that the MoM's stand is in support of the Company's contentions. The Company in consultation with its Lawyers is in the process of filing a Counter Affidavit. We remain confident of the outcome restoring our rights over the Hutti Prospects.

Due to delays in grant of PLs, DGML was unable to undertake further detailed exploration in the Hutti-Maski belt. The details of prospects explored under the RP have been presented in the previous annual reports.

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RAMGIRI BELT PROJECT

The Ramagiri belt forms the southern half of the Ramagiri-Penkacherla greenstone belt falling in Andhra Pradesh. Ramagiri is located 40km south -southeast of Anantapur and 180km due north of Bangalore. It is one of the important gold-bearing greenstone belts of the Eastern Dharwar Craton (Fig. 17).

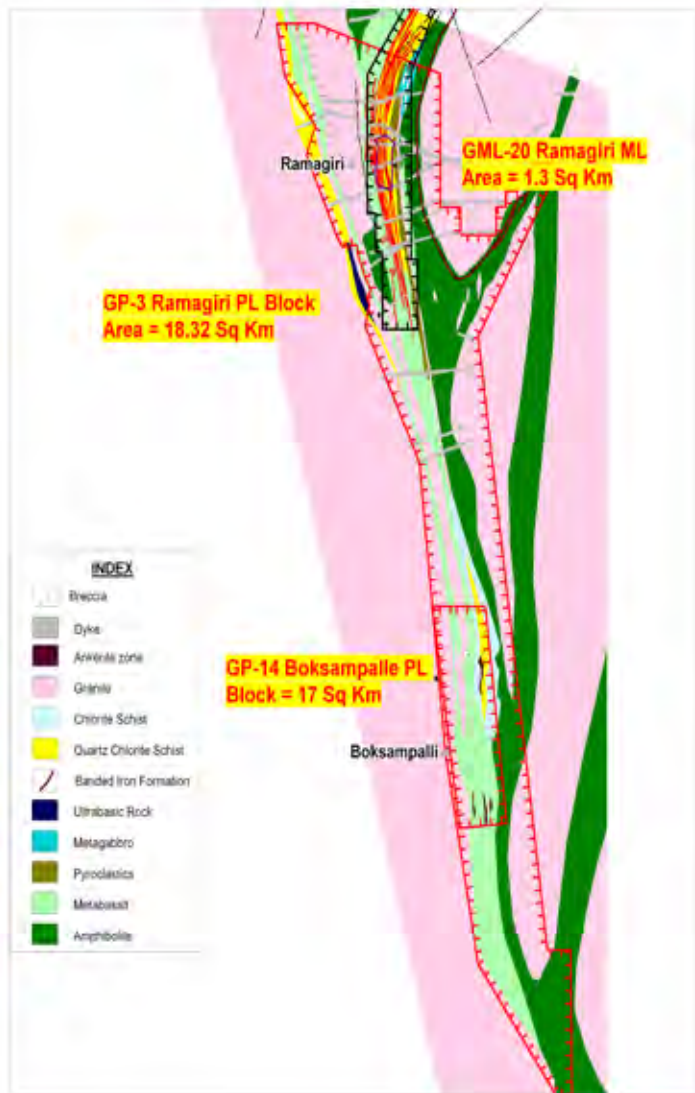


Fig-17: Regional geological map of Ramagiri Greenstone belt showing applied prospecting license area and key prospects.

the historical data followed by Remote Sensing studies, Stream Geochemical sampling, Ground Magnetic Survey and follow up geological traverses.

The results of the exploration did not indicate any signs of gold mineralization and it looks like that gold mineralization is only confined to the Mangalur Greenstone Belt located towards eastern side of the RP Block that was previously explored by DGML with positive results.

DGML, through its associates, held the Ramagiri RP block which contains the 13 km long Ramagiri Gold Field (RGF). This area experienced intensive underground mining activity by the Britishers in the early part of the last century. Three main mining ventures in this tract produced about 176,338 ounces of gold at a recovered grade of around 15 g/t from high-grade veins in the years 1910 to 1927. Until April 2001, the Government of India owned Bharat Gold Mines Ltd. (BGML) was operating the underground Yeppamana Mine in the RGF.

Exploration during the RP tenure resulted in defining two prospective blocks for further exploration that are covered under PL applications. The details of the PL blocks are given below:

- 1) Ramagiri Gold Field block (RGF) -20 sq km area
- 2) Boksampalle block -17 sq km area

PL applications are under processing with the Government of Andhra Pradesh, hence no exploration work has been carried out in this year. We believe that new government both at the state and the centre would help in grant of the PL at the earliest. Details on the work carried out in these prospects have been provided in the 2012 Annual Report.

MANGALUR- JAINAPUR RP BLOCK

The Government of Karnataka granted Mangalur-Jainapur Reconnaissance permit over an area of 243.34 sq.kms and the same was executed on 30-6-2010. This RP block covers the western portion of the Mangalur greenstone belt and comprises of granitic rocks and sediments of Bhima Basin. DGML as part of the Reconnaissance reviewed all

However during the course of exploration DGML identified extensive deposits of good quality limestone with in the RP area. The flat bedded good quality limestone of Arakeri-Yadahalli-Kachakanur ridge in particular looks good for manufacture of cement with 48- 53% CaO content. Based on these findings two Prospecting Licence applications were submitted for limestone, Au and other minerals covering areas of 60 and 30 sq,kms respectively (Fig-18).

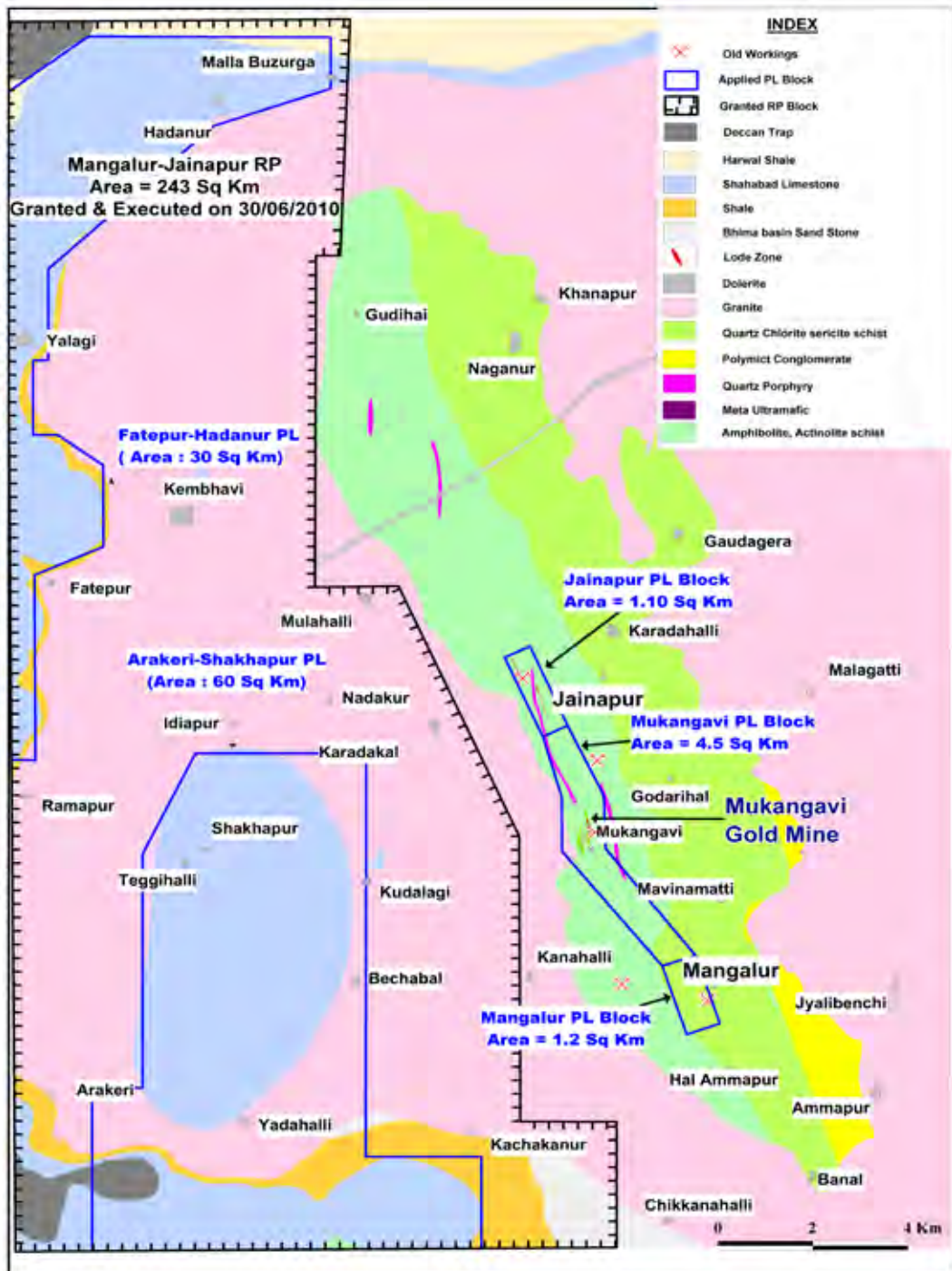


Fig-18: Regional Geological map of Mangalur Greenstone belt showing the applied PL areas.

EXPLORATION PERMITS AND APPLICATIONS

STATUS OF IMPORTANT APPLICATIONS FOR RP / PL / ML

(as on November 21, 2014)

RECONNAISSANCE PERMIT (RP) APPLICATIONS

RP Nos.	Block Name	District	State	Area in sq km	Date of Application	Ref. No. and Date	Status
DGML.RP-5	Ramagiri	Anantapur	Andhra Pradesh	2430	19.6.2004	No.F.No.17808/R4-3/04, Dt.19.6.2004	Pending at DMG, Hyderabad.
DGML.RP-2	Hutti South	Raichur	Karnataka	1000	26.2.2004	No.DMG/04 ARP 2004/19221, Dt.3.3.2004.	Pending at DMG, Bangalore.
DGML.RP-3	Hiriyur	Chitradurga & Tumkur	Karnataka	596	17.3.2004	No.DMG/07 ARP 2004/ 19751, Dt.18.3.2004	Pending at DMG, Bangalore.
DGML.RP-9	Nilambur	Malappuram	Kerala	1200	7.3.2005	No.1862/ M1/2005, Dt.16.3.2005	Pending at Principal Secretary's Office, Government of Kerala. Hearing scheduled for 28.11.2014.

PROSPECTING LICENCE (PL) APPLICATIONS

PL No.	Block Name	District	Area in sq km	Date of Application	Ref. No. & Date	Status
KARNATAKA STATE						
DGML.PL-4	Karajgi Extension	Haveri	21	30.10.2007	No.102APL 07/10680, dt.2.11.2007 CI 297 MMM 2010	Pending at DMG, Bangalore.
DGML.PL-7	Ajjenahalli	Tumkur	1	2.4.2009	No.DMG/58/APL 09/450, dt.17.4.2009	Pending at DMG, Bangalore.
DGML.PL-8	Chinna Mulgund-Aladgeri	Haveri	35	26.2.2010	No.DMG:09APL/ 2009-10/ 18735, dt.20.3.2010	PL Application filed in response to Gazette Notification dt.30.12.2009. Application was Rejected vide Notice dt. 12.3.2012 issued by Director, DMG, Bangalore. Future course of action will be decided based upon the decision of the Tribunal, MoM, New Delhi on the Revision Application made in respect of DES.PL-15. Details are given in DES.PL-15.

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DGML.PL-9	Ranibennur	Haveri	70	26.2.2010	No.DMG:10 APL/2009-10/18736, dt.20.3.2010	-do-
DGML.PL-10	Katenahalli-Kengond	Haveri	26	26.2.2010	No.DMG:11 APL/2009-10/18734, dt.20.3.2010	-do-
DGML.PL-11	Fatehpur-Hadanur	Yadgir	30	25.3.2013	No.DMG/RP-Sec/01-APL/2013, dt.3.4.2013	Comes under seamless transition category under Section 11(1) of the Act. Under processing at DMG, Bangalore.
DGML.PL-12	Arakeri-Shakhpur	Yadgir	60	25.3.2013	No.DMG/RP-Sec/02-APL/2013, dt.3.4.2013	Comes under seamless transition category under Section 11(1) of the Act. Under processing at DMG, Bangalore
DES.PL-2	Ganajuru-Karajgi	Haveri	2.2	17.10.2003	PL Deed no. 3370 & Executed on 25.9.2009. Renewal Ack. No.02-APL/2012-13/4467, dt.14.6.2012.	1) DESPL has applied for ML (DES ML-5) over an area of 2.8 sq km within the PL area on 20.12.2012. This ML is in addition to the 72 acres of ML block over Ganajur Main Gold deposit which is under processing at the MoM, New Delhi. 2) During the pendency of these ML applications DESPL can continue prospecting operations beyond the date of expiry of the PL (Sept.2014) as per the provision in the PL Deed Part IV, para (4).
DES.PL-10	Mangalagatti	Dharwar	4	11.1.2005	No.07 APL 2005, Dt.17.1.2005 CI 61 MMM 07	Grant Notification issued by Government of Karnataka vide Order no. CI 61 MMM 2007, dt.11.10.2012. Execution of PL is delayed at DMG despite continuous follow up.
DES.PL-6	Kulavalli	Belgaum	2	15.10.2004	No.127 APL 2004, Dt.24.11.2004 CI 112 MMM 07	DMG had recommended to the State Govt., but the SG has returned the file to DMG for reprocessing. Pending at DMG, Bangalore.
DES.PL-9	Bhavihal	Dharwad	1.5	4.1.2005	No.02 APL 2005, Dt.6.1.2005 CI 66 MMM 2010	DMG had recommended to the State Govt., but the SG has returned the file to DMG for reprocessing. Pending at DMG, Bangalore.
DES.PL-12	Lakkikoppa	Haveri	5	22.3.2005	No.85 APL 05, CI 64 MMM 2010	DMG had recommended to the State Govt., but the SG has returned the file to DMG for reprocessing. Pending at DMG, Bangalore.
DES.PL-8	Turkara-Sigihalli	Belgaum	1.7	31.12.2004	No.181 APL 04/14744, dt.3.1.2005	Pending at DMG, Bangalore.

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DES.PL-11	Ganajuru Extension	Haveri	8	12.1.2005	No.08 APL 2005, Dt.17.1.2005 CI 218 MMM 06	DMG had recommended to the State Govt., but the SG has returned the file to DMG for reprocessing. Pending at DMG, Bangalore.
DES.PL-15	Ganajuru-Karajgi Extension	Haveri	25	26.2.2010	Ack. No. DMG : 08 APL 2009-10/18729, dt.20.3.2010	PL Application filed in response to Gazette Notification dt.30.12.2009. Rejection Notice dt.12.3.2012 issued by Director, DMG, Bangalore being contested before the Tribunal of the MoM, New Delhi.
DES.PL-1	Hutti North	Raichur	5	1.8.2003	No. 24 APL 03, Dt.18.8.2003 CI 155 MMM 2004	<p>This PL application comes under seamless transition category under Section 11(1) of the Act. Despite this, the State Govt. rejected the PL application.</p> <p>Matter being contested before the Tribunal of the MoM, New Delhi.</p> <p>The PL block is also affected by the proposal of Reservation in favour of the PSU-Hutti Gold Mines Ltd. made by the State Government. Please see DES. PL-3.</p>
DES.PL-3	Uti	Raichur	2.9	14.1.2004	No.06APL04/16815, Dt.16.1.2004	<p>Even though DESPL held preferential right over the PL under Section 11(1) of the Act, the State Govt. recommended the PL for reservation in favour of the State PSU-Hutti Gold Mines Ltd. MoM rejected the State's proposal. The PSU approached the High Court of Karnataka. The High Court directed the MoM to take a fresh decision. The MoM again did not approve the State's recommendation. HGML again approached the High Court which by its order dated 03.04.2012 set aside the MoM's decision.</p> <p>DESPL contested the Judgement of the High Court through a SLP at the Supreme Court. The Judges have recognized the merit in our SLP & directed the Respondents to reply to the points raised in the SLP.</p>

						<p>HGML has now filed its Statement of Objections and DESPL has prepared a Rejoinder to the same and sent to the Advocates in Delhi.</p> <p>MoM (Union of India) has also filed an SLP against Hutti Gold Mines Ltd. MoM's SLP is positive and supports our stand.</p> <p>DESPL is filing a counter affidavit in consultation with its Advocates.</p>
DES.PL-4	Yatkal-Hirenagnur	Raichur	21	1.10.2004	No.106 APL04/11544, Dt.18.10.2004	-do-
DES.PL-4A	Hirenagnur	Raichur	1.8	28.4.2006	No. 54 APL 06 Dt.5.5.2006	-do-
DES.PL-5	Wandalli	Raichur	90	21.10.2004	No.11APL04/10976, Dt.28.10.2004	-do-
DES.PL-7	Yelagatti	Raichur	9	17.12.2004	No.162 APL04/13923, Dt.20.12.2004	-do-
DES.PL-13	Palkanmardi	Raichur	6	28.2.2006	No.39 APL 06/17, Dt.29.3.2006	-do-
DES.PL-14	Bullapur	Raichur	7	15.3.2006	No.36 APL 06/15624, Dt.25.3.2006	-do-
GMSI.PL-8	Jainapur	Gulbarga	1.1	7.11.2003	No.47 APL 03/13967, Dt.10.11.2003 CI 59 MMM 05	Approved by MoM, Government of India vide letter no. 4/34/2008-M.IV, dt.16.9.2009. Grant Order awaited.
GMSI.PL-7	Mangalur	Gulbarga	1.2	7.11.2003	No.46 APL 03, Dt.10.11.2003 CI 134 MMM 06	Under processing at DMG, Bangalore.
GMSI.PL-4	Sanbal-Maski	Raichur	14.7	29.8.2003	No. 32 APL 2003, Dt. 29.8.2003	Even though GMSI held preferential right over the PL under Section 11(1) of the Act, the State Govt. recommended the PL for reservation in favour of the State PSU-Hutti Gold Mines Ltd. MoM rejected the State's proposal. The PSU approached the High Court of Karnataka. The High Court directed the MoM to take a fresh decision. The MoM again did not approve the State's Recommendation. HGML again approached the High Court which by its order dated 03.04.2012 set aside the MoM's decision.

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						<p>GMSI contested the Judgement of the High Court through a SLP at the Supreme Court. The Judges have recognized the merit in our SLP & directed the Respondents to reply to the points raised in the SLP. HGML has now filed its Statement of Objections and GMSI has prepared a Rejoinder to the same and sent to the Advocates in Delhi.</p> <p>MoM (Union of India) has also filed an SLP against Hutti Gold Mines Ltd. MoM's SLP is positive and supports our stand.</p> <p>GMSI is filing a counter affidavit in consultation with it's Advocates.</p>
GMSI.PL-5	Buddini	Raichur	8	29.8.2003	No. 31 APL 2003, Dt. 29.8.2003	-do-
GMSI.PL-12	Udbal-Dinnisamudra	Raichur	35	14.1.2004	No.9APL04, Dt.29.7.2004	-do-
GMSI.PL-28	Virapur	Raichur	7	1.10.2004	No.105 APL 2004/11545, Dt.18.10.04	-do-
KERALA STATE						
DGML.PL-2	Puttumala	Palakkad	25	7.3.2005	No. 1863/M1/2005, Dt.16.3.2005	Pending at Principal Secretary's Office, Government of Kerala. Hearing scheduled for 28.11.2014. (On 15.12.2013, PL area was reduced from 81 to 25 sq km as directed by Director, DGM, Kerala).
DGML.PL-3	Maruda	Malappuram	9	1.2.2006	No. 983/M1/2006, Dt.1.2.2006	Pending at Principal Secretary's Office, Government of Kerala. Hearing scheduled for 28.11.2014.
CHHATTISGARH STATE						
DGML.PL-5	Bagmara	Raipur	20	3.12.2008	S.No.658, dt.3.12.2008	Pending at DGM, Raipur.
DGML.PL-6	Rajadevri	Raipur	28	3.12.2008	S.No.657, dt.3.12.2008	Pending at DGM, Raipur.
ANDHRA PRADESH STATE						
GMSI.PL-3	Ramagiri	Anantapur	18.32	23.8.2003	No.2095/M2/2003, Dt.23.8.2003	Pending at State Government, Hyderabad.
GMSI.PL-14	Boksampalle	Anantapur	17	26.8.2004	No.1903/PL/04, Dt.26.8.2004	Pending at DMG, Hyderabad.

DIRECTORS' REPORT

Dear Shareholders,

We have pleasure in presenting the Thirtieth Annual Report on the business operations of the Company along with the Statement of Audited Accounts for the year ended 31 March, 2014.

1. FINANCIAL RESULTS

Particulars	(`₹ in '000s)	
	2013-14	2012-13
Total Income	5,895	1,571
Profit/(Loss) before Taxation	(3,359)	(10,205)
Profit/(Loss) after Tax	(3,359)	(10,205)
Balance brought forward	(63,467)	(53,262)
Balance transferred to Balance Sheet	(66,826)	(63,467)

During the year, the Company incurred ₹ 204.45 lac on exploration activities and ₹ 92.54 lac on administrative and other expenses. The cumulative amount spent on exploration activities of ₹ 1266.95 lac as on 31 March, 2014 has been transferred to pre-operative expenses.

2. BUSINESS OPERATIONS AND OUTLOOK

Details on the operations of the Company during the period under review are given under the head "Report on Exploration Activities" and the segment titled "Status of important applications for Reconnaissance Permit (RP) / Prospecting Licence (PL) / Mining Lease (ML)" and in "Management Discussion and Analysis Report" which forms part of this report.

A detailed write-up on "Outlook and Opportunities" for the mineral exploration sector in general is also given in the section "Management Discussion and Analysis Report".

3. UPDATE ON TAKEOVER OF GEOMYSORE SERVICES (INDIA) PRIVATE LIMITED (GMSI)

The Company had completed considerable work on the Scheme of Arrangement, for takeover of GMSI, including appointment of various agencies viz. lawyers, valuer and merchant banker and also working on finalization of the mechanism of the proposed takeover as advised by the said Agencies.

While, your Directors acknowledge the multifarious advantages that the proposed takeover would bring in terms of consolidation of gold assets to create a large Indian listed gold company, your Directors opined that further drilling in the Jonnagiri Gold Project, which is the key gold project of GMSI, would be necessary to assist in finalization of the valuation sought for GMSI for takeover purposes.

During September, 2014 GMSI indicated that it has drawn up a drilling programme of 15,800 m in the Jonnagiri Gold Project, of which at least 5000 m drilling is expected to be completed by the end of January, 2015.

Accordingly, at the meeting held on 23 September, 2014, your Directors have decided that the proposed takeover of GMSI would be revisited as and when the drilling data becomes available from GMSI in respect of the 5000 m drilling at the Jonnagiri Gold Project and an appropriate decision be taken at that time. The said data is expected to be made available to the Company by April, 2015.

4. SUBSIDIARY COMPANY

In accordance with Accounting Standard 21, issued by the Institute of Chartered Accountants of India, Consolidated Financial Statements have been provided in the Annual Report. These Consolidated Financial Reports provide financial information about your Company and its subsidiary company as a single economic entity. The Consolidated Financial Statements form part of this Annual Report.

DECCAN GOLD MINES LIMITED

5. SUBSIDIARY COMPANY

As required under Section 212 of the Companies Act, 1956, the audited Profit and Loss Account for the year ended 31 March, 2014 along with the Balance Sheet as at that date and the Reports of the Directors and Auditors thereon of Deccan Exploration Services Private Limited, a subsidiary company is attached.

6. CORPORATE GOVERNANCE

The Company has complied with all the mandatory requirements of Corporate Governance specified by the Securities and Exchange Board of India through the then Clause 49 of the Listing Agreement. As required by the said Clause, a separate Report on Corporate Governance forms part of this Annual Report. A Certificate from M/s. Rathii & Associates, Practicing Company Secretaries, Mumbai regarding compliance with the conditions of Corporate Governance is attached and forms part of this Annual Report.

Further, in terms of the then Clause 49(IV)(F) of the Listing Agreement, a separate report titled "Management Discussion and Analysis" is attached and forms part of this Annual Report.

7. DECCAN GOLD MINES EMPLOYEE STOCK OPTION PLAN, 2008

The disclosures required to be made under the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 are given in the Annexure to the Report.

8. BOARD OF DIRECTORS

As per the provisions of Section 152 of the Companies Act, 2013, Mr. Charles E.E. Devenish shall retire by rotation at the ensuing Annual General Meeting and being eligible, offers himself for reappointment.

As per provisions of Section 149 of the Companies Act, 2013, independent directors shall hold office for a term up to five consecutive years on the board of a company, but shall be eligible for re-appointment for another term up to five years on passing of a special resolution by the company and disclosure of such appointment in Board's Report. Further, Section 152 of 2013 Act provides that the independent directors shall not be liable to retire by rotation in the Annual General Meeting ('AGM') of the Company. In view of the said provisions, contained in 2013 Act, it would be necessary to appoint independent directors in the ensuing AGM for a period of five years.

The Board has conducted the performance evaluation of Mr. Krishnamurthy Ramaswamy Kuduvali (DIN:00556641), Dr. Moni Ramakrishnan (DIN:01193152), and Prof. Vinod Kumar Gaur (DIN:0611175), present Independent Directors and on the basis of the same, recommends to the shareholders the appointment of these three persons as Independent Directors of the Company for a term of five years from the date of ensuing AGM. Further, the said Independent Directors fulfill the conditions specified in the Companies Act, 2013 and the Rules made thereunder and are independent of the management.

The Nomination Committee and the Board of Directors have approved the variation in the terms and conditions of appointment including remuneration of Mr. Sandeep Lakhwara, Managing Director.

Necessary resolutions seeking the approval of the shareholders for all the above proposals form part of the Notice convening the Annual General Meeting. In terms of the then Clause 49(IV)(G)(i) of the Listing Agreement entered into with the BSE Limited, all the requisite details about the Directors seeking re-appointment / appointment at the ensuing Annual General Meeting forms part of the Notice convening the Annual General Meeting.

Further, pursuant to the then Clause 49(IV)(E)(iv) of the Listing Agreement, the shareholders may take note that none of the Non Executive Directors hold any shares/convertible instruments in the Company as on the date of this Report.

9. DIRECTORS' RESPONSIBILITY STATEMENT

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

- that in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures.

- that they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year ended 31 March, 2014 and of the loss of the Company for that year.
- that they have taken proper and sufficient care 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.
- that they have prepared the attached Statement of Accounts for the year ended 31 March, 2014 on a going concern basis.

10. PERSONNEL

Your Directors place on record, their appreciation for the continuous and untiring support received from the employees of the Company at all levels.

During the year under review, none of the employees of the Company was in receipt of remuneration in excess of the limits prescribed under the provisions of Section 217 (2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975.

11. AUDITORS

The Statutory Auditors M/s. V. K. Beswal & Associates, Chartered Accountants, Mumbai retire at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

M/s. V. K. Beswal & Associates, Chartered Accountants, Statutory Auditor is eligible and offer themselves for reappointment. In accordance with third proviso of Section 139(2) of the Companies Act, 2013, read with Rule 6 of the Companies (Audit and Auditors) Rules, 2014, M/s. V. K. Beswal & Associates can be appointed as Statutory Auditors for next three financial years. Your Company has received necessary certificate pursuant to the provisions of Section 139 (1) of the Companies Act, 2013 from the said Statutory Auditors confirming that their re-appointment, if made, will be in accordance with Section 141 of the Companies Act, 2013.

As per the recommendation of the Audit Committee, the Board of Directors proposes the reappointment of M/s. V. K. Beswal & Associates, Chartered Accountants as Statutory Auditor of the Company for a period from the conclusion of the ensuing Annual General Meeting till the conclusion of next Annual General Meeting.

12. STATUTORY AUDITORS' REPORT

Observations made by the Statutory Auditors in their Report for the financial year ended 31st March 2014 are self-explanatory and therefore, do not call for any further comments under Section 217(3) of the Companies Act, 1956.

13. FIXED DEPOSITS

The Company has not accepted or renewed any deposit from public during the year under review.

14. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS & OUTGO

The Company has not accepted or renewed any deposit from public during the year under review.

A. Conservation of Energy and Technology Absorption

Considering the nature of the Company's existing business activities, your Directors have nothing to state in connection with conservation of energy and technology absorption.

B. Foreign exchange earnings and outgo

It may be noted that during the year under review, the Company did not have any foreign exchange earnings or outgo.

DECCAN GOLD MINES LIMITED

14. ACKNOWLEDGEMENT

The Directors wish to express their gratitude to all the business associates and to the Investors / Shareholders for the confidence reposed in the Company and its management. The Directors also convey their appreciation to the employees at all levels for their enormous personal efforts as well as collective contribution.

For and on behalf of the Board,

Place : Bangalore
Date : 19 November, 2014

Charles E.E. Devenish
Chairman
DIN : 01252091

CIN: L51900MH1984PLC034662

Registered Office:

Parinee Crescenzo, C38-C39,
G Block, Bandra Kurla Complex,
Bandra (E),
Mumbai – 400 051.

Tel No. : 022-33040797
Fax No. : 022-33040779
Web site: www.deccangoldmines.com
Email. : info@deccangoldmines.com

ANNEXURE TO DIRECTORS REPORT

Disclosures pursuant to SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999.

A. Summary of Status of Options Granted / Vested / Exercised during 2013-14

Total number of options granted	An aggregate of 30,00,000 stock options have been granted under Deccan Gold Mines Employee Stock Option Plan, 2008 (Plan)
Pricing Formulae	25% discount to the latest available closing price of shares on Bombay Stock Exchange Limited on a day previous to the date of grant.
Total Options granted	3,000,000
Options vested	1,200,000
Options Exercised	96,000
Variation in terms of ESOP	Not applicable
Total number of shares arising as a result of exercise of option	96,000
Money realized as a result of exercise of options	₹ 1,627,200
Total number of options in force	844,000

B. Employee –wise details of options granted during financial year 2010-11

(i) Senior Managerial Personnel

Name	Number of options granted
Mr. Sandeep Lakhwara, Managing Director, Deccan Gold Mines Limited	550,000
Dr. V.N. Vasudev, Director, Deccan Exploration Services Private Limited (resigned w.e.f. 17 September, 2013)	450,000
Mr. S.C.R. Peshwa, Director Deccan Exploration Services Private Limited	350,000
Dr. M. Hanuma Prasad, Director Deccan Exploration Services Private Limited	350,000
Dr. M.K. Devarajan, Director Deccan Exploration Services Private Limited	350,000
Dr. Saleem Ahmed Khan, Director Deccan Exploration Services Private Limited (resigned w.e.f. 03/02/2012)	350,000
Mr. K. Karunakaran, Director Deccan Exploration Services Private Limited	300,000
Mr. S. Subramaniam, Company Secretary, Deccan Gold Mines Limited	300,000

(ii) No employee has been identified and granted options exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant.

C. Diluted EPS pursuant to issue of shares on exercise of options calculated in accordance with Accounting Standard (AS) 20 and weighted average exercise price of options granted during the year is ₹ (0.18).

The Company has also received a certificate from M/s V.K. Beswal & Associates, Chartered Accountants, Mumbai and the Statutory Auditors of the Company that the Scheme has been implemented in accordance with the SEBI Guidelines.

DECCAN GOLD MINES LIMITED

Statement pursuant to Section 212 of the Companies Act, 1956 relating to Company's interest in the Subsidiary Deccan Exploration Services Private Limited.

(₹ in '000)

1	The financial year of the subsidiary company ended on	31st March, 2014
2	Date from which it became subsidiary	3rd March, 2005
3	a) No. of shares held by Holding Company with its nominee in the subsidiary at the end of the financial year of the subsidiary	10,000 equity shares of Rs.10/- each
	b) Extent of interest of holding company at the end of the financial year of the subsidiary	100%
4	The net aggregate amount of subsidiary's profit (loss) so far as it concerns the members	
	a) Not dealt with in holding company's accounts:	
	i) For the financial year of the subsidiary	Nil
	ii) For the previous financial years of the subsidiary since it became the subsidiary of the company	Nil
	b) Dealt with in holding company's accounts*:	
	i) For the financial year of the subsidiary	6870
	ii) For the previous financial year of the subsidiary	6940
5	Changes in the holding company's interest in the Subsidiary between the end of the financial year of the subsidiary and the end of the holding company's financial year	None
6	Material changes between the end of the financial year of the subsidiary and the end of the holding company's financial year in respect of:	
	a) Subsidiary's fixed assets	939
	b) Its investments	None
	c) The monies lent by it	None
	d) The monies borrowed for the purpose other than meeting current liabilities	None

*Consolidated accounts reflect the effect.

For and on behalf of the Board

Charles E.E.Devenish
Chairman

Sandeep Lakhwara
Managing Director

Place : Bangalore
Dated : 29 May, 2014

S. Subramaniam
Company Secretary

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

INTRODUCTION

Established in 2003 by promoters with deep roots in the exploration and mining sector, Deccan Gold Mines Limited (DGML) is the first and the only gold exploration company listed on the Bombay Stock Exchange Limited (BSE). DGML brings to India, a wealth of international technical know-how and experience in the gold exploration and mining sector. Since its establishment, DGML has actively pursued gold exploration activities in all of its exploration prospects that resulted in identification of probable gold resources at several locations. DGML and its wholly owned subsidiary viz., Deccan Exploration Services Private Limited (DESPL) now have a large portfolio of exploration prospects primarily in the State of Karnataka.

Details on the results of DGML's exploration work has been provided under the heading "Report on Exploration Activities".

A comprehensive list of the prospects acquired by DGML and DESPL has been provided under the heading "Status of important applications for RP / PL / ML".

It must, however, be appreciated that exploration companies, have long gestation periods between exploration and discoveries, to which DGML is no exception. This gestation period has been further impacted by the delays in grant of permits by the Government authorities.

INDUSTRY REVIEW

As India battles the decreasing value of the rupee and a foreign exchange deficit of more than \$ 460 billion, it is sitting on an enormous untapped storehouse of riches in the ground in the form of gold, silver, copper, nickel, platinum rare earths, diamonds and many other minerals that could add as much as \$ 250 billion to the nation's Gross Domestic Product (GDP) and create 13 to 15 million jobs in rural India by 2025. All of these commodities are currently imported.

During 2013-14, gold import declined to 638 tonnes from 845 tonnes in the previous fiscal mainly due to restrictions imposed by the Government in inbound shipments of the precious metal to narrow the current account deficit. Through import curbs, the CAD has been brought down to \$ 32.5 billion or 1.7% of GDP in 2013-14 from \$ 88.2 billion of 4.7% of GDP in 2012-13. (Source: Economic Times dated 10 September, 2014).

Contribution to GDP at current prices, from mining and quarrying by way of advanced estimates is estimated at ₹ 222,009 crore indicating a decrease of 0.2% over that in the previous year. The sector accounted for about 2.11% of GDP. (Source: Ministry of Mines, Annual Report 2013-14).

Production of primary gold at 1588 kg (excluding by-product gold recovery from imported concentrates) in 2012-13 registered decrease of about 28% as compared to the previous year. Karnataka was the leading producer of gold accounting for 99.7% of the total production with the remaining production being reported from Jharkhand. The estimated production for 2013-14 is pegged at 1411 kg. (Source: Ministry of Mines, Annual Report 2013-14).

This drain on foreign exchange reserves due to gold imports could be greatly reduced by tapping the large number of gold resources known to exist through the country, but not much has been done to speed the process of grant of mineral concessions and fast-track mine development in the past.

The new Indian Government that assumed office in May, 2014 has sought to amend the MMDR Act, 1957 and has placed the proposed amendments for public comments on 16 November, 2014. The Amendment Bill is designed to put in place mechanisms for inter-alia improved transparency in the allocation of mineral resources; attracting private investment and the latest technology; and eliminating delay in administration so as to enable expeditious and optimum development of the mineral resources of the country. Further, the T S R Subramaniam Committee constituted about 3 months ago by the Union Government to review the laws related to environment and forest protection has recommended some big-ticket changes to the rules and legislation. These include a complete overhaul of certain laws, special fast-track dispensation for power, mining and linear projects, self-certification of compliance by industry and diluting the powers of the National Green Tribunal.

DECCAN GOLD MINES LIMITED

The mining and mineral exploration industry keenly awaits the legislative and regulatory initiatives from the Government to promote private and foreign investment and introduction of internationally compatible mining policies.

PERFORMANCE

Full details of exploration work undertaken by the Company are contained in “Report on Exploration Activities” forming part of this Annual Report. The status of our applications is contained in this Annual Report under the heading “Status of important applications for RP / PL / ML”.

DGML incurred a total expenditure of ₹ 1266.95 lac (cumulative) on exploration on its prospects as on 31 March 2014. The amount of exploration expenditure (cumulative) incurred as on 31 March, 2013 was ₹ 1062.51 lac.

Administrative and other costs for the year ended 31 March 2014 were ₹ 92.54 lacs compared to ₹ 117.75 lac for the year ended 31 March 2013.

The net loss (after tax) of the company for the year ended 31 March 2014 was ₹ 33.59 lac compared to ₹ 102.04 lac for the year ended 31 March 2013.

It is pertinent to note that exploration companies by their very nature will not generate mining revenues until commencement of mining operations.

RISKS AND CONCERNS

The Company is into gold exploration which is highly speculative in nature and subject to several operational risks. These risks include exploration and mining risks, delays in approvals to undertake exploration activities, delays in grant of appropriate mineral concession licences, actual resources differing from estimates, operational delays and the availability of equipment, personnel and infrastructure.

The Company is also dependent on key personnel and subject to actions of third parties, including the staff, other contractors and suppliers.

The Company's operations are also subject to government laws and regulations, particularly environmental and land acquisition regulations.

The Company's future revenues from product sales will be affected by changes in the market price of gold which is affected by numerous factors which are beyond its control. These include international supply and demand, the level of consumer product demand, international economic trends, currency exchange rate fluctuations, the level of interest rates, rate of inflation, global or regional political events and international events as well as a range of other market forces.

In the absence of cash flow from operations, the Company may have to rely on capital markets / private equity investment to fund its operations. The Company's ability to raise further funds will depend on the success of existing operations. Although the Company has been successful in the past in obtaining financing through the sale of equity securities, there can be no assurance that additional funding will be available, or available under terms favourable to the Company in future. Failure to obtain such additional finance may require the Company to reduce the scope of its operations.

All the above factors notwithstanding, your Company and its Directors believe that they have adequate experience and access to expertise and capital sources that will enable the Company to successfully develop, launch and execute its projects successfully.

OUTLOOK AND OPPORTUNITIES

Minerals are valuable natural resources. They constitute the vital raw materials for many basic industries and are a major resource for development. The history of mineral extraction in India dates back to the days of the Harappan civilization.

The country is endowed with huge resources of many metallic and non-metallic minerals. India's unexploited resources of metals and minerals in the ground can be considered equal in prospectively to those of Western Australia, Canada, China, West and East Africa, the Western United States and parts of South America.

The key to identifying mineable deposits of gold is through successful prospecting. Prospecting is a high risk, expensive business which requires absolute security of tenure over the land being explored and no unnecessary delays in bureaucratic decision making.

India is heavily dependent on the importation of all the important non-bulk minerals including gold only because the country is under-explored for them. A rapid increase in prospecting could create a modern, sustainable mining industry and drastically reduce the need for those imports, thereby saving the nation billions of dollars in foreign exchange every year. Exploration for all these metals is difficult, time consuming, risky and expensive. That is why the uncertainties of the current licensing system for prospecting have deterred so many foreign and domestic investors.

Foreign investors have been driven out by the inordinate delays in grant of mineral concessions under the present system and Indian companies are choosing to look for opportunities overseas, rather than at home. In May this year, the Central Coordination & Empowered Committee (CEC) reported that there were 63,395 applications for the grant of reconnaissance, prospecting and mining permits awaiting approval by various State Governments, together with 2,515 renewal applications and 265 Letters of Intent to be processed.

The new Union Government that assumed office in May, 2014 is seeking to introduce the Mines and Minerals (Development and Regulation) Amendment Bill, 2014 in the ensuing Winter Session of Parliament. This Bill seeks to put in place mechanisms for improved transparency in the allocation of mineral resources; obtaining for the government its fair share of the value of such resources; attracting private investment and the latest technology; eliminating delay in administration, so as to enable expeditious and optimum development of the mineral resources of the country.

The Bill seeks to protect the rights of existing concession holders whereby the holders of reconnaissance permit or prospecting licence have the right for obtaining a prospecting licence or mining lease as the case may be in respect of that mineral in that land subject to certain conditions.

Further, the Bill introduces the concept of grant of mining leases in respect of 'notified minerals' through auction which includes e-auction. Notified minerals have been defined to mean iron ore, manganese ore, bauxite, limestone and any other mineral which the Central Government may, by notification in the official gazette, declare to be a notified mineral. The Bill also seeks to introduce the concept of grant of Prospecting Licence-cum-Mining Lease through auction in respect of minerals other than notified minerals.

The Bill also introduces the concept of transferability of Mining Lease and Prospecting-licence-cum-Mining Lease granted through auction as noted above by providing a 90 days notice to the concerned State Government and by paying the prescribed fee. The State Government in the normal course would approve such transfer unless the transferee is ineligible under the Act. It is opined that the transferability should also be extended to mineral concessions granted prior to the commencement of the Amendment Act.

To unlock the potential of the mineral sector, the Indian Government would need to rework the legislative framework for transparent, safe, scientific & sustainable mining and effective regulation. Concerted action is required to promote scientific exploration for expanding the mineral reserves in India to its full potential. India needs to ensure globally best, fair, transparent and efficient process for the mineral concession system that reduces permit delays to create a more favourable policy environment.

Despite all these shortcomings, the gold exploration and mining sector holds substantial potential to contribute to the growth of the economy and create value for all stakeholders, including the Central Government, State Government (s) and the community at large.

To sum up, Deccan Gold Mines Limited, the only private sector listed gold exploration company is well poised to take advantage of the potential that the sector offers. DGML with state of the art technology, a pool of well trained geologists, geophysicists and mining engineers has a unique combination of advantages to generate a mineral-based economic development of enormous scale and value.

ADEQUACY OF INTERNAL CONTROL

The Company has in place adequate internal control systems commensurate with its size and operations, which assure proper recording of transactions of its operations and also ensure protection against misuse or loss of

DECCAN GOLD MINES LIMITED

the Company's assets. The Company has constituted an Audit Committee and has assigned to it tasks that will further strengthen the internal audit system.

SUSTAINABLE DEVELOPMENT

DGML is committed to sustainable development. We believe in creating sustainable values that our employees, business partners and shareholders can uphold and believe in. We strive to meet the needs of all our stakeholders. DGML believes in making a positive contribution to the community in which we are involved. Our mission is to increase the known gold resources base of the country in a way that enhances the well being of its people, the environment, and the investors and stakeholders of the Company.

CAUTIONARY STATEMENT

Statements in the Management Discussion and Analysis Report describing the Company's objectives, projections, estimates, expectations or predictions may be "forward looking statements" within the meaning of the applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include the availability of economically viable deposits, changes in Government regulations, tax regimes, economic developments in India and other incidental factors.

PRACTISING COMPANY SECRETARIES' CERTIFICATE ON CORPORATE GOVERNANCE

To

The Members

Deccan Gold Mines Limited

We have examined the compliance of conditions of Corporate Governance by Deccan Gold Mines Limited ("the Company") for the year ended 31st March 2014 as stipulated in the then Clause 49 of the Listing Agreement of the said Company with the Stock Exchange.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examinations were limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For and on behalf of
M/s. Rathi & Associates
Company Secretaries

Place : Mumbai
Date : 19 November, 2014

Himanshu S. Kamdar
Partner
FCS No. 5171

REPORT ON CORPORATE GOVERNANCE

for the year ended and as on 31 March, 2014

(Pursuant to Clause 49 of the then Listing Agreement)

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Corporate Governance involves the building of a set of relationships between the Company, its Board, the management, the shareholders and other stakeholders by putting in place a structure and a system through which the established goals of the Company may be achieved. It denotes the process through which the Board of Directors oversees what the management does. Good governance is integral to the existence of a Company. It inspires and strengthens investor confidence by ensuring Company's commitment to higher growth and profits. Your Company's management and Board of Directors are committed to ensure good corporate governance in its operations.

The Company has complied with the provisions of Clause 49 of the Listing Agreement entered into with the BSE relating to Corporate Governance for the year ended and as on 31st March, 2014.

2. BOARD OF DIRECTORS**a) Composition and category of directors, number of other Board and Board Committees in which they are Chairperson / Member**

As on 31st March, 2014, the Board comprised of 5 Directors out of which one is an Executive Director and the other 4 are Non Executive Directors. Out of the 4 Non Executive Directors, 3 are Independent Directors. The Chairman of the Board (Promoter Category) is a Non Executive Director and one-half of the Board comprises of Independent Directors.

The Board comprises of competent professionals who are recognized and having wide experience in their respective field.

The composition of the Board and other relevant details relating to Directors are given below:

Name of the Director	Designation	Category of Directorship	No. of other Directorships	No. of other Committee Memberships #	
				Chairman	Member
Mr. Charles E.E. Devenish	Chairman	Promoter, Non-Executive	3	Nil	Nil
Mr. Sandeep Lakhwara	Managing Director	Executive	2	Nil	Nil
Mr. K.R. Krishnamurthy	Director	Non-Executive, Independent	Nil	Nil	Nil
Dr. M. Ramakrishnan	Director	Non-Executive, Independent	1	Nil	Nil
Prof. V.K. Gaur	Director	Non-Executive, Independent	Nil	Nil	Nil

Notes:

- For the purpose of considering the limit of directorship positions, foreign companies and private companies have been excluded.
- For the purpose of considering the limit of committee membership positions, membership of only Audit Committee and Investors' / Shareholders' Grievance Committee have been considered.
- There are no inter-se relationships amongst the directors.

b) Reappointment of Directors

In terms of the provisions of the Companies Act, 2013, all the Independent Directors on the Board of the

Company viz., Mr. K.R. Krishnamurthy, Dr. M. Ramakrishnan and Prof. V.K. Gaur are proposed to be appointed at the ensuing AGM, for a term of 5 years . Further, variation in the terms and conditions of the appointment including remuneration of Mr. Sandeep Lakhwara is also one of the items proposed for the approval of shareholders at the ensuing AGM. Detailed profiles of the aforesaid Independent Directors and Mr. Sandeep Lakhwara, Managing Director have been furnished in the Notice convening the ensuing Annual General Meeting. .

c) Number of Board Meetings held & dates on which held

Six Board Meetings were held during the financial year 2013-14. These meetings were held on 30th May, 2013; 14th August, 2013; 27th August, 2013, 13th November, 2013; 3rd December, 2013 and 12th February, 2014.

d) Attendance of each Director at the Board Meetings and the last Annual General Meeting

The details of attendance of Directors in Board Meetings and in the last Annual General Meeting held on 11th December, 2013 are as follows:

Name of the Director	No. of Board Meetings attended	Attendance at the last Annual General Meeting (Yes / No)
Mr. Charles Edward English Devenish	6	Yes
Mr. Sandeep Lakhwara	5	Yes
Mr. Krishnamurthy Ramaswamy Kuduvali	4	Yes
Dr. Moni Ramakrishnan	4	Yes
Prof. Vinod Kumar Gaur	4	No

3. AUDIT COMMITTEE

a) Brief description of terms of reference

The terms of reference of the Audit Committee as defined by the Board are as under:

- i) Hold discussions with the auditors periodically about internal control systems, the scope of audit including the observations of the auditor and review the quarterly, half-yearly and annual financial statements before submission to the Board and also ensure compliance of internal control systems.
- ii) Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- iii) Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
- iv) Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
- v) Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to:
 - (a) Matters required to be included in the Director's Responsibility Statement to be included in the Board's Report in terms of clause (2AA) of Section 217 of the Companies Act, 1956.
 - (b) Changes, if any, in accounting policies and practices and reasons for the same.
 - (c) Major accounting entries involving estimates based on the exercise of judgment by management.
 - (d) Significant adjustments made in the financial statements arising out of audit findings.
 - (e) Compliance with listing and other legal requirements relating to financial statements.
 - (f) Disclosure of any related party transactions.
 - (g) Qualifications in the draft audit report.

DECCAN GOLD MINES LIMITED

- vi) Reviewing, with the management, the quarterly financial statements before submission to the board for approval.
- vii) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
- viii) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- ix) Discussion with internal auditors on any significant findings and follow up there on.
- x) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
- xi) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- xii) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.
- xiii) Review of information as prescribed under Clause 49 (II)(E) of the listing agreement.

POWERS OF THE AUDIT COMMITTEE

Further, the Board has delegated the following powers to the Audit Committee:

- i) Investigating any activity within its terms of reference as above, or in relation to the items specified in Section 292A of the then Companies Act, 1956, or as may be referred to it by the Board, from time to time and for this purpose, it shall have full access to information contained in the records of the Company and external professional advice, if necessary.
- ii) Seek information from any employee.
- iii) Obtain outside legal or other professional advice, if necessary.
- iv) Secure attendance of outsiders with relevant expertise, if it considers necessary.

b) Composition, name of members & Chairperson

The Committee comprises 3 Non Executive Directors, all of whom are Independent Directors. All the members of the Committee are financially literate. The Chairman of the Committee is an Independent Director and is the member with accounting or related financial management expertise.

The name of members & Chairperson of the Committee are as under:

Name of Member	Designation
Mr. K.R. Krishnamurthy	Chairman
Dr. M. Ramakrishnan	Member
Prof. V.K. Gaur	Member

c) Meetings and attendance during the year

Four Audit Committee Meetings were held during the financial year 2013-14. These meetings were held on 30th May, 2013; 14th August, 2013; 13th November, 2013 and 12th February, 2014.

The details of attendance in Audit Committee Meetings are as follows:

Name of Member	No. of Meetings Attended
Mr. K.R. Krishnamurthy	3
Dr. M. Ramakrishnan	2
Prof. V.K. Gaur	3

- d) The Company Secretary acts as Secretary to the Committee. Further, the Audit Committee invites such of the executives of the Company as it considers appropriate to be present at its meetings. The representatives of the Statutory Auditors are also invited to these meetings.

4. REMUNERATION COMMITTEE

a) Brief Description of terms of reference

Although a non-mandatory requirement, the Company has constituted a Remuneration Committee. This Committee also functions as the Compensation Committee under the supervision and control of the Board of Directors in accordance with the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 for the implementation of the Deccan Gold Mines Employee Stock Option Plan – 2008.

The terms of reference of the Committee are to review and recommend compensation payable to the Executive Directors and Senior Management of the Company. It shall also administer the Company's stock option plans, if any, including the review and grant of the stock options to eligible employees under such plans. The Committee may review the performance of the Executive Directors, if any and for the said purpose may lay down requisite parameters for each of the Executive Directors at the beginning of the year.

b) Composition, name of members and Chairperson

The Committee comprises of three Non Executive Independent Directors.

The name of members & Chairperson of the Committee are as under:

Name of member	Designation
Mr. K.R. Krishnamurthy	Chairman
Dr. M. Ramakrishnan	Member
Prof V.K. Gaur	Member

c) Attendance during the year

The Remuneration Committee met twice on 30th May, 2013 and 31st October 2013 during the financial year 2013-14, for review of revision in remuneration of the Managing Director and

for issue and allotment of equity shares pursuant to exercise of stock options by the allottee (s) under the Deccan Gold Mines Employee Stock Option Plan – 2008 respectively. Mr. K.R. Krishnamurthy and Dr. M. Ramakrishnan attended the the said meetings.

d) Remuneration Policy & details of remuneration to all Directors

i) Management Staff

Remuneration of employees largely consists of basic remuneration and perquisites. The components of the total remuneration vary for different grades and are governed by industry patterns, qualifications and experience of the employee, responsibilities handled individual performance, etc.

ii) Non-Executive Directors

The Company pays sitting fees to all the Non-executive Directors of the Company for attending Board & Committee Meetings. The sitting fees paid is within the limits prescribed under the Companies Act, 1956.

DECCAN GOLD MINES LIMITED

Details of the sitting fee paid to Non Executive Directors during the year 2013-14 is as under:

Name of the Director / Member	Sitting Fees paid for attending meetings of (in ₹)	
	Board	Audit Committee
Mr. K.R. Krishnamurthy	30,000	7,500
Dr. M. Ramakrishnan	35,000	10,000
Prof. V.K. Gaur	35,000	7,500
Total	100,000	25,000

* Sitting Fee for attending board meetings revised to ₹10,000/- from ₹ 5,000/- per meeting with effect from December 2013.

iii) Executive Directors

The aggregate of the salary paid in the financial year 2013-14 to Mr. Sandeep Lakhwara, Managing Director is ₹ 12,00,000/-.

5. SHAREHOLDERS' / INVESTORS' GRIEVANCE COMMITTEE

a) Name of Non Executive Director heading the Committee

Mr. K.R. Krishnamurthy, a Non Executive Director heads the Committee.

This Committee has been constituted to look into investor's complaints like transfer of shares, non-receipt of declared dividends, etc. and take necessary steps for redressal thereof. Presently, the Registrars & Share Transfer Agents of the Company are attending to the share transfer requests on a regular basis.

The Committee met thrice during the financial year 2013-14. These meetings were held on 14th August, 2013; 13th November, 2013 and 12th February, 2014.

The composition of the Shareholders/Investors' Grievance Committee and the details of attendance in meetings are as follows:

Name of Director	Designation	No. of Meetings Attended
Mr. K.R. Krishnamurthy	Chairman	3
Mr. Sandeep Lakhwara	Member	3

b) Compliance Officer

Mr. S. Subramaniam, Company Secretary is the Compliance officer of the Company.

c) Shareholder Complaints

During the financial year 2013 – 14, the Company did not receive any investor complaints. As such, there were no pending complaints as at the end of the year.

6. GENERAL BODY MEETINGS

i) Location, time and date of holding of the last three Annual General Meetings (AGM) are given below:

Financial Year	Date	Time	Location of the Meeting
2010-11	29/09/2011	3.00 p.m.	Royal Room, 3rd Floor, Sunville Banquets, 9, Dr. Annie Besant Road, Worli, Mumbai – 400 018.
2011-12	29/09/2012	3.00 p.m.	Royal Room, 3rd Floor, Sunville Banquets, 9, Dr. Annie Besant Road, Worli, Mumbai – 400 018.
2012-13	11/12/2013	3.00 pm	Banquet Room, Ground Floor, West End Hotel, 45, New Marine Lines, Mumbai – 400 020.

ii) Special Resolutions during previous three Annual General Meetings:

Date of AGM	Particulars of Special Resolutions Passed
29/11/2011	Nil
29/09/2012	Nil
11/12/2013	Reappointment of Mr. Sandeep Lakhwara as Managing Director for 3 years with effect from 1st May, 2013.

iii) During the financial year 2013-14, no resolutions were passed through Postal Ballot.

iv) No Special resolution is proposed to be passed through Postal Ballot in the ensuing AGM.

7. DISCLOSURES

- The Company did not have any related party transactions, i.e. transactions of the Company of material nature, with its promoters, Directors or the Management, their subsidiaries or relatives, etc., which may have potential conflict with the interests of the Company at large. Related Party transactions have been disclosed in the Notes to Accounts in the financial statements as at 31st March, 2014.
- There was no non-compliance in respect any matter related to the capital markets by the Company during the last 3 years. Further, there was no penalty / strictures imposed on the Company by any Stock Exchange, SEBI or any Statutory Authority on any matter related to the capital markets during the last 3 years.
- The Company has complied with all the mandatory requirements as contained in Clause 49 of the Listing Agreement.

8. MEANS OF COMMUNICATION

- The quarterly results are published in leading English and Marathi newspapers. Further, they are also submitted to the BSE upon their approval by the Board of Directors and are available on the website of BSE (www.bseindia.com). The said results are also placed on the website of the Company.
- The website of the Company (www.deccangoldmines.com) also displays official news releases issued on behalf of the Company.
- No presentations were made to institutional investors or to the analysts during the year under review.

9. GENERAL SHAREHOLDER INFORMATION**i. Annual General Meeting:**

Day / Date	Tuesday, 30 December, 2014
Time	2.30 p.m.
Venue	Banquet Room, Ground Floor, West End Hotel, 45 New Marine Lines, Mumbai - 400 020.

ii. Financial Year:

The Company follows April-March as its financial year. The audited financial results (stand alone and consolidated) for the year ended 31st March, 2014 has been published by the Company upon approval of the Audit Committee and Board of Directors of the Company at their meeting held on 29th May, 2014.

DECCAN GOLD MINES LIMITED

The financial calendar would be as under:

Unaudited financial results for quarter / half-year ending	Reporting Date
30th June, 2014	13th August, 2014
30th September, 2014	14th November, 2014
31st December, 2014	By 14th February, 2014
31st March, 2015	By 30th May, 2015
Annual General Meeting for the year ending 31st March, 2015	By 30th September, 2015

iii. Date of Book Closure

22nd December, 2014 (Monday) to 30th December, 2014 (Tuesday) - both days inclusive.

iv. Dividend Payment Date

Not applicable

v. Listing on Stock Exchanges

The Company's shares are listed on Bombay Stock Exchange Limited ("BSE"). The Company has paid the listing fees to the Stock Exchange within the prescribed time

vi. Stock Code

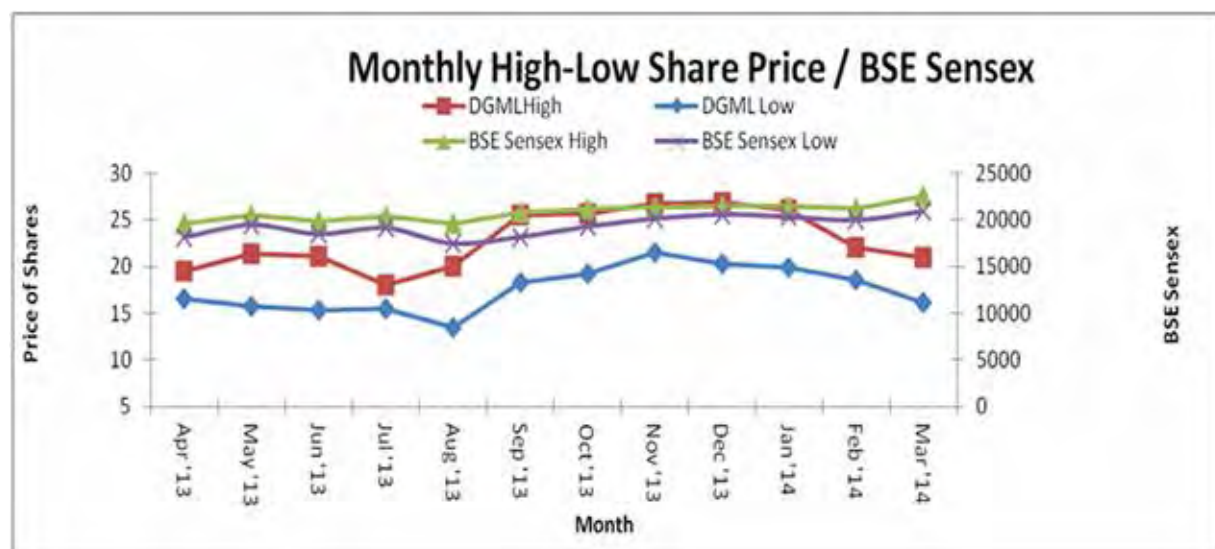
512068 (BSE).

vii. Market price data – high & low during each month of last financial year

The monthly high and low quotations of the Company's shares traded on the BSE is as follows:

Month	High	Low	BSE Sensex - High	BSE Sensex - Low
April 2013	19.45	16.55	19622.68	18144.22
May 2013	21.35	15.70	20443.62	19451.26
June 2013	21.05	15.30	19860.19	18467.16
July 2013	18.00	15.45	20351.06	19126.82
August 2013	20.00	13.50	19569.20	17448.71
September 2013	25.45	18.25	20739.69	18166.17
October 2013	25.70	19.20	21205.44	19264.72
November 2013	26.65	21.55	21321.53	20137.67
December 2013	26.80	20.25	21483.74	20568.70
January 2014	26.00	19.90	21409.66	20343.78
February 2014	22.00	18.50	21140.51	19963.12
March 2014	20.95	16.15	22467.21	20920.98

viii. Performance in comparison to broad-based indices of BSE Sensex



_____ Deccan Gold Mines Limited (DGML) Share Price

----- BSE Sensex

ix. Registrar and Transfer Agents

Link Intime India Private Limited
(Formerly Intime Spectrum Registry Limited)
Pannalal Silk Mills Compound,
C-13, L.B.S. Marg,
Bhandup (W), Mumbai – 400 078.
Tel. No. 91-22-55555454 & Fax 91-22-55555353
E-mail : mumbai@linkintime.co.in

x. Share Transfer System

Applications for transfer of shares held in physical form are received at the office of the Registrars and Share Transfer Agents of the Company. They attend to share transfer formalities at least once in 15 days.

Shares held in the dematerialized form are electronically traded in the Depository and the Registrars and Share Transfer Agents of the Company periodically receive from the Depository the beneficiary holdings so as to enable them to update their records for sending all corporate communications, dividend warrants, etc.

Physical shares received for dematerialization are processed and completed within a period of 15 days from the date of receipt, provided they are in order in every respect. Bad deliveries are immediately returned to Depository Participants under advice to the shareholders.

DECCAN GOLD MINES LIMITED

xi. Shareholding Pattern & Distribution of Shareholding

(a) Shareholding Pattern (as at 31 March, 2014)

Sr. No.	Category	No. of Shares held	%
1.	Promoter Group	25168681	42.75
2.	Banks/FI/FII/Mutual Funds / UTI / Central & State Govt./ Venture Capital / Foreign Venture Capital / Trusts	1805581	3.07
3.	Bodies Corporate	2909057	4.94
4.	Individual Public shareholders	24888923	42.28
5.	Clearing Member	398632	0.68
6.	Non Resident Indians / NRNs	3616376	6.14
7.	Directors / Relatives	80,000	0.14
	Total	58,867,250	100.00

(b) Distribution of Shareholding (as at 31 March, 2014)

Shareholding of Nominal Value (₹)	No. of Shareholders	% of Total	Shares	% of Total
1 - 500	16440	74.89	3219904	5.47
501 - 1000	2666	12.15	2328301	3.96
1001 - 2000	1202	5.48	1928541	3.28
2001 - 3000	464	2.11	1213083	2.06
3001 - 4000	220	1.00	803635	1.37
4001 - 5000	230	1.05	1088914	1.85
5001 - 10000	340	1.55	2549400	4.33
10001 and above	389	1.77	45735472	77.69
TOTAL	21951	100.00	58,867,250	100.00

xii. Dematerialisation of Shares and Liquidity

About 99.84% of the shares have been dematerialized as on 31st March, 2014. The equity shares of the Company are traded at BSE Ltd. (BSE).

xiii. Details of Shares held by Non-Executive Directors as on 31st March 2014

Sr. No.	Name of the Non-Executive Director	No. of Shares held
1	Mr. Charles E.E. Devenish	Nil
2	Mr. K.R. Krishnamurthy	Nil
3	Dr. M. Ramakrishnan	Nil
4	Prof V.K. Gaur	Nil

xiv. Details of unclaimed shares in terms of Clause 5A of Listing Agreement

In terms of Clause 5A of the Listing Agreement, there are no undelivered share certificates lying with either the Company or its Registrar and Share Transfer Agents.

xv. Green Initiative:

To support the "Green Initiative" taken by Ministry of Corporate Affairs, and to receive all the documents, notices, including Annual Report and other communications of the Company, members are requested to register their e-mail address with M/s. Link Intime India Private Limited, if shares are held in physical form, or with their depository participant, if shares are held in electronic form. This will ensure prompt receipt of communication, avoid loss in postal transit and saving of huge cost incurred in printing and postage.

xv. Outstanding GDRs / ADRs / Warrants or any Convertible Instruments, conversion date and likely impact on equity:

The Company has not issued any GDRs / ADRs / Warrants or any Convertible instruments which were outstanding as of 31st March, 2014. However, details of the stock options granted, vested and exercised and outstanding at the end of the year that were issued under the Deccan Gold Mines Employee Stock Option Plan, 2008 are given in the Annexure to the Directors' Report forming part of the Annual Report for the year 2013-14.

xvi. Plant locations

The Plant Locations are NIL. The Company does not have any manufacturing activities.

xvi. Address for Correspondence:

For any assistance regarding dematerialization of shares, share transfers, transmissions, change of address, non-receipt of dividend or any other query relating to shares:

Link Intime India Private Limited

(formerly Intime Spectrum Registry Limited)

Pannalal Silk Mills Compound,

C-13, L.B.S. Marg,

Bhandup (W), Mumbai – 400 078.

Tel. No. 91-22-55555454 & Fax 91-22-55555353

E-mail : mumbai@linkintime.co.in

For general correspondence :

Deccan Gold Mines Limited,

"Raja Ikon Building", 4th Floor,

89/1, Marathahalli Outer Ring Road, Bangalore – 560 037.

Tel : 91-80-40428400 & Fax : 91-80-40428401

e-mail : info@deccangoldmines.com

10) Non-mandatory Requirements:**I. The Board**

(a) An office for the use of the Chairman is made available whenever required.

(b) At present there is no policy fixing the tenure of independent directors. However, at the ensuing Annual General Meeting it is proposed to appoint all the Independent Directors for a term of five years.

II. Remuneration Committee

Particulars of constitution of Remuneration Committee and terms of reference thereof has been detailed earlier.

III. Shareholders' Rights

Half yearly financial results including summary of the significant events in last six months are presently, not being sent to shareholders of the Company.

IV. Audit Qualifications

The financial accounts of the Company are unqualified.

V. Training of Board Members

There is no formal policy at present for training of the Board Members of the Company as the members of the Board are eminent and experienced professional persons.

DECCAN GOLD MINES LIMITED

VI. Mechanism for evaluating non-executive board members

There is no formal mechanism existing at present for performance evaluation of non-executive directors.

VII. Whistle Blower Policy

The Company has not implemented the whistle blower policy.

CODE OF CONDUCT DECLARATION

Pursuant to Clause 49 I (D) of the Listing Agreement entered into with the Stock Exchanges, I hereby declare that the Company has obtained affirmative compliance with the code of conduct from all the Board members and senior management personnel of the Company.

Place : Bangalore
Date : 19 November, 2014

Sandeep Lakhwara
(Managing Director)

INDEPENDENT AUDITOR'S REPORT

To the Members of
DECCAN GOLD MINES LIMITED

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of Deccan Gold Mines Limited, which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3c) of section 211 of the Companies Act, 1956 ("the act") read with the general circular 15/2013 dated 13th September 2013 of the ministry of corporate affairs in respect of section 133 of the companies act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

As required by section 227(3) of the Act, we report that:

- a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- b. In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books[and proper returns adequate for the purposes of our audit have been received from branches not visited by us];
- c. The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account

DECCAN GOLD MINES LIMITED

- d. In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3c) of section 211 of The Companies Act, 1956 read with the general circular 15/2013 dated 13th September 2013 of the ministry of corporate affairs in respect of section 133 of the Companies Act, 2013.
- e. On the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

OPINION

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014
- (b) in the case of Statement of Profit and Loss, of the Loss for the year ended on that date and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For V. K. BESWAL & ASSOCIATES

CHARTERED ACCOUNTANTS

FIRM REGN NO 101083W

CA K.V. BESWAL

PARTNER

Membership Number: 131054

Place : Mumbai

Dated : 29 May 2014

DECCAN GOLDMINES LIMITED

ANNEXURE TO THE AUDITOR'S REPORT OF EVEN DATE

(Referred to in paragraph 1 thereof)

1. In respect of Fixed Assets –
 - a) The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - b) The fixed assets have been physically verified by the management at reasonable intervals during the year. We are informed that no material discrepancies were noticed by the management on such verification.
 - c) Based on our scrutiny of the records of the company and the information & explanation received by us, we report that there were no sale of fixed assets during the year. Hence, the question of reporting whether the sale of any substantial part of fixed assets has affected the going concern of the company does not arise.
2. As the company has not purchased or sold any goods during the year, nor does the company have any opening stock, therefore the requirement to report the physical verification of stocks or maintenance of inventory records in our opinion, does not arise.
3. The company has not granted or taken any loans to/from companies, firms or other party covered in the register maintained u/s.301 of the Companies Act, 1956.
4. In our opinion and according to the information and explanations given to us, there is adequate internal control system commensurate with the size of the Company and the nature of its business. Further, on the basis of our examination of the books and records of the company, carried out in accordance with the auditing standards generally accepted in India and according to the information and explanations given to us, we have neither come across nor have we been informed of any continuing failure to correct weaknesses in the aforesaid internal control system.
5.
 - a) Based on the audit procedures applied by us and the information and explanations provided by the management, we are of the opinion that the transactions that need to be entered into the register maintained under section 301 have been so entered.
 - b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 and exceeding the value of Rs. 5 lacs in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
6. In our opinion and according to the information and explanations given to us since the company has not accepted any deposits from public within the meaning of section 58-A, 58AA or any other provision of the Act, the question of compliance with the provisions of section 58A, 58AA or any other provisions of the Act does not arise.
7. In our opinion the Company has an internal audit system commensurate with its size and nature of its business.
8. As informed to us, the Central Government has not prescribed the maintenance of Cost records under section 209(1)(d) of the Companies Act, 1956.
9. According to the records of the company, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues, including Income Tax, Sales Tax, Wealth Tax, Custom Duty, Excise Duty, Service Tax, Cess and other statutory dues applicable to it.

According to information & explanation given there were no undisputed amounts payable in respect of income tax, wealth tax, service tax, sales tax, custom duty, excise duty, service tax cess & other statutory dues which remained outstanding as at 31st March, 2014 for a period more than six months from the date they became payable.
10. The accumulated losses of the company are more than 50% of its net worth as at 31st March 2014. The company has incurred a cash loss of Rs 31.65 lacs in the current financial year and Rs.67.67 lacs in the immediately preceding financial year.
11. According to the records of the company, the company has not borrowed from financial institutions or banks or issued any debentures during the year, Hence in our opinion, the question of reporting on defaults in repayment of dues to financial institutions or banks or debenture holders does not arise.

DECCAN GOLD MINES LIMITED

12. According to the information and explanation given to us the company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures or other securities.
13. In our opinion, and to the best of our information and according to the explanations provided by the management, we are of the opinion that the company is neither a Chit Fund nor a Nidhi /Mutual Benefit Society. Hence, in our opinion, the requirements of para 4 (xiii) of the Order do not apply to the company.
14. As per records of the company and information and explanations given to us by the management, company is not dealing or trading in shares, securities, and debentures and other investments.
15. The company has not given any guarantee in connection with loans taken by others from banks or financial institutions.
16. According to the records of the company, the Company has not taken any term loan.
17. According to the information and explanations given to us and, on an overall examination of the balance sheet of the company, we report that no funds raised on short-term basis have been used for long-term investment by the company.
18. The company has made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act. In our opinion, prices at which shares have been issued is not prejudicial to the interest of the company.
19. No debentures have been issued by the Company during the year and hence, the question of creating securities in respect thereof does not arise.
20. The company has not raised any money by public issues during the period covered by our audit report.
21. Based upon the audit procedures performed and information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

For V. K. BESWAL & ASSOCIATES
CHARTERED ACCOUNTANTS
FIRM REGN NO 101083W

CA K.V. BESWAL
PARTNER
Membership Number: 131054

Place : Mumbai
Dated : 29 May 2014

DECCAN GOLD MINES LIMITED

(FORMERLY WIMPER TRADING LIMITED)

BALANCE SHEET AS AT 31 MARCH 2014

(Amount in '000)

Particulars	Note No.	31-03-2014	31-03-2013
I. EQUITY AND LIABILITIES			
Shareholders' Funds			
(a) Share capital	1	58,867	58,771
(b) Reserves and surplus	2	(71,252)	(49,522)
(c) Employee Stock Option Outstanding		4,769	10,503
(d) Share Application Money		4,458	-
		(3,159)	19,752
Non-current liabilities			
(a) Long-term provisions	3	793	739
		793	739
Current liabilities			
(a) Trade payables	4	18,754	5,736
(b) Other current liabilities	5	682	151
		19,436	5,887
TOTAL (I)		17,070	26,377
II. ASSETS			
Non-Current Assets			
(a) Fixed Assets	6		
(i) Tangible Assets		607	796
(ii) Intangible Assets		7	12
(iii) Capital Work-in-Progress		-	-
(b) Non-Current Investments	7	100	100
(c) Other Non-Current Assets	8	2,115	2,115
		2,829	3,023
Current assets			
(a) Current Investments	9	-	16,612
(b) Cash and Cash Equivalents	10	6,100	1,658
(c) Short-term Loans and Advances	11	8,141	5,085
		14,241	23,355
TOTAL (II)		17,070	26,377

Notes are integral part of the Balance Sheet and Profit & Loss Account

As per our report of even date,
For **V. K. BESWAL & ASSOCIATES**
CHARTERED ACCOUNTANTS
FIRM REGN NO 101083W

For and on behalf of the Board

CA K.V. BESWAL
PARTNER
Membership Number: 131054

Charles E.E.Devenish
Chairman

Sandeep Lakhwara
Managing Director

Place : Mumbai
Dated : 29 May 2014

Place : Bangalore
Dated : 29 May 2014

S. Subramaniam
Company Secretary

DECCAN GOLD MINES LIMITED

DECCAN GOLD MINES LIMITED (FORMERLY WIMPER TRADING LIMITED)

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2014

(Amount in '000)

Particulars	Note No.	31-03-2014	31-03-2013
Other Income	12	5,895	1,571
Total Revenue		5,895	1,571
Expenses:			
Employee benefits expense	13	2,870	5,409
Finance costs	14	26	14
Depreciation and amortization expense	6	194	266
Other expenses	15	6,164	6,086
Total expenses		9,254	11,775
Loss before extraordinary items and tax		(3,359)	(10,204)
Extraordinary Items		-	-
Prior year adjustments		-	-
Loss before tax		(3,359)	(10,204)
Tax expense:			
(1) Current tax		-	-
Loss for the period		(3,359)	(10,204)
Earnings per equity share: Basic (in ₹)		-0.06	-0.17
Earnings per equity share: Diluted (in ₹)		-0.06	-0.17

Notes are integral part of the Balance Sheet and Profit & Loss Account

As per our report of even date,
For **V. K. BESWAL & ASSOCIATES**
CHARTERED ACCOUNTANTS
FIRM REGN NO 101083W

For and on behalf of the Board

CA K.V. BESWAL
PARTNER
Membership Number: 131054

Charles E.E.Devenish
Chairman

Sandeep Lakhwara
Managing Director

Place : Mumbai
Dated : 29 May 2014

Place : Bangalore
Dated : 29 May 2014

S. Subramaniam
Company Secretary

DECCAN GOLD MINES LIMITED

(FORMERLY WIMPER TRADING LIMITED)

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

Note : 1 Share Capital

A	Particulars	31 March 2014		31 March 2013	
		Numbers	₹ ('000)	Numbers	₹ ('000)
	Authorised				
	Equity Shares of ₹ 1 each	100,000,000	100,000	100,000,000	100,000
		100,000,000	100,000	100,000,000	100,000
	Issued, Subscribed & Fully Paid up				
	Equity Shares of ₹ 1 each	58,867,250	58,867	58,771,250	58,771
	Total	58,867,250	58,867	58,771,250	58,771

B Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

Particulars	Equity Shares			
	31 March 2014		31 March 2013	
	Numbers	₹ ('000)	Numbers	₹ ('000)
At the beginning of the year	58,771,250	58,771	58,526,250	58,526
Add Shares Issued on exercise of Employee Stock Options	96,000	96	245,000	245
At the end of the year	58,867,250	58,867	58,771,250	58,771

C Shares held by holding company / ultimate holding company and/or their subsidiaries/associates

Particulars	Nature of Relationship	31 March 2014	31 March 2013
Equity Shares		NIL	

D Detail of shareholders holding more than 5% of shares in the company

Name of Shareholder	Equity Shares			
	31 March 2014		31 March 2013	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Rama Mines (Mauritius) Limited	251,68,681	42.75	25,342,449	43.12

- E The company has reserved issuance of 8,44,000 (Previous year 19,87,500) Equity shares of ₹ 1/- each for offering to eligible employees of the company and its subsidiaries under Employees Stock Option Scheme (ESOS). During the Financial Year 2010-2011 the company has granted 30,00,000 option to the eligible employees at a price of ₹ 16.95/- per option plus all applicable taxes, as may be levied in this regard on the company. The Options would vest over a maximum period of 3 years or such other period as may be decided by the Employees Stock compensation Committee from the date of grant based on specified criteria.

DECCAN GOLD MINES LIMITED

F. Disclosure pursuant to Note no. 6(A)(i) of Part I of Schedule VI to the Companies Act, 1956

Particulars	Aggregate No. of Shares (for last 5 Financial Years)
Equity Shares :	
Fully paid up pursuant to contract(s) without payment being received in cash	NIL
Fully paid up by way of bonus shares	NIL
Shares bought back	NIL

Note - 2 : Reserve and surplus

Particulars	31 March 2014 ₹ ('000)	31 March 2013 ₹ ('000)
a. Capital Reserves		
Opening Balance	16,726	16,726
(+)/(-) Transfer	-	-
Closing Balance	16,726	16,726
b. Securities Premium Account		
Opening Balance	103,469	98,177
(+) on allotment of Equity Shares	2,074	5,292
Closing Balance	105,542	103,469
c. Profit & Loss Account		
Opening balance	(63,467)	(53,262)
(+) Net Loss For the current year	(3,359)	(10,205)
Closing Balance	(66,826)	(63,466)
d. Preoperative Expenses		
Opening balance	(106,251)	(96,765)
(+) Incurred during the year	(20,445)	(9,485)
Closing Balance	(126,695)	(106,251)
Total	(71,252)	(49,522)

Note - 3 : Long Term Provisions

Particulars	31 March 2014 ₹ ('000)	31 March 2013 ₹ ('000)
Provision for Gratuity	793	739
	793	739

Note - 4 : Trade payables

Particulars	31 March 2013 ₹ ('000)	31 March 2012 ₹ ('000)
Due to Mirco, small and medium enterprises	-	-
Due to Others	18,754	5,736
Total	18,754	5,736

Note: Based on the information available with the Company, there are no suppliers who are registered as micro small & Medium enterprises under The Micro, Small and Medium Enterprises Development Act, 2006, as at 31 March 2014.

Note - 5 : Other Current Liabilities

Particulars	31 March 2014 ₹ ('000)	31 March 2013 ₹ ('000)
(i) Statutory dues	461	21
(ii) other liability	221	130
Total	682	151

Note 6 : Fixed Assets

(Amount in '000)

Fixed Assets	Gross Block				Accumulated Depreciation				Net Block (WDV)	
	Balance as at 01-04-2013	Additions	Disposals	Balance as at 31-03-2014	Balance as at 01-04-2013	For the year	Written back	Balance as at 31-03-2014	Balance as at 31-03-2014	Balance as at 31-03-2013
Tangible Assets :										
Land - Lease hold	2,864	-	-	2,864	2,864	-	-	2,864	-	-
Plant and Equipment	1,138	-	-	1,138	755	115	-	870	268	383
Vehicles	502	-	-	502	460	11	-	471	31	42
Computer	268	-	-	268	248	8	-	256	12	20
Furniture and Fixtures	563	-	-	563	399	30	-	429	134	164
Office equipment	452	-	-	452	265	26	-	291	161	187
Total	5,788	-	-	5,788	4,992	190	-	5,181	607	796
Intangible Assets :										
Computer software	146	-	-	146	135	5	-	139	7	12
Total	146	-	-	146	135	5	-	139	7	12
Capital Work In Progress	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-
Intangible assets under Development	-	-	-	-	-	-	-	-	-	-
Total	5,934	-	-	5,934	5,127	194	-	5,321	614	808
Previous Year	5,935	-	-	5,935	4,860	266	-	5,126	809	-

Note - 7 : Non-current investments

Particulars	31 March 2014 ₹ ('000)	31 March' 2013 ₹ ('000)
Investments in Wholly Owned Subsidiary Company: 10,000 Equity Shares of ₹ 10 Each of Deccan Exploration Services Pvt Ltd fully paid	100	100
Total	100	100

Note - 8 : Other Non-current Assets

Particulars	31 March 2014 ₹ ('000)	31 March' 2013 ₹ ('000)
Security Deposits	2,115	2,115
Total	2,115	2,115

DECCAN GOLD MINES LIMITED

Note - 9 : Current investments

Particulars	31 March 2014 ₹ ('000)	31 March 2013 ₹ ('000)
Investments in Mutual Fund:		
BNP Paribas Money Plus Fund Weekly Dividend (P.Y Market Value ₹ 166.28 Lacs)	-	16,612
Total	-	16,612

Note - 10 : Cash and Cash Equivalents

Particulars	31 March 2014 ₹ ('000)	31 March 2013 ₹ ('000)
a. Balances with banks		
On current accounts in scheduled bank	6,044	1,580
b. Cash on hand	56	77
Total	6,100	1,658

Note - 11 : Short-term Loans and Advances

Particulars	31 March 2014 ₹ ('000)	31 March 2013 ₹ ('000)
Advance receivable in cash or kind	2,567	11
Balance with Government Authorities		
Income Taxes (Net)	2,225	2,225
Service Tax	3,349	2,849
Total	8,141	5,085

Note - 12 : Other Income

Particulars	31 March 2014 ₹ ('000)	31 March 2013 ₹ ('000)
Profit on Sale of Investment	23	20
Dividend Income	680	1,551
Reversal of Expenses on Employee Stock Option Scheme	5,192	-
Total	5,895	1,571

Note - 13 : Employee Benefit Expenses

Particulars	31 March 2014 ₹ ('000)	31 March 2013 ₹ ('000)
Salaries & wages	2,838	2,226
Expenses on Employee Stock Option Scheme	-	3,170
Staff welfare expenses	32	12
Total	2,870	5,408

Note - 14 : Finance costs

Particulars	31 March 2014 ₹ ('000)	31 March' 2013 ₹ ('000)
Bank Charges	17	14
Interest Paid	9	0
Total	26	14

Note - 15 : Other expenses

Particulars	31 March 2014 ₹ ('000)	31 March' 2013 ₹ ('000)
Electricity Expenses	151	116
Listing Fees	230	262
Rent	2,012	2,037
Rates and taxes	24	7
Repair and maintenance	347	247
Directors Remuneration	1,200	1,200
Bussiness promotion & Advertiesment Exp.	1,080	1,070
Travelling and conveyance	252	218
Communication Expenses	13	21
Legal and Professional fees	539	597
Directors' sitting fees	125	63
Auditor's remuneration	155	226
Miscellaneous expenses	4	3
Membership & Subscription fees	32	20
Total	6,164	6,086

Payments to Auditor

Particulars	31 March 2014 ₹ ('000)	31 March' 2013 ₹ ('000)
For Audit Fee	105	105
For Certification & Others	50	121
Total	155	226

DECCAN GOLD MINES LIMITED

NOTE `(1A)' OF SIGNIFICANT ACCOUNTING POLICIES AND NOTES ANNEXED TO BALANCE SHEET AS AT 31st MARCH, 2014

(i) STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES:

A. Basis of accounting:

The financial statements are prepared under the historical cost convention and comply with the applicable accounting standards issued by the Institute of Chartered Accountants of India and the relevant provisions of the Companies Act, 1956.

B. Fixed Assets:

Fixed Assets are stated at cost of acquisition less depreciation. All costs relating to the acquisition and installation of fixed assets are capitalised.

C. Depreciation:

1. Depreciation is provided as per Written down Value prescribed under Schedule XIV of the Companies Act, 1956.
2. Depreciation on Leased Premises is provided over a period of five years i.e the tenure of the lease

D. Foreign Currency transactions

Transactions of foreign currencies are recorded at the exchange rates prevailing on the date of the transaction or at the exchange rate under related forward exchange contracts. The realized exchange gains/losses are recognized in the Profit & Loss Account. All foreign currency assets/ liabilities are translated in rupees at the rates prevailing on the date of Balance Sheet.

E. Investments:

- (a) Long term investments are carried at cost after providing for any diminution in value, if such diminution is of other than temporary nature.
- (b) Current investments are carried at the lower of cost and market value. The determination of carrying cost of such investments is done on the basis of specific identification.

F. Taxes on income:

- i. Current year tax is determined in accordance with Income Tax Act, 1961 at the Current Tax rates based on assessable income.
- ii. The Company has carried forward losses under Tax Laws. In absence of virtual certainty of sufficient future taxable income, deferred tax asset has not been recognized by way of prudence in accordance with Accounting Standard 22 "Accounting for taxes on income" issued by The Institute of Chartered Accountants of India.

G. Impairment of Assets:

At each balance sheet date, the carrying amounts of fixed assets are reviewed by the management to determine whether there is any indication that those assets suffered an impairment loss. If any such indication exists, the recoverable amount of the assets is estimated in order to determine the extent of impairment loss. Recoverable amount is the higher of an asset's net selling price and value in use.

H. Revenue Recognition

Revenue is recognised to the extent it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

- i. Exploration Income is recognised when services are provided
- ii. Interest Income is recognised on accrual basis
- iii. Dividend Income is accounted on accrual basis when the right to receive the dividend is established

I. Employee Benefits

Leave encashment : The company does not have a policy of carry forward of pending leaves and hence no provision for the same is made as mentioned under AS - 15 issued by ICAI.

Gratuity : Gratuity provision is made for qualifying employees. Gratuity liability is defined benefit obligation and is provided for on the basis of an actuarial valuation on projected unit cost method.

J. Provisions , contingent liabilities and contingent assets

Estimation of the probability of any loss that might be incurred on outcome of contingencies on basis of information available up to the date on which the financial statements are prepared. A provision is recognised when an enterprise has a present obligation as a result of a past event and it is probable that an outflow of resources will be required to settle

the obligation, in respect of which a reliable estimate can be made. Provisions are determined based on management estimates required to settle the obligation at the balance sheet date, supplemented by experience of similar transactions. These are reviewed at each balance sheet date and adjusted to reflect the current management estimates. In cases where the available information indicates that the loss on the contingency is reasonable possible but the amount of loss cannot be reasonably estimated, a disclosure to this effect is made in the financial statements. In case of remote possibility neither provision nor disclosure is made in the financial statement. The company does not account for or disclose contingent asset, if any.

K. Stock Option Granted

The stock options granted are accounted for as per the accounting treatment prescribed by Employee Stock Option Scheme and Employee Stock Purchase Guidelines, 1999, issued by Securities and Exchange Board of India, whereby the intrinsic value of the option is recognised as deferred employee compensation. The deferred employee compensation is charged to Profit & Loss Account on straight-line basis over the vesting period of the option. The employee stock option outstanding account is shown net of any unamortized deferred employee compensation.

(ii) NOTES TO THE ACCOUNTS:

S No	PARTICULARS	31 March 2014 ₹ ('000)	31 March 2013 ₹ ('000)
1.	Capital Commitments	Nil	Nil
2.	Claims made against the company but not acknowledged as debts	Nil	Nil
3.	Contingent Liabilities on disputed Income Tax	Nil	Nil

4. Additional information pursuant to para 3 & 4 of par ii of schedule VI of the Companies Act, 1956.

	Particulars	31.03.2014 ₹ ('000)	31.03.2013 ₹ ('000)
1.	Expenditure in foreign currency	NIL	NIL
2.	Earning in foreign currency	NIL	NIL

5. Related party disclosure

a) Name of related parties and relationship

S. No.	Name of the party	Relationship
1	Deccan Exploration Services Private Limited	Wholly owned subsidiary
2	Sandeep Lakhwara	Managing Director
3	Charles E.E. Devenish	Chairman
4	K.R.Krishnamurthy	Director
5	Dr.M.Ramakrishnan	Director
6	V.K.Gaur	Director

b) Transactions with related parties:-

Sr. No.	Nature	Year ended 31.03.2014 ₹ ('000)	Year ended 31.03.2013 ₹ ('000)
1	Reimbursement of Exploration Expenses to Subsidiary	20375.74	9276.83
2	Managerial Remuneration paid to directors	1,200.00	1200.00
3	Directors Sitting Fees & Audit Committee fees	125.00	62.50
4	Rent for Guest House to Managing Director	360.00	360.00
	Equity Shares issued under ESOP		
5.	To Managing Director(80,000 Equity shares @ Rs 16.95 each)	Nil	1356.00

DECCAN GOLD MINES LIMITED

6. The Company undertook activities for exploration of gold at various sites. Commercial production of gold has not commenced and therefore it is the Company's intention to account for all the exploration expenditure of Rs1266.95 Lacs as noted in schedule '2 d' to the Balance Sheet as pre-operative expenditure which will be charged to the profit & loss account as and when the commercial activities/production commences.

7. Disclosure in respect of Employee Stock Option Scheme

a. Employee Stock Option Scheme:

Particulars	Tranche-I	Tranche-II	Tranche-III
No of Options	750,000	1,050,000	1,200,000
Method of Accounting	Intrinsic Value		
Vesting Period	02/06/2011	02/06/2012	02/06/2013
Exercise Period	1 year	1 year	1 year
Grant Date	02/06/2010	02/06/2010	02/06/2010
Grant/Exercise Price (₹16.95 per share)	16.95	16.95	16.95
Market Price on the date prior to the date of grant of option)	22.60	22.60	22.60

b. Movement of Options granted

Particulars	01.04.2013 to 31.03.2014	01.04.2012 to 31.03.2013
Options outstanding at the beginning of the year	19,87,500	25,73,750
Exercised during the year	96,000	2,45,000
Options Lapsed during the year	9,27,500	3,41,250
Option Lapsed on account of Employee resignation	1,20,000	-
Options outstanding at the end of the year	8,44,000	19,87,500
Option unvested at the end of the year	-	10,60,000
Option exercisable at end of the year	8,44,000	9,27,500

C. Employee Stock Option Outstanding account ₹ 47.69 Lacs & Deferred Employee Compensation account ₹ Nil. Reversal of Employee Compensation Expenses amounting to ₹51.92 Lacs is included under the head Other Income.

8. Defined benefit Plans: -

A The amounts (in ₹) recognised in the statement of Profit and Loss are as follows:

Defined benefit Obligation

Sr No.	Particulars	31.3.2014	31.3.2013
1	Current service cost	88,119	93,100
2	Interest on obligation	59,101	52,079
3	Expected return on plan assets	-	-
4	Net actuarial losses (gains) recognised in year ended	(93,109)	(19,112)
5	Past service cost	-	-
6	Losses (gains) on curtailments and settlement	-	-
	Total, included in 'Employee Benefit Expense	54,111	126,067

B Changes in the present value of the defined benefit obligation representing reconciliation of opening and closing balances thereof are as follows:

Defined benefit Obligation			
Sr No.	Particulars	31.3.2014	31.3.2013
1	Opening Defined Benefit Obligation	738,765	6,12,698
2	Service cost for the year	88,119	93,100
3	Interest cost for the year on opening D.B.O.	59,101	52,079
4	Actuarial losses (gains)	(93,109)	(19,112)
5	Losses (gains) on curtailments	-	-
6	Liabilities extinguished on settlements	-	-
7	Liabilities assumed in an amalgamation in the nature of purchase	-	-
8	Exchange differences on foreign plans	-	-
9	Benefits paid	-	-
	Closing defined benefit obligation	792,876	738,765

C. Changes in the fair value of plan assets representing reconciliation of the opening and closing balances thereof are as follows:

Not Applicable as the Liability is not funded.

D. Principal actuarial assumptions at the balance sheet date

	(expressed as weighted averages):	31.3.2014	31.3.2013
1	Discount rate	9.10%	8.00%
2	Expected return on plan assets	-	-
3	Proportion of employees opting for early retirement	-	-
4	Annual increase in Salary costs	6.00%	6.00%

The estimates of future salary increase, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

9. Earning Per Share

₹ (in '000)

Particulars	31.03.2014	31.03.2013
Net Profit / (Loss) available to Equity Shareholders	(3359)	(10,204)
Weighted Average No of Equity Shares	5,88,11,228	5,87,32,318
Basic Earning Per Shares (in ₹)	(0.06)	(0.17)
Diluted Earning Per Shares (in ₹)	(0.06)	(0.17)

10. The company has not received information from creditors regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosure relating to amount unpaid at the end of the year under this act has not been given. There were no claims for interest on delayed payments.

11. Quote:

"During August, 2013, Geomysore Services (India) Private Limited (GMSI), a Bangalore-based gold exploration company approached Deccan Gold Mines Limited (DGML) for being taken over as a wholly-owned subsidiary. The Board of Directors of DGML at their meeting held on 27 August, 2013 decided to consider the offer of GMSI. After completion of the necessary due diligence on GMSI, the Board of Directors of DGML, at their meeting held on 3 December, 2013 accorded their 'in-principle' approval to amalgamate Australian Indian Resources Limited, Australia with DGML pursuant to a Scheme of Arrangement under the provisions of Sections 391-394 of the Companies Act, 1956. It may be noted that AIR holds a 38.80% stake in GMSI.

DECCAN GOLD MINES LIMITED

Under this arrangement, DGML also proposes to acquire the balance of 61.20% stake from the other resident /non-resident shareholders of GMSI on the same terms as offered to AIR. Upon the acquisition of shares as aforesaid, GMSI would become a wholly-owned subsidiary of DGML. The Board also authorised the Managing Director of DGML to do the needful in this regard including appointment of merchant bankers and valuation experts to carry out the valuation exercise.

Accordingly, the valuation of the projects of DGML and GMSI are underway and DGML is also evaluating the proposal from an Australian perspective since the proposal involves the amalgamation of an Australian Company into DGML.

The proposal is subject to the final approval of the Boards of DGML and AIR / GMSI of the proposed terms of the amalgamation including but not limited to the relevant valuation of shares and the share exchange ratio.

12. Segment Reporting:

The Company is mainly engaged in the business of gold exploration and mining. Considering the nature of business and financial reporting of the Company, the Company has only one segment viz; Gold Mining and Exploration as reportable segment.

13. Previous year figures have been re-grouped, re-arranged wherever considered necessary.

As per our report of even date,
For **V. K. BESWAL & ASSOCIATES**
CHARTERED ACCOUNTANTS
FIRM REGN NO 101083W

For and on behalf of the Board

CA K.V. BESWAL
PARTNER
Membership Number: 131054

Charles E.E.Devenish
Chairman

Sandeep Lakhwara
Managing Director

Place : Mumbai
Dated : 29 May 2014

Place : Bangalore
Dated : 29 May 2014

S. Subramaniam
Company Secretary

DECCAN GOLD MINES LIMITED

(FORMERLY WIMPER TRADING LIMITED)

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH, 2014

	For the year ended 31.03.2014 (₹ '000)	For the year ended 31.03.2013 (₹ '000)
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit/(Loss) before Tax and after Extraordinary items	(3,359)	(10,204)
Adjustment For :		
Depreciation	194	266
Interest & Finance charges	26	14
Interest received	-	-
Dividend Income	(680)	(1,551)
Expenses on Employee Stock option	-	3,170
Reversal of Expenses on Employee Stock Option Scheme	(5,192)	
Profit on Sale of Investment	(23)	(20)
Operative Profit before Working Capital Changes	(9,034)	(8,325)
Adjustment For :		
Trade and Other Receivables	(3,057)	(152)
Trade & Other liability	13,603	2,308
Cash Generation from Operations	1,512	(6,169)
Direct Taxes	-	0
Net Cash Flow from operating activities	1,512	(6,169)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Pre-operative Expenses	(20,445)	(9,486)
Proceeds from investments	16,612	8,707
Dividend Income	680	1,551
Interest Received	23	-
Net Cash used in investing activities	(3,129)	772
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Share Issue	1,627	4,153
Share Application Money Received	4,458	-
Financial Charges	(26)	(14)
Net Cash used in financing activities	6,059	4,139
D. NET CHANGE IN CASH AND CASH EQUIVALENTS (A+B+C)	4,442	(1,260)
Cash and Cash Equivalents as at 1st April 2013	1,657	2,917
Cash and Cash Equivalents as at 31st March 2014	6,099	1,658

As per our report of even date,
For **V. K. BESWAL & ASSOCIATES**
CHARTERED ACCOUNTANTS
FIRM REGN NO 101083W

For and on behalf of the Board

CA K.V. BESWAL
PARTNER
Membership Number: 131054

Charles E.E. Devenish
Chairman

Sandeep Lakhwara
Managing Director

Place : Mumbai
Dated : 29 May 2014

Place : Bangalore
Dated : 29 May 2014

S. Subramaniam
Company Secretary

DECCAN GOLD MINES LIMITED

DECCAN GOLD MINES LIMITED

(FORMERLY WIMPER TRADING LIMITED)

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

A. REGISTRATION DETAILS

State Code	:	11
Registration Number	:	34662
Balance Sheet Date	:	31 March 2014

(Amount ₹ '000)

B. CAPITAL RAISED DURING THE YEAR

Public Issue	:	NIL
Right Issue	:	NIL
Bonus Issue	:	NIL
Private Placement	:	NIL
Employee Stock Option Scheme	:	96

C. POSITION OF MOBILISATION AND DEVELOPMENT

Total Liability	:	17,070
Total Assets	:	17,070

SOURCE OF FUND

Paid up capital	:	58,867
Reserves & Surplus	:	(71,252)
Employees Stock Option Outstanding	:	4,769
Share Application Money	:	4,458
Non- Current Liabilities	:	793
Current Liabilities	:	19,436

APPLICATION OF FUNDS

Net fixed Assets	:	614
Non-Current Assets	:	2,215
Current Assets	:	14,241

D. PERFORMANCE OF THE COMPANY

Total Income	:	5,245
Total Expenditure	:	9,254
Profit/(Loss) Before Tax	:	(3,359)
Profit/(Loss) After Tax	:	(3,359)
Earning per share in Rs.	:	(0.06)
Dividend Rate %	:	-

E. GENERAL NAMES OF THEIR PRINCIPAL

PRODUCTS / SERVICES OF THE COMPANY (as per Monetary terms)

Item Code No. (ITC Code)	:	-
Product Description	:	N.A

As per our report of even date,
For **V. K. BESWAL & ASSOCIATES**
CHARTERED ACCOUNTANTS
FIRM REGN NO 101083W

For and on behalf of the Board

CA K.V. BESWAL
PARTNER
Membership Number: 131054

Charles E.E.Devenish
Chairman

Sandeep Lakhwara
Managing Director

Place : Mumbai
Dated : 29 May 2014

Place : Bangalore
Dated : 29 May 2014

S. Subramaniam
Company Secretary

DECCAN EXPLORATION SERVICES PRIVATE LIMITED
(FORMERLY DECCAN GOLD EXPLORATION SERVICES PRIVATE LIMITED)

DIRECTOR'S REPORT

Your Directors have pleasure in presenting their Seventeenth Annual Report of the Company together with the audited accounts of the company for the year ended 31 March, 2014.

OPERATIONS AND FUTURE OUTLOOK

Your company continued to carry out exploration activities pursuant to the Agreement with Deccan Gold Mines Limited in terms of which, all expenses incurred by the company for exploration activities in respect of the Projects covered under the said Agreement are reimbursed by Deccan Gold Mines Limited.

The company during the year incurred profit / (loss) of ₹ (0.07) million compared to profit / (loss) of ₹ (0.16) million during the previous year.

The Mining Lease Application over an area of 0.29 sq kms covering the Ganajur Main Gold Prospect is now pending approval of the Ministry of Mines, Government of India (MoM) to whom it was recommended by the State Government of Karnataka. The same is being pursued vigorously.

UPDATES DURING 2013-14:

- During January, 2014 the Company announced commencement of diamond core drilling in its Ganajur-Karajgi PL Block comprising 4000-5000 meters of diamond core drilling covering Ganajur Main, its extensions and the surrounding satellite prospects including metallurgical and geo-technical drilling. It may be noted that the Ganajur-Karajgi PL block comprises the highly rated Ganajur Main gold prospect and several satellite prospects such as Ganajur SE, Karajgi Main, Karajgi East, Ganajur South, Ganajur Central and Karajgi Huti prospects hosting gold mineralization in banded iron formations discovered by DESPL. M/s. South West Pinnacle Exploration Private Limited was engaged to undertake this exploratory drilling programme.
- During March, 2014 and July, 2014 the new drilling results from the Ganajur SE Prospect were announced. The results were very promising and considered as excellent in terms of gold mineralization. More details can be had from www.deccangoldmines.com

MANAGEMENT

During the year, Dr. V.N. Vasudev resigned as a Director. The Board places on record its appreciation of the services rendered by Dr. Vasudev during his tenure of Directorship.

The Board comprises of eminent geologists and professionals. Further, Dr. M. Ramakrishnan and Mr. Karunakaran Krishnamurthy are the Directors retiring by rotation and being eligible, offer themselves for re-appointment at the ensuing Annual General Meeting.

DIRECTORS' RESPONSIBILITY STATEMENT

Your Directors confirm that:

- a. in preparation of the annual accounts, the applicable Accounting Standards have been followed along with proper explanations relating to any material departures, if any;
- b. they have selected such Accounting Policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at 31 March, 2014 and of the net profit / (loss) for the year ended on that date;
- c. they had taken proper and sufficient care for maintenance of adequate accounting records as required under the Companies Act, 1956 for safeguarding the assets of the company and for prevention and detection of fraud and other irregularities; and

DECCAN GOLD MINES LIMITED

d. they have prepared the Statement of Accounts for the year ended 31 March, 2014 on a going concern basis.

PARTICULARS OF EMPLOYEES

During the year under review, the company did not have any employee falling under the provisions of Section 217 (2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975.

PARTICULARS OF CONSERVATION OF ENERGY, TECHNOLOGY, ABSORPTION, FOREIGN EXCHANGE EARNING AND OUTGO

(a) Conservation of energy and technology absorption:

Considering the nature of the company's existing business activities, your Directors have nothing to state in connection with conservation of energy and technology absorption.

(b) Foreign exchange earnings and outgo:

During the year under review, the company did not have any foreign exchange earnings/outgo.

AUDITORS

M/s. Rao & Venkatesulu, Chartered Accountants, Bengaluru (FRN 003108S) who were appointed as Auditors of the company at the last annual general meeting, will be retiring at the conclusion of the ensuing annual general meeting. They, being eligible, have communicated their consent for re-appointment.

ACKNOWLEDGMENT

Your Directors acknowledge the co-operation and support extended by one and all.

For and on behalf of the Board

Place : Bangalore
Date : 2 September 2014

S.C.R. Peshwa
Director

K. Karunakaran
Director

AUDITOR'S REPORT

TO THE MEMBERS OF DECCAN EXPLORATION SERVICES PRIVATE LIMITED

We have audited the Balance Sheet of DECCAN EXPLORATION SERVICES PRIVATE LIMITED as at 31st MARCH, 2014 and the annexed Profit and Loss Account for the year ended on that date. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We have conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion. -

1. The company being not coming under the purview of the Companies (Auditor's Report) Order, 2003 issued by the central government under section 227 (4A) of the Companies Act, 1956, we have not reported our finding on the matters stated therein.
2. Further to our comments in the Annexure referred to in paragraph (1) above:
 - a. we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit.
 - b. in our opinion, proper books of account as required by the law have been kept by the Company so far as it appears from our examination of those books;
 - c. the Balance Sheet and the Profit and Loss Account dealt with by this report are in agreement with those Books of account;
 - d. in our opinion, the Profit and Loss Account and the Balance Sheet dealt with by this report comply with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956;
 - e. on the basis of the written representations received from the Directors and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2014 from being appointed as a director of the Company are disqualified from being appointed as a director in terms of Section 274 (1) (g) of the Companies Act, 1956; and
 - f. in our opinion and to the best of our information and according to the explanations given to us. the accounts give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (i) in the case of the Balance Sheet, of the state of affairs of the company as at 31st March, 2014; and
 - (ii) in the case of the Profit and Loss Account, of the loss of the company for the year ended on that date.

For **RAO & VENKATESULU**
Chartered Accountants

K.Y. NINGOJI RAO
Partner

Membership No. : 018278
FR No. 003108S

Place : Bangalore
Date : 28 April 2014

DECCAN GOLD MINES LIMITED
DECCAN EXPLORATION SERVICES PRIVATE LIMITED
 (FORMERLY DECCAN GOLD EXPLORATION SERVICES PRIVATE LIMITED)
BALANCE SHEET AS AT 31 MARCH, 2014

Particulars	Sch No	31.3.2014	31.3.2013
I EQUITY AND LIABILITIES			
1 Shareholder's Funds:			
a Share Capital	1	100	100
b Reserves and Surpluses	2	6,871	6,941
c Money Received Against Share Warrants			
2 Share Application Money Pending Allotment			
3 Non-Current Liabilities:			
a Long Term Borrowings			
b Deferred Tax Liabilities (Net)			
c Other Long Term Liabilities			
d Long Term Provisions			
4 Current Liabilities:			
a Short Term Borrowings			
b Trade Payables	3	13,619	705
c Other Current Liabilities	4	475	24
d Short Term Provisions		-	
TOTAL		21,065	7,770
II ASSETS			
1 Non Current Assets:			
a Fixed Assets:			
(i) Tangible Assets	5	571	628
(ii) Intangible Assets			
(iii) Capital work-in-progress		-	-
(iv) Intangible Assets Under Development			
b Non Current Investments			
c Deferred Tax Assets (net)	6	35	
d Long Term Loans and Advances	7	282	284
e Other Non Current Assets	8	711	909
2 Current Assets:			
a Current Investments			
b Inventories		-	-
c Trade Receivables	9	18,756	5,736
d Cash and Cash Equivalents	10	651	172
e Short Term Loans and Advances	11	58	41
f Other Current Assets			
TOTAL		21,065	7,770

NOTES TO ACCOUNTS

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Schedules referred to above and notes attached there to form an integral part of Balance Sheet.

For **DECCAN EXPLORATION SERVICES PRIVATE LIMITED**

As per our report of even date attached.

For **Rao & Venkatesulu**
Chartered AccountantsS.C.R PESHA
DirectorK.KARUNAKARAN
DirectorK Y Ningoji Rao
Partner
Membership No. :018278
FRN: 003108SPlace : Bangalore
Date : 28 April 2014

DECCAN EXPLORATION SERVICES PRIVATE LIMITED
(FORMERLY DECCAN GOLD EXPLORATION SERVICES PRIVATE LIMITED)

PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED ON 31 MARCH, 2014

Particulars	Sch No	31.3.2014	31.3.2013
REVENUES:			
Revenue From Operations	12	18,394	8,699
Other Income	12	125	-
Total Revenue (I +II)		18,519	8,699
EXPENSES:			
1 Exploration Expenses	13	18,468	8,705
2 Changes in Inventories of Finished Goods		-	-
Work-in-Progress and Stock-in-Trade		-	-
3 Employee Benefit Expense		-	-
4 Financial Costs	14	3	2
5 Depreciation and Amortization Expense	15	114	120
6 Other Expenses	16	37	37
Total Expenses		18,622	8,864
Profit Before Exceptional and Extraordinary Items & Tax		(103)	(164)
Exceptional Items	17	2	-
Profit Before Extraordinary Items and Tax		(105)	(164)
Extraordinary Items		-	-
Profit Before Tax		(105)	(164)
Tax Expense:			
1 Current Tax		-	-
2 Earliear Year Taxes		-	-
3 Deferred Tax		(35)	-
Profit (Loss) For The Perid From Continuing Operations		(69)	(164)
Profit/(Loss) from Discontinuing Operations			
Tax Expense of Discounting Operations			
Profit/(Loss) From Discontinuing Operations			
Profit/(Loss) For The Period		(69)	(164)
Earning Per Equity Share:			
1 Basic		-6.98	-16.44
2 Diluted		-6.98	-16.44

Schedules referred to above and notes attached there to form part of Profit & Loss Account

For **DECCAN EXPLORATION SERVICES PRIVATE LIMITED**

As per our report of even date attached.

For **Rao & Venkatesulu**
Chartered Accountants

S.C.R PESHWA
Director

K.KARUNAKARAN
Director

K Y Ningoji Rao
Partner
Membership No. :018278
FRN: 003108S

Place : Bangalore
Date : 28 April 2014

DECCAN EXPLORATION SERVICES PRIVATE LIMITED

(FORMERLY DECCAN GOLD EXPLORATION SERVICES PRIVATE LIMITED))

SCHEDULES FORMING PART OF ANNUAL ACCOUNTS

(₹ '000)

Share Capital

Schedule : 1

Particulars	As At 31.3.2014	As At 31.3.2013
AUTHORIZED CAPITAL 50,000 Equity Shares of ₹ 10/- each.	500	500
ISSUED , SUBSCRIBED & PAID UP CAPITAL 10,000 Equity Shares of ₹ 10/- each, Fully Paid Up	100	100
Total	100	100

Reserve & Surpluses

Schedule : 2

Particulars	As At 31.3.2014	As At 31.3.2013
Reserves	-	-
Total	-	-
Profit & Loss Account:		
Balance Brought Forward	6,941	7,105
Add: Net Profit For The Year	(70)	(164)
Total	6,871	6,941

Trade Payables

Schedule : 3

Particulars	As At 31.3.2014	As At 31.3.2013
Trade Creditors	13,490	661
Others	130	44
Total	13,620	705

Other Current Liabilities

Schedule : 4

Particulars	As At 31.3.2014	As At 31.3.2013
TDS Payable	475	24
Total	475	24

Short Term Provisions

Schedule : 5

Particulars	As At 31.3.2014	As At 31.3.2013
Provisions For Current Taxes	-	-
Provision From Employees Benefit	-	-
Others	-	-
Total	-	-

Fixed Assets

Note 6

Fixed Assets	Rate	Gross Block			Accumulated Depreciation				Net Block (WDV)	
		Balance as at 01-04-2013	Additions	Disposals	Balance as at 31-03-2014	Balance as at 01-04-2013	For the year	Written back	Balance as at 31-03-2014	Balance as at 31-03-2013
Tangible Assets :										
Land	0%	-	-	-	-	-	-	-	-	-
Buildings	10%	-	-	-	-	-	-	-	-	-
Plant & Equipment	15%	-	-	-	-	-	-	-	-	-
Vehicles	15%	844	-	-	844	234	92	-	326	518
Furniture & Fixtures	10%	-	-	-	-	-	-	-	-	-
Office equipment	10%	13	-	-	13	2	1	-	3	10
Office equipment	60%	-	33	-	33	-	10	-	10	23
Computer	60%	26	23	-	49	19	11	-	30	19
Sub Total (A)		883	56	-	939	255	114	-	369	571
Intangible Assets :										
Sub Total (B)		-	-	-	-	-	-	-	-	-
Capital Work In Progress		-	-	-	-	-	-	-	-	-
Sub Total (C)		-	-	-	-	-	-	-	-	-
Intangible assets under Development		-	-	-	-	-	-	-	-	-
Sub Total (D)		-	-	-	-	-	-	-	-	-
Current Year (A+B+C+D)		883	56	-	939	255	114	-	369	571
Previous Year		883	-	-	883	135	120	-	255	629

Deferred Tax Assets (Net)

Schedule : 7

Particulars	As At 31.3.2014	As At 31.3.2013
Deferred Tax Assets	35	-
Less: Deferred Tax Liabilities	-	-
Total	35	-

Long Term Loans and Advances

Schedule : 7

Particulars	As At 31.3.2014	As At 31.3.2013
Security Deposit	127	127
Other Loans & Advances	155	156
Total	282	283

Other Non Current Assets

Schedule : 8

Particulars	As At 31.3.2014	As At 31.3.2013
Long Term Trade Recievables	-	-
Others	711	909
Total	711	909

Trade Recievables

Schedule : 9

Particulars	As At 31.3.2014	As At 31.3.2013
Outstanding for more than six months	377	-
Others	18,379	5,735
Total	18,756	5,735

DECCAN GOLD MINES LIMITED
DECCAN EXPLORATION SERVICES PRIVATE LIMITED

Cash & Cash Equivalent		Schedule : 10
Particulars	As At 31.3.2014	As At 31.3.2013
Cash-in-Hand	22	13
Bank Balance	630	158
Total	652	171

Short Terms Loans and Advances		Schedule : 11
Particulars	As At 31.3.2014	As At 31.3.2013
Loans & Advances from Related Parties	-	-
Others	58	41
Total	58	41

Revenues From Operations & Other Income		Schedule : 12
Particulars	Current Year	Previous Year
Revenues From Operations:		
Exploration Contract	18,393	8,699
Drilling Contract Receipts		
Total	18,393	8,699
Other Income:		
Consultancy Receipts	125	-
Interest on Others	-	-
Miscellaneous Receipts	-	-
Total	125	-
Total	18,518	8,699

Exploration Expenses		Schedule : 13
Particulars	Current Year	Previous Year
Analysis Charges	276	74
Boarding & Lodging Charges	31	235
Books & Periodicals	1	-
Camp Expenses	58	24
Diesel & fuel	111	102
Duplicating Charges	37	4
Field Supplies & Consumables	141	89
Field Vehicle Maintenance	92	58
RP Processing Fees	35	1,302
Rent	345	360
Land & Crop Compensation	591	480
Field Travel Expenses	61	137
Exploration Contract Expenses	3,164	3,069
Food & Water Charges	263	162
Professional & Consultancy Fee	1,267	1,822
Equipment Hire Charges	1,217	-
Trenching , Drilling & Pitting Charges	10,768	776
Surveying Charges	-	6
Other Camp Expenses	11	5
TOTAL carried To Profit & Loss Account	18,468	8,704

Change in Inventories**Schedule : 14**

Particulars	Current Year	Previous Year
Opening Stock:		
Working in Progress	-	-
Total	-	-
Closing Stock:		
Working in Progress	-	-
Total	-	-
Total	-	-

Financial Cost**Schedule : 15**

Particulars	Current Year	Previous Year
Interest On Loans		
Bank Charges & Other Charges	3	2
Total	3	2

Depreciation & Amortised Cost**Schedule : 16**

Particulars	Current Year	Previous Year
Depreciation	114	120
Preliminary Expenses Amortized	-	-
Total	114	120

Other Expenses**Schedule : 17**

Particulars	Current Year	Previous Year
Rates & Taxes	-	1
Postage & Telegraph	-	-
Filing Fee	-	2
Printing & Stationery	3	3
Other Expenses	2	-
Professional Fee	3	4
Travelling Expenses		
Auditors Remuneration:		
For Audit	23	22
For Tax Audit	5	4
For Others	1	
Total [A + B]	37	37

Exceptional Items**Schedule : 18**

Particulars	Current Year	Previous Year
Penal Interest & Other Expenses	2	-
Total	2	-

DECCAN GOLD MINES LIMITED
DECCAN EXPLORATION SERVICES PRIVATE LIMITED

TRADE PAYABLES

Particulars	As At 31.3.2014	As At 31.3.2013
FOR TRADE:		
Geo Mysore Services (India) Pvt Ltd	1,929	607
Shiva Analytics(India) Ltd	272	-
South West Pinnacle Exploration Pvt Ltd	9,681	-
BS Envitech (P)Ltd	377	53
SR Info.Solutions Pvt Ltd	1,230	-
Total	13,489	660
FOR EXPENSES:		
Staff	-	18
Professional Charges Payable	54	-
Rent Payable	20	-
Rao & Venkatesulu	55	27
Total	130	45
Total	13,619	705

OTHER CURRENT LIABILITIES

Particulars	As At 31.3.2014	As At 31.3.2013
Income Tax TDS Payable	475	24
Total	475	24

TRADE RECEIVABLES

Particulars	As At 31.3.2014	As At 31.3.2013
DUES FOR LESS THAN SIX MONTHS:		
Deccan Gold Mines Ltd	18,377	5,736
IMC-SRG Consulting Pvt Ltd	3	
Total	18,380	5,736
DUES FOR MORE THAN SIX MONTHS:		
Deccan Gold Mines Ltd	377	
Total	377	
Total	18,756	5,736

OTHER NON CURRENT ASSETS

Particulars	As At 31.3.2014	As At 31.3.2013
Long Term Trade Receivables		
Others:		
Income Tax T.D.S.	711	909
Total	711	909

LONG TERM LOANS & ADVANCES

Particulars	As At 31.3.2014	As At 31.3.2013
Security Deposit	127	127
Total	127	127
Others:		
Rent Deposit	155	155
Yogesh	-	-
Jajadish Chandra Jat	-	1
Total	155	156

SHORT TERM LOANS & ADVANCES

Particulars	As At 31.3.2014	As At 31.3.2013
Loans & Advances From Related Parties		
Total	-	-
Others:		
Service Tax	58	41
Total	58	41

SCHEDULE '19'**NOTES FORMING PART OF ANNUAL ACCOUNTS:****1. Share Capital:**

Particulars	As At 31.3.2014	As At 31.3.2013
A. Authorized Capital: 50,000 Equity Shares of ₹ 10/- Each	500	500
B. Issued, Subscribed & Paid Up Capital: 10,000 Equity Shares of ₹ 10/- Each, Fully Paid Up	100	100
Total	100	100

Reconciliation of Number of Shares:

Particulars	As At 31.3.2014	As At 31.3.2013
Equity Shares:		
Balance at the beginning	10	10
Add: Number of Share Allotted	Nil	Nil
Balance at close	10	10

Number of Shares issued for consideration other wise than for cash:

Particulars	As At 31.3.2014	As At 31.3.2013
Equity Shares of ₹10/- Each	Nil	Nil

Rights, preferences and restrictions attached to each class of shares:**Equity Share of ₹1000/- each fully paid-up:**

- a Right to dividend on pari passu
- b Voting rights one vote per each share
- c No preferential rights are attached
- d No restrictions are attached.

DECCAN GOLD MINES LIMITED
DECCAN EXPLORATION SERVICES PRIVATE LIMITED

Name of shareholders holding more than 5% of Equity Shares:

Name of Shareholders	As At 31.3.2014	As At 31.3.2013	% of Shares
Deccan Gold Limited	9999	9999	99.99%

2. Particulars of Reserves and Surpluses:

Particulars	As At 31.3.2014	As At 31.3.2013
A. Capital Reserves:	Nil	Nil
B. General Reserve:	Nil	Nil
Share Premium:	Nil	Nil
C. Profit & Loss Account:		
Opening Balance Brought Forward	6,940	7,105
Add: Current Year Profit	(70)	(164)
Closing Balance Carried Forward	6,871	6,940
D. Total	6,871	6,940

3. Trade Payables:

Particulars	As At 31.3.2014	As At 31.3.2013
A. Trade Creditors	13,490	661
B. Others	130	44
C. Total	13,620	705

4. Other Current Liabilities:

Particulars	As At 31.3.2014	As At 31.3.2013
A. Income Tax TDS Payable	475	24
E. Others	Nil	Nil
F. Total	475	24

5. Fixed Assets:

Details of Fixed Assets are furnished in Annexure "A" hereto

6. Net Deferred Tax Assets:

Particulars	As At 31.3.2014	As At 31.3.2013
A. Deferred Tax Asset	35	Nil
B. Deferred Tax Liability	Nil	Nil
C. Net Deferred Tax Asset	35	Nil

Particulars of Deferred Tax liability provided in the accounts are as follows:

Particulars	Current Year	Previous Year
Written Down Value As Per Books	571	629
Written Down Value As Per Income Tax	571	629
Difference in WDV	Nil	Nil
Deferred Tax Liability	Nil	Nil
Disallowances U/s 40(a) & 43B	Nil	Nil
Unabsorbed depreciation & Business Loss	103	Nil
Deferred Tax Asset	35	Nil
Net Deferred Tax Asset	35	Nil
Deferred Tax Provided in earlier years	Nil	Nil
Deferred Tax Provided(+)/Withdrawn(-) in the year	35	Nil

7. Long Term Loans & Advances:

Particulars	As At 31.3.2014	As At 31.3.2013
A. Security Deposit	127	127
B. Loans & Advances to Related Parties	Nil	Nil
C. Other Loans & Advances	155	156
D. Total	282	156

8. Other Non-Current Assets:

Particulars	As At 31.3.2014	As At 31.3.2013
A. Long Term Trade Receivables	Nil	Nil
B. Advances with Revenue Authorities	711.34	909.26
C. Other Loans & Advances	Nil	Nil
D. Total	711.34	909.26

9. Trade Receivables:

Particulars	As At 31.3.2014	As At 31.3.2013
A. Outstanding for more than Six Months	377	Nil
B. Others	18,379	5,736
C. Total	18,756	5,736

10. Cash & Cash Equivalents:

Particulars	As At 31.3.2014	As At 31.3.2013
A. Cash In Hand	22	14
B. Bank Balance	630	159
C. Total	652	171

Bank Balances Include:

Particulars	As At 31.3.2014	As At 31.3.2013
i. Unpaid Dividends	Nil	Nil
ii. Margin Money	Nil	Nil
III. Deposits with more than 12 months maturity	Nil	Nil
iv. Cheques & Drafts On Hand	Nil	Nil
v. Others	630	158
Total	630	158

11. Short Term Loans & Advances:

Particulars	As At 31.3.2014	As At 31.3.2013
A. Loans & Advances to Related Parties	Nil	Nil
B. Advances with Revenue Authorities	Nil	Nil
C. Other Loans & Advances	58	41
D. Total	58	41

12. Sales & Other Incomes:

Particulars	Current Year	Previous Year
A. Revenue from Operation : Exploration Contract	18,394	8,699
Total	18,394	8,699
B. Other Incomes: Consultancy Receipts	125	Nil
Interest on Deposits & Others	Nil	Nil
Miscellaneous Receipts	Nil	Nil
Total	125	8,699
Total	18,519	8,699

DECCAN GOLD MINES LIMITED
DECCAN EXPLORATION SERVICES PRIVATE LIMITED

13. Exploration Expenses:

Particulars	Current Year	Previous Year
Analysis Charges	276	74
Boarding & Lodging Charges	31	235
Books & Periodicals	1	Nil
Camp Expenses	58	24
Diesel & Fuel	111	102
Duplicating Charges	37	4
Field Supplies & Consumables	141	89
Field Vehicle Maintenance	92	58
RP Processing Charges	35	1,302
Rent	345	360
Land & Crop Compensation	591	480
Field Travel Expenses	61	137
Exploration Contract Expenses	3,164	3,069
Food & Water Charges	263	162
Professional & Consultancy Fees	1,267	1,822
Hire Charges	1,217	Nil
Trenching, Drilling & Pitting Charges	10,768	776
Surveying Charges	Nil	6
Other Camp Expenses	11	5
Total	18,468	8,705

14. Financial Cost:

Particulars	Current Year	Previous Year
Bank Charges & Other Charges	3,310	2,474
Total	3,310	2,474

15. Depreciation Amortized Cost:

Particulars	Current Year	Previous Year
A. Depreciation	114	120
B. Preliminary Expenses Amortized	Nil	Nil
Total	114	120

16. Other Expenses:

Particulars	Current Year	Previous Year
Office Expenses	2,369	447
Postage & Telegrams	120	60
Rates & Taxes		891
Filing Fees		1,975
Printing & Stationery Expenses	3,131	2,835
Professional Fees	3,400	3,750
AUDITORS REMUNERATION:		
For Audit	22,472	22,472
For Taxation	4,494	4,494
For Expenses	1,000	
Total	36,986	36,924

17. Exceptional Items:

Particulars	Current Year	Previous Year
Penal Interest & Other Expenses	1,953	Nil
Total	1,953	Nil

DECCAN EXPLORATION SERVICES PRIVATE LIMITED

18. Contingent Liabilities: Nil (P.Y Nil)

19. Trade Receivables:

Classified as Current: ₹ 18,735.88 (P.Y. ₹. 5,735.66) includes:

Particulars	As At 31.3.2014	As At 31.3.2013
i. Debts Due for a period:		
a. more than Six Months from the due date	377	Nil
b. Others	18,379	5,736
ii. Debts considered good and secured	Nil	Nil
iii. Debts considered good but not secured	18,756	5,736
iv. Debts considered unsecured and doubtful of recovery and not provided for	Nil	Nil
v. Debts due from:		
a. Directors	Nil	Nil
b. Other Officers	Nil	Nil
c. Companies in which the Directors of the company is Directors	Nil	Nil
d. Firms in which Directors of the company are interested as partners	Nil	Nil

20. Loans and Advances:

Classified as Current: ₹ 58 (P.Y. ₹ 41) includes:

Particulars	As At 31.3.2014	As At 31.3.2013
i. Short Term Loans & Advances:		
a. Capital Advances	Nil	Nil
b. Security Deposits	Nil	Nil
c. Due From Related Parties	Nil	Nil
d. Others	58	41
ii. Loans and advances which are:		
a. Secured and considered good	Nil	Nil
b. Unsecured and Considered Good	58	41
c. Doubtful	Nil	Nil
iii. Loans & Advances due from:		
a. Directors	Nil	Nil
b. Directors Relatives	Nil	Nil
c. Companies in which the Directors of the company is Directors	Nil	Nil
d. Firms in which Directors of the company are interested as partners	Nil	Nil

21. Loans and Advances:

Classified as Non-Current: ₹ 282.43 (P.Y. ₹ 283.55) includes:

Particulars	As At 31.3.2014	As At 31.3.2013
i. Long Term Loans & Advances:		
e. Capital Advances	Nil	Nil
f. Security Deposits	127	127
g. Due From Related Parties	Nil	Nil
h. Others	155	156
ii. Loans and advances which are:		
d. Secured and considered good	Nil	Nil
e. Unsecured and Considered Good	282	284
f. Doubtful	Nil	Nil

DECCAN GOLD MINES LIMITED
DECCAN EXPLORATION SERVICES PRIVATE LIMITED

iii. Loans & Advances due from:		
e. Directors	Nil	Nil
f. Directors Relatives	Nil	Nil
g. Companies in which the Directors of the company is Directors	Nil	Nil
h. Firms in which Directors of the company are interested as partners	Nil	Nil

Classified as Non-Current: ₹ 711 (P.Y ₹ 909) includes:

Particulars	As At 31.3.2014	As At 31.3.2013
i. Long Term Loans & Advances:		
a. Capital Advances	Nil	Nil
b. Security Deposits	Nil	Nil
c. Due From Related Parties	Nil	Nil
d. Others	711	909
ii. Loans and advances which are:		
a. Secured and considered good	Nil	Nil
b. Unsecured and Considered Good	711	909
c. Doubtful	Nil	Nil
iii. Loans & Advances due from:		
a. Directors	Nil	Nil
b. Directors Relatives	Nil	Nil
c. Companies in which the Directors of the company is Directors	Nil	Nil
d. Firms in which Directors of the company are interested as partners	Nil	Nil

22. Amounts due to and From Related Parties:

Particulars	As At 31.3.2014	As At 31.3.2013
Amounts due to Related Parties:		
i Geomysore Services India Private Limited	1,929	607
Total	1,929	607
Amounts due from Related Parties:		
i Deccan Gold Mines Ltd	18,754	5,735
Total	18,754	5,735

23. Operating Cycles of the various businesses considered by the management are:

Particulars	Period of operation cycle
i Mining Exploration Contract	One Year
ii Mining Consultancy	Six Months

24. The particulars of Gross Sales and Net of Duties are:

Particulars	Gross Value	Less: Duty	Net of Duty
i Mining Exploration Contract	20,376	1,982	18,394
Mining Consultancy	140	15	125
Total	20,516	1,997	18,519

25. The particulars of Foreign Exchange Earnings and Expenditure are:

Particulars	Current Year	Previous Year
Earnings:		
i Exports	Nil	Nil
Expenditure:		
i Import of Materials	Nil	Nil
ii Import of Consumables	Nil	Nil
iii Import of Machinery	Nil	Nil
iv Travelling & Other Expense	Nil	Nil
Total	Nil	Nil

26. Particulars of amounts contributed to various funds for Employees benefit:

Particulars	Current Year	Previous Year
Provident Fund	Nil	Nil
ESI Contribution	Nil	Nil
Labour Welfare Fund	Nil	Nil
Total	Nil	Nil

27. Related Party Transactions Disclosures:

Particulars	Associated Concerns & Directors Relatives	Key Management Personnel	TOTAL
Exploration & Other Expenses Paid	3,100	Nil	3,100
Exploration Contract Receipts	18,394	Nil	18,394
Financial Transactions:			
a. Loan Borrowed	Nil	Nil	Nil
b. Loan Repaid	Nil	Nil	Nil
c. Interest Paid	Nil	Nil	Nil
d. Equity Share Capital	Nil	Nil	Nil
e. Share Application	Nil	Nil	Nil
f. Advances Recovered	Nil	Nil	Nil
g. Advances Paid	Nil	Nil	Nil
h. Refundable Deposit paid under Joint Development agreement	Nil	Nil	Nil
Sale Of Fixed Assets	Nil	Nil	Nil
Purchase Of Fixed Assets	Nil	Nil	Nil
Receiving Of Services	Nil	Nil	Nil
Rendering Of Services	Nil	Nil	Nil
Guarantees & Collaterals:	Nil	Nil	Nil
Associated Concerns:	None		
Share Holders & Relatives:	a. M/s Geomysore Services India (P) Ltd. b. M/s Deccan Gold Mines Ltd		
Key Management Personnel	a. Mr. S.C.R.Peshwa-Director b. Mr.Karunakarn-Director		

28. Previous figures have been rearranged and regrouped so as to make them comparable with current figures.

DECCAN GOLD MINES LIMITED
DECCAN EXPLORATION SERVICES PRIVATE LIMITED

29. SIGNIFICANT ACCOUNTING POLICIES :

- A. REVENUE RECOGNITION:
1. Sales revenues and Contract Receipts are accounted on accrual basis goods.
 2. All incomes, to the extent they are ascertained, are accounted on accrual basis.
- B. EXPENDITURE RECOGNITION:
1. All expenditure relating to the purchase of goods and contract expenses are accounted on accrual basis.
 2. All expenditure, to the extent they are ascertained, are accounted on accrual basis.
- C. VALUATION OF INVENTORY:
- Inventories of goods traded are valued at cost or net realizable value whichever is lower.
- D. FIXED ASSETS:
- Depreciation on fixed assets are provided on Witten Down Value Method at the rates prescribed under Income Tax Rules, 1962.
- E. INVESTMENTS:
- Investments are valued at cost.
- F. TAXES ON INCOME:
- a. Current Liability towards Taxes On Income is recognized as per the estimates made as per the provisions of the Income Tax.
 - b. Deferred Tax Asset and liabilities is recognized as per AS 22 issued by the ICAI; and
- G. AMORTISATION OF INTAGIBLE ASSETS:
- All Intangible Assets are amortized as per AS 26 issued by the ICAI.
30. Particulars of number of employees drawing remuneration exceeding a sum of ₹ 24,00,000 per annum or ₹ 2,00,000 per month is Nil.

31. BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE:**I. Registration Details:**

Registration No.	22819
State Code	08

BALANCE SHEET AS AT 31st MARCH, 2014**II. Capital raised during the year:****(₹ '000)**

Particulars	Current Year	Previous Year
Public Issue	Nil	Nil
Right Issue	Nil	Nil
Bonus Issue	Nil	Nil
Private Placement	Nil	Nil

III. Position of mobilization and deployment of funds:

Total Liabilities	21,065	7,769
Total Assets	21,065	7,769
Sources of Funds:		
Paid Up Capital	100	100
Reserves & Surpluses	6,871	6,940
Non Current Liabilities	Nil	Nil
Current Liabilities	1,409	729
Application Of Funds:		
Net Fixed Assets	571	628
Net Deferred Tax Asset	35	Nil
Non Current Investments	Nil	Nil
Other Non Current Assets	993	1,193
Current assets	19,466	5,948

IV. Performance of the Company:

Total Turnover & Income	18518	8699
Total Expenditure	18621	8863
Exceptional Items	2	Nil
Profit Before Tax	(105)	(164)
Profit After Tax	(105)	(164)
Earning Per Share [Basic & Diluted]	(₹ 6.99)	(₹ 16.44)
Dividend- Interim/Proposed Per Share	Nil	Nil

V. Generic names of three principal products of Company (as per monetary terms):

Product Description	Item Code (ITC Code)
a. Mining Exploration	980100.45

As per our report of even date attached.

For **DECCAN EXPLORATION SERVICES PRIVATE LIMITED**For **Rao & Venkatesulu**
Chartered AccountantsS.C.R PESHWA
DirectorK.KARUNAKARAN
DirectorK Y Ningoji Rao
Partner
Membership No. :018278
FRN: 003108SPlace : Bangalore
Date : 28 April 2014

AUDITOR'S REPORT

To the Members of
DECCAN GOLD MINES LIMITED

REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

We have audited the accompanying consolidated financial statements of Deccan Gold Mines Limited, which comprise the Consolidated Balance Sheet as at March 31, 2014, and the Statement of Consolidated Profit and Loss and Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 ("the act") read with the general circular 15/2013 dated 13th September 2013 of the ministry of corporate affairs in respect of section 133 of the companies act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Consolidated Balance Sheet, of the Consolidated state of affairs of the Company as at March 31, 2014
- (b) in the case of Consolidated Statement of Profit and Loss, of the Loss for the year ended on that date and
- (c) in the case of the Consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

For V. K. BESWAL & ASSOCIATES

CHARTERED ACCOUNTANTS
FIRM REGN NO 101083W

CA K.V. BESWAL
PARTNER
Membership Number: 131054

Place : Mumbai
Dated : 29 May 2014

DECCAN GOLD MINES LIMITED
(FORMERLY WIMPER TRADING LIMITED)

CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2014

(Amount in '000)

Particulars	Note No.	31-03-2014	31-03-2013
I. EQUITY AND LIABILITIES			
Shareholders' Funds			
(a) Share capital	1	58,867	58,771
(b) Reserves and surplus	2	(64,184)	(42,384)
(c) Employee Stock option Outstanding		4,769	10,503
(d) Share Application Money		4,458	-
		3,910	26,890
Non-Current Liabilities			
(a) Long-term Provisions	3	793	739
		793	739
Current Liabilities			
(a) Trade payables	4	13,619	705
(b) Other current liabilities	5	1,156	176
(c) Short-term provisions		14,776	881
TOTAL (I)		19,478	28,510
II. ASSETS			
Non-Current Assets			
(a) Goodwill on Consolidation		197	197
(b) Fixed assets	6		
(i) Tangible assets		1,178	1,425
(ii) Intangible assets		7	12
(c) Long Term Loans and Advances	7	2,397	2,399
(d) Deferred Tax Assets		35	-
		3,814	4,033
Current assets			
(a) Current investments	8	-	16,612
(b) Cash and cash equivalents	9	6,751	1,829
(c) Short-term loans and advances	10	8,913	6,035
		15,664	24,476
TOTAL (II)		19,478	28,510

Notes are integral part of the balance sheet & profit & loss account 1A

As per our report of even date,
For **V. K. BESWAL & ASSOCIATES**,
CHARTERED ACCOUNTANTS
FIRM REGN NO 101083W

For and on behalf of the Board

CA K.V. BESWAL
PARTNER
Membership Number: 131054

Charles E.E. Devenish
Chairman

Sandeep Lakhwara
Managing Director

Place : Mumbai
Dated : 29 May 2014

Place : Bangalore
Dated : 29 May 2014

S. Subramaniam
Company Secretary

DECCAN GOLD MINES LIMITED

DECCAN GOLD MINES LIMITED

(FORMERLY WIMPER TRADING LIMITED)

STATEMENT OF CONSOLIDATED PROFIT & LOSS FOR THE YEAR ENDED 31 MARCH 2014

(Amount in '000)

Particulars	Note No.	31-03-2014	31-03-2013
Other income	11	6,020	1,571
Total Revenue		6,020	1,571
Expenses:			
Exploration Expenses		73	5
Employee benefits expense	12	2,873	5,408
Finance costs	13	31	16
Depreciation and amortization expense	6	308	386
Other expenses	14	6,198	6,124
Total expenses		9,483	11,939
Loss before extraordinary items and tax		(3,463)	(10,368)
Extraordinary Items Prior year adjustments		-	-
Profit before tax		(3,463)	(10,368)
Tax expense:			
(1) Current tax		-	-
(2) Deferred Tax		(35)	-
Profit (Loss) for the period		(3,428)	(10,368)
Earnings per equity share: Basic (in ₹)		(0.06)	(0.18)
Earnings per equity share: Diluted (in ₹)		(0.06)	(0.18)

Notes are integral part of the balance sheet & profit & loss account 1A

As per our report of even date,
For **V. K. BESWAL & ASSOCIATES**
CHARTERED ACCOUNTANTS
FIRM REGN NO 101083W

For and on behalf of the Board

CA K.V. BESWAL
PARTNER
Membership Number: 131054

Charles E.E.Devenish
Chairman

Sandeep Lakhwara
Managing Director

Place : Mumbai
Dated : 29 May 2014

Place : Bangalore
Dated : 29 May 2014

S. Subramaniam
Company Secretary

DECCAN GOLD MINES LIMITED

(FORMERLY WIMPER TRADING LIMITED)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

Note : 1 Share Capital

A	Particulars	31 March 2014		31 March 2013	
		Numbers	₹ ('000)	Numbers	₹ ('000)
	Authorised				
	Equity Shares of ₹1 each	100,000,000	100,000	100,000,000	100,000
		100,000,000	100,000	100,000,000	100,000
	Issued, Subscribed & Fully Paid up				
	Equity Shares of ₹ 1 each	588,67,250	58,867	587,71,250	58,771
	Total	588,67,250	58,867	587,71,250	58,771

B Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

Particulars	Equity Shares			
	31 March 2014		31 March 2013	
	Numbers	₹ ('000)	Numbers	₹ ('000)
At the beginning of the year	587,71,250	58,771	5,5,26,250	58,526
Add Shares Issued on exercise of Employee Stock Options	96,000	96	2,45,000	245
At the end of the year	588,67,250	58,867	587,71,250	58,771

C Shares held by holding company / ultimate holding company and/or their subsidiaries/associates

Particulars	Nature of Relationship	31 March 2014	31 March 2013
Equity Shares		NIL	

D Detail of shareholders holding more than 5% of shares in the company

Name of Shareholder	Equity Shares			
	31 March 2014		31 March 2013	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Rama Mines (Mauritius) Limited	251,68,681	42.75	253,42,449	43.12

- E The company has reserved issuance of 8,44,000 (Previous year 19,87,500) Equity shares of ₹ 1/- each for offering to eligible employees of the company and its subsidiaries under Employees Stock Option Scheme (ESOS). During the Financial Year 2010-2011 the company has granted 30,00,000 option to the eligible employees at a price of ₹ 16.95/- per option plus all applicable taxes, as may be levied in this regard on the company]. The Options would vest over a maximum period of 3 years or such other period as may be decided by the Employees Stock compensation Committee from the date of grant based on specified criteria.

DECCAN GOLD MINES LIMITED
CONSOLIDATED FINANCIAL STATEMENTS

F. Disclosure pursuant to Note no. 6(A)(i) of Part I of Schedule VI to the Companies Act, 1956

Particulars	Aggregate No. of Shares (for last 5 Financial Years)
Equity Shares :	
Fully paid up pursuant to contract(s) without payment being received in cash	NIL
Fully paid up by way of bonus shares	NIL
Shares bought back	NIL

Note - 2 : Reserve and surplus

Particulars	31 March 2014 ₹ ('000)	31 March 2013 ₹ ('000)
a. Capital Reserves		
Opening Balance	16,726	16,726
(+)/(-) Transfer	-	-
Closing Balance	16,726	16,726
b. Securities Premium Account		
Opening Balance	1,03,469	98,177
(+) on allotment of Equity Shares	2,074	5,292
Closing Balance	1,05,542	103,469
c. Profit & Loss Account		
Opening balance	(62,161)	(51,792)
(+) Net Loss For the current year	(3,428)	(10,368)
Closing Balance	(65,589)	(62,160)
d. Preoperative Expenses		
Opening balance	(1,00,419)	(90,933)
(+) Incurred during the year	(20,445)	(9,486)
Closing Balance	(1,20,864)	(100,419)
Total	(64,184)	(42,384)

Note - 3 : Long Term Provisions

Particulars	31 March 2014 ₹ ('000)	31 March 2013 ₹ ('000)
Provision for Gratuity	793	739
	793	739

Note - 4 : Trade payables

Particulars	31 March 2013 ₹ ('000)	31 March 2012 ₹ ('000)
Due to Mirco, small and medium enterprises	-	-
Others	13,619	705
Total	13,619	705

Note: Based on the information available with the Company, there are no suppliers who are registered as micro small & Medium enterprises under The Micro, Small and Medium Enterprises Development Act, 2006, as at 31st March 2014

Note - 5 : Other Current Liabilities

Particulars	31 March 2014 ₹ ('000)	31 March 2013 ₹ ('000)
(i) Statutory dues	935	46
(ii) other liability	221	130
Total	1,156	175

Note 6 : Fixed Assets

(Amount in '000)

Fixed Assets	Gross Block				Accumulated Depreciation				Net Block (WDV)	
	Balance as at 01-04-2013	Additions	Disposals	Balance as at 31-03-2014	Balance as at 01-04-2013	For the year	Written back	Balance as at 31-03-2014	Balance as at 31-03-2014	Balance as at 31-03-2013
Tangible Assets :										
Land - Lease hold	2,864	-	-	2,864	2,864	-	-	2,864	-	-
Plant and Equipment	1,138	-	-	1,138	755	125	-	880	258	383
Vehicles	1,346	-	-	1,346	695	102	-	797	549	652
Computer	294	56	-	350	267	19	-	286	64	27
Furniture and Fixtures	563	-	-	563	399	30	-	429	134	164
Office equipment	466	-	-	466	267	27	-	294	172	199
Total	6,672	56	-	6,728	5,247	303	-	5,550	1,178	1,425
Intangible Assets :										
Computer software	146	-	-	146	135	5	-	139	7	12
Total	146	-	-	146	135	5	-	139	7	12
Capital Work In Progress	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-
Intangible assets under Development	-	-	-	-	-	-	-	-	-	-
Total	6,819	56	-	6,874	5,381	308	-	5,689	1,185	1,437
Previous Year	6,819	-	-	6,819	4,996	386	-	5,381	1,437	-

Note - 7 : Other Non-current Assets

Particulars	31 March 2014 ₹ ('000)	31 March' 2013 ₹ ('000)
Security Deposits	2,397	2,399
Total	2,397	2,399

Note - 8 : Current investments

Particulars	31 March 2014 ₹ ('000)	31 March 2013 ₹ ('000)
Investments in Mutual Fund:		
BNP Paribas Money Plus Fund Dividend (P Y Market Value ₹ 166.12 Lacs)	-	16,612
Total	-	16,612

DECCAN GOLD MINES LIMITED
CONSOLIDATED FINANCIAL STATEMENTS

Note - 9 : Cash and Cash Equivalents

Particulars	31 March 2014 ₹ ('000)	31 March 2013 ₹ ('000)
a. Balances with banks		
On current accounts in scheduled bank	6,674	1,737
b. Cash on hand	77	91
Total	6,751	1,829

Note - 10 : Short-term loans and advances

Particulars	31 March 2014 ₹ ('000)	31 March 2013 ₹ ('000)
Advance receivable in cash or kind	2,570	11
Balance with Government Authorities		
Income Taxes (Net)	2,937	3,134
Service Tax	3,406	2,890
Total	8,913	6,035

Note - 11 : Other Income

Particulars	31 March 2014 ₹ ('000)	31 March 2013 ₹ ('000)
Interest Income	23	20
Dividend Income	680	1,551
Reversal of Expenses on Employee Stock Option Scheme	5,192	-
Consultancy Income	125	-
Total	6,020	1,571

Note - 12 : Employee Benefit Expenses

Particulars	31 March 2014 ₹ ('000)	31 March 2013 ₹ ('000)
Salaries & wages	2,838	2,226
Expenses on Employee Stock Option Scheme	-	3,170
Staff welfare expenses	35	12
Total	2,873	5,408

Note - 13 : Finance costs

Particulars	31 March 2014 ₹ ('000)	31 March 2013 ₹ ('000)
Bank Charges	21	16
Interest Paid	10	0
Total	31	16

CONSOLIDATED FINANCIAL STATEMENTS

Note - 14 : Other expenses

Particulars	31 March 2014 ₹ ('000)	31 March 2013 ₹ ('000)
Electricity Expenses	151	116
Filing Fees	230	264
Rent	2,012	2,037
Rates and taxes	24	9
Directors' Remuneration	1,200	1,200
Repair and maintenance	347	206
Business promotion & Advertisement Expense	1,084	1,070
Travelling and conveyance	252	218
Communication Expenses	13	6
Legal and Professional fees	542	601
Directors' sitting fees	125	63
Auditor's remuneration	183	253
Misc Balance Written Off	-	44
Miscellaneous expenses	4	3
Membership & Subscription fees	32	34
Total	6,198	6,124

Payments to Auditor

Particulars	31 March 2014 ₹ ('000)	31 March 2013 ₹ ('000)
For Audit Fee	127	127
For Certification & Others	56	126
Total	183	253

DECCAN GOLD MINES LIMITED

CONSOLIDATED FINANCIAL STATEMENTS

NOTE '(1A)' OF SIGNIFICANT ACCOUNTING POLICIES AND NOTES ANNEXED TO BALANCE SHEET AS AT 31st MARCH, 2014

(i) STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES:

A. Principles of Consolidation

The Consolidated financial statements relate to Deccan Gold mines Limited and its subsidiary Company.

The Consolidated financial statements have been prepared on following basis:

- a) The financial statement of the company and its subsidiary Company are combined on line-by- line basis by adding together the book values of like items of assets, liabilities, income and expenses after fully eliminating intra group transactions resulting in unrealized profits/losses in accordance with accounting standard (AS) 21 "Consolidated Financial Statement" issued by the Institute of Chartered Accountants of India.
- b) As far as possible, the consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Company's separate financial statements.

B. Basis of accounting

The financial statements are prepared under the historical cost convention and comply with the applicable accounting standards issued by the Institute of Chartered Accountants of India and the relevant provisions of the Companies Act, 1956.

C. Fixed Assets

Fixed Assets are stated at cost of acquisition less depreciation. All costs relating to the acquisition and installation of fixed assets are capitalized.

D. Depreciation

1. Depreciation is provided as per Written down Value method at the rates prescribed under Schedule XIV of the Companies Act, 1956.
2. Depreciation on Leased Premises is provided over a period of five years i.e the tenure of the lease.

E. Foreign Currency transactions

Transactions of foreign currencies are recorded at the exchange rates prevailing on the date of the transaction or at the exchange rate under related forward exchange contracts. The realized exchange gains/losses are recognized in the Profit & Loss Account. All foreign currency assets/ liabilities are translated in rupees at the rates prevailing on the date of Balance Sheet.

F. Investments

- (a) Long term investments are carried at cost after providing for any diminution in value, if such diminution is of other than temporary nature.
- (b) Current investments are carried at the lower of cost and market value. The determination of carrying cost of such investments is done on the basis of specific identification.

G. Taxes on income

- i. Current year tax is determined in accordance with Income Tax Act, 1961 at the Current Tax rates based on assessable income.
- ii. The Company has carried forward losses under Tax Laws. In absence of virtual certainty of sufficient future taxable income, deferred tax asset has not been recognized by way of prudence in accordance with Accounting Standard 22 "Accounting for taxes on income" issued by The Institute of Chartered Accountants of India.

H. Impairment of Assets

At each balance sheet date, the carrying amounts of fixed assets are reviewed by the management to determine whether there is any indication that those assets suffered an impairment loss. If any such indication exists, the recoverable amount of the assets is estimated in order to determine the extent of impairment loss. Recoverable amount is the higher of an asset's net selling price and value in use.

CONSOLIDATED FINANCIAL STATEMENTS

I. Revenue Recognition

Revenue is recognised to the extent it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

- i. Exploration Income is recognised when services are rendered.
- ii. Interest Income is recognised on accrual basis
- iii. Dividend Income is accounted on accrual basis when the right to receive the dividend is established.

J. Employee Benefits

Leave encashment : - The company does not have a policy of carry forward of pending leaves and hence no provision for the same is made as mentioned under AS - 15 issued by ICAI.

Gratuity : - Gratuity provision is made for qualifying employees. Gratuity liability is defined benefit obligation and is provided for on the basis of an actuarial valuation on projected unit cost method.

K. Provisions, Contingent Liabilities and Contingent Assets

Estimation of the probability of any loss that might be incurred on outcome of contingencies on basis of information available upto the date on which the financial statements are prepared. A provision is recognised when an enterprise has a present obligation as a result of a past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are determined based on management estimates required to settle the obligation at the balance sheet date, supplemented by experience of similar transactions. These are reviewed at each balance sheet date and adjusted to reflect the current management estimates. In cases where the available information indicates that the loss on the contingency is reasonable possible but the amount of loss cannot be reasonably estimated, a disclosure to this effect is made in the financial statements. In case of remote possibility neither provision nor disclosure is made in the financial statement. The company does not account for or disclose contingent asset, if any.

L. The stock options granted are accounted for as per the accounting treatment prescribed by Employee Stock Option Scheme and Employee Stock Purchase Guidelines, 1999, issued by Securities and Exchange Board of India, whereby the intrinsic value of the option is recognised as deferred employee compensation. The deferred employee compensation is charged to Profit & Loss Account on straight-line basis over the vesting period of the option. The employee stock option outstanding account is shown net of any unamortized deferred employee compensation.

(ii) NOTES TO THE ACCOUNTS:

S No	PARTICULARS	31 March 2014 ₹ ('000)	31 March 2013 ₹ ('000)
1.	Capital Commitments	Nil	Nil
2.	Claims made against the company but not acknowledged as debts	Nil	Nil
3.	Contingent Liabilities on disputed Income Tax	Nil	Nil
4.	Additional information pursuant to para 3 & 4 of para ii of Schedule VI of the Companies Act, 1956.		
	a. Expenditure in foreign currency	Nil	Nil
	b. Earning in foreign currency	Nil	Nil

5. Related party disclosure**a) Name of related parties and relationship**

S. No.	Name of the Party	Relationship
1	Sandeep Lakhwara	Managing Director
2	Charles E.E. Devenish	Chairman
3	K.R.Krishnamurthy	Director
4	Dr.M.Ramakrishnan	Director
5	V.K.Gaur	Director

DECCAN GOLD MINES LIMITED
CONSOLIDATED FINANCIAL STATEMENTS

b) Transactions with related parties:-

S. No.	Nature	31 March 2014 ₹ ('000)	31 March 2013 ₹ ('000)
1	Managerial Remuneration paid to directors	1,200.00	1200.00
2	Directors Sitting Fees & Audit Committee fees	125.00	62.50
3	Rent for Guest House to Managing Director	360.00	360.00
4	Equity Shares issued under ESOP To Managing Director(80,000 Equity shares @ Rs 16.95 each)	Nil	1356.00

6. The Company undertook activities for exploration of gold at various sites. Commercial production of gold has not commenced and therefore it is the Company's intention to account for all the exploration expenditure of ₹1266.95 Lacs as noted in schedule '2 d' to the Balance Sheet as pre-operative expenditure which will be charged to the profit & loss account as and when the commercial activities/production commences.

7. Disclosure in respect of Employee Stock Option Scheme

a. Employee Stock Option Scheme:

Particulars	Tranche-I	Tranche-II	Tranche-III
No of Options	7,50,000	10,50,000	12,00,000
Method of Accounting		Intrinsic Value	
Vesting Period	02-06-2011	02-06-2012	02-06-013
Exercise Period	1 year	1 year	1 year
Grant Date	02-06-2010	02-06-2010	02-06-2010
Grant/Exercise Price (₹16.95 per share)	16.95	16.95	16.95
Market Price on the date prior to the date of grant of option)	22.60	22.60	22.60

b. Movement of Options granted

Particulars	01.04.2013 to 31.03.2014	01.04.2012 to 31.03.2013
Options outstanding at the beginning of the year	19,87,500	25,73,750
Exercised during the year	96,000	2,45,000
Options Lapsed during the year	9,27,500	3,41,250
Option Lapsed on account of Employee resignation	1,20,000	-
Options outstanding at the end of the year	8,44,000	19,87,500
Option unvested at the end of the year	-	10,60,000
Option exercisable at end of the year	8,44,000	9,27,500

c. Employee Stock Option

Employee Stock Option Outstanding account ₹47.69 Lacs & Deferred Employee Compensation account ₹ Nil.
Employee Compensation Expenses amounting to ₹ 51.92 Lacs is included under the head Other Income.

8. Defined benefit Plans: -

A The amounts (in ₹) recognised in the statement of Profit and Loss are as follows:

Defined benefit Obligation

S. No.	Particulars	31.3.2014	31.3.2013
1	Current service cost	88,119	93,100
2	Interest on obligation	59,101	52,079
3	Expected return on plan assets	-	-
4	Net actuarial losses (gains) recognised in year ended	(93,109)	(19,112)
5	Past service cost	-	-
6	Losses (gains) on curtailments and settlement	-	-
	Total, included in 'Employee Benefit Expense'	54,111	126,067

B Changes in the present value of the defined benefit obligation representing reconciliation of opening and closing balances thereof are as follows:

Defined benefit Obligation

S. No.	Particulars	31.3.2014	31.3.2013
1	Opening Defined Benefit Obligation	738,765	6,12,698
2	Service cost for the year	88,119	93,100
3	Interest cost for the year on opening D.B.O.	59,101	52,079
4	Actuarial losses (gains)	(93,109)	(19,112)
5	Losses (gains) on curtailments	-	-
6	Liabilities extinguished on settlements	-	-
7	Liabilities assumed in an amalgamation in the nature of purchase	-	-
8	Exchange differences on foreign plans	-	-
9	Benefits paid	-	-
	Closing defined benefit obligation	792,876	738,765

C. Changes in the fair value of plan assets representing reconciliation of the opening and closing balances thereof are as follows:

Not Applicable as the Liability is not funded.

D. Principal actuarial assumptions at the balance sheet date (expressed as weighted averages):

	31.3.2014	31.3.2013
1 Discount rate	9.10%	8.00%
2 Expected return on plan assets	-	-
3 Proportion of employees opting for early retirement	-	-
4 Annual increase in Salary costs	6.00%	6.00%

The estimates of future salary increase, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

DECCAN GOLD MINES LIMITED

CONSOLIDATED FINANCIAL STATEMENTS

9. Earnings Per Share ₹ (in '000)

Particulars	31.03.2014	31.03.2013
Net Profit / (Loss) available to Equity Shareholders	(3428)	(10,368)
Weighted Average No of Equity Shares	5,88,11,228	5,87,32,318
Basic Earning Per Shares (in ₹)	(0.06)	(0.17)
Diluted Earning Per Shares (in ₹)	(0.06)	(0.17)

10. Quote:

“During August, 2013, Geomysore Services (India) Private Limited (GMSI), a Bangalore-based gold exploration company approached Deccan Gold Mines Limited (DGML) for being taken over as a wholly-owned subsidiary. The Board of Directors of DGML at their meeting held on 27 August, 2013 decided to consider the offer of GMSI. After completion of the necessary due diligence on GMSI, the Board of Directors of DGML, at their meeting held on 3 December, 2013 accorded their ‘in-principle’ approval to amalgamate Australian Indian Resources Limited, Australia with DGML pursuant to a Scheme of Arrangement under the provisions of Sections 391-394 of the Companies Act, 1956. It may be noted that AIR holds a 38.80% stake in GMSI. Under this arrangement, DGML also proposes to acquire the balance of 61.20% stake from the other resident /non-resident shareholders of GMSI on the same terms as offered to AIR. Upon the acquisition of shares as aforesaid, GMSI would become a wholly-owned subsidiary of DGML. The Board also authorised the Managing Director of DGML to do the needful in this regard including appointment of merchant bankers and valuation experts to carry out the valuation exercise.

Accordingly, the valuation of the projects of DGML and GMSI are underway and DGML is also evaluating the proposal from an Australian perspective since the proposal involves the amalgamation of an Australian Company into DGML.

The proposal is subject to the final approval of the Boards of DGML and AIR / GMSI of the proposed terms of the amalgamation including but not limited to the relevant valuation of shares and the share exchange ratio.

11. Segment Reporting:

The Company is mainly engaged in the business of gold exploration and mining. Considering the nature of business and financial reporting of the Company, the Company has only one segment viz; Gold Mining and Exploration as reportable segment.

12. Previous year figures have been re-grouped, re-arranged wherever considered necessary.

As per our report of even date,
For **V. K. BESWAL & ASSOCIATES**,
CHARTERED ACCOUNTANTS
FIRM REGN NO 101083W

For and on behalf of the Board

CA K.V. BESWAL
PARTNER
Membership Number: 131054

Charles E.E.Devenish
Chairman

Sandeep Lakhwara
Managing Director

Place : Mumbai
Dated : 29 May 2014

Place : Bangalore
Dated : 29 May 2014

S. Subramaniam
Company Secretary

DECCAN GOLD MINES LIMITED

(FORMERLY WIMPER TRADING LIMITED)

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014

	For the year ended 31.03.2014 (₹ '000)	For the year ended 31.03.2013 (₹ '000)
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit/(Loss) before Tax and after Extraordinary items	(3,463)	(10,368)
Adjustment For :		
Depreciation	308	386
Interest & Finance charges	31	16
Interest received	-	-
Dividend Income	(680)	(1,551)
Expenses on Employee Stock option	-	3,170
Reversal of Expenses on Employee Stock Option Scheme	(5,192)	-
Profit on Sale of Investment	(23)	(20)
Loss on sale/disposal of Assets	-	-
Operative Profit before Working Capital Changes	(9,019)	(8,367)
Adjustment For :		
Non & Current Assets	(2,678)	(153)
Trade & Other liability	13,949	(25)
Cash Generation from Operations	2,252	(8,544)
Less: Taxes Paid	(198)	(634)
Net Cash Flow from operating activities	2,054	(7,910)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Pre-operative Expenses	(20,445)	(9,486)
Proceeds from investments	16,635	8,707
Purchases of fixed assets	(56)	-
Dividend & Interest Income	680	1,551
Net Cash used in investing activities	(3,185)	772
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Share Issue	1,627	4,153
Share Application Money Received	4,458	-
Financial Charges	(31)	(16)
Net Cash used in financing activities	6,054	4,137
D. NET CHANGE IN CASH AND CASH EQUIVALENTS		
(A+B+C)	4,922	(3,002)
Cash and Cash Equivalents as at 1st April 2013	1,829	4,831
Cash and Cash Equivalents as at 31st March 2014	6,751	1,829

As per our report of even date,
For **V. K. BESWAL & ASSOCIATES**,
CHARTERED ACCOUNTANTS
FIRM REGN NO 101083W

For and on behalf of the Board

CA K.V. BESWAL
PARTNER
Membership Number: 131054

Charles E.E. Devenish
Chairman

Sandeep Lakhwara
Managing Director

Place : Mumbai
Dated : 29 May 2014

Place : Bangalore
Dated : 29 May 2014

S. Subramaniam
Company Secretary

DECCAN GOLD MINES LIMITED

DECCAN GOLD MINES LIMITED

(FORMERLY WIMPER TRADING LIMITED)

CONSOLIDATED BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

A. REGISTRATION DETAILS

State Code	:	11
Registration Number	:	34662
Balance Sheet Date	:	31 March 2014
		(Amount ₹ '000)

B. CAPITAL RAISED DURING THE YEAR

Public Issue	:	NIL
Right Issue	:	NIL
Bonus Issue	:	NIL
Private Placement	:	NIL
Employee Stock Option Scheme	:	96

C. POSITION OF MOBILISATION AND DEVELOPMENT

Total Liability	:	19,478
Total Assets	:	19,478

SOURCE OF FUND

Paid up capital	:	58,867
Reserves & Surplus	:	(64,104)
Employees Stock Option Outstanding	:	4,769
Share Application Money	:	4,458
Non- Current Liabilities	:	793
Current Liabilities	:	14,776

APPLICATION OF FUNDS

Net fixed Assets	:	1,382
Non-Current Assets	:	2,397
Current Assets	:	15,664

D. PERFORMANCE OF THE COMPANY

Total Income	:	6,020
Total Expenditure	:	9,483
Profit/(Loss) Before Tax	:	(3,463)
Profit/(Loss) After Tax	:	(3,428)
Earning per share in ₹	:	(0.06)
Dividend Rate %	:	(0.06)

E. GENERAL NAMES OF THEIR PRINCIPAL

PRODUCTS / SERVICES OF THE COMPANY (as per Monetary terms)

Item Code No. (ITC Code)	:	-
Product Description	:	N.A

As per our report of even date,
For **V. K. BESWAL & ASSOCIATES**,
CHARTERED ACCOUNTANTS
FIRM REGN NO 101083W

For and on behalf of the Board

CA K.V. BESWAL
PARTNER
Membership Number: 131054

Charles E.E.Devenish
Chairman

Sandeep Lakhwara
Managing Director

Place : Mumbai
Dated : 29 May 2014

Place : Bangalore
Dated : 29 May 2014

S. Subramaniam
Company Secretary

NOTES

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NOTES

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FORM A

Format of covering letter of annual audit report to be filed with the Stock Exchange

1.	Name of the Company	DECCAN GOLD MINES LIMITED
2.	Annual financial statements for the year ended	31 March, 2014
3.	Type of Audit observation	Un-qualified
4.	Frequency of observation	Not applicable
5.	To be signed by	
	Managing Director	 Name : Sandeep Lakhwara
	Auditor of the Company	 CA K. V. Beswal M. No.- 131054 Mumbai 
	Audit Committee Chairman	 Name : K.R. Krishnamurthy