
NOTICE OF 31ST ANNUAL GENERAL MEETING

NOTICE is hereby given that the Thirty First Annual General Meeting of the Shareholders of **DECCAN GOLD MINES LIMITED ("THE COMPANY")** will be held on **Wednesday, December 30, 2015** 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:
 - (a) the Audited financial statement of the Company for the financial year ended March 31, 2015, along with the Reports of the Board of Directors and the Auditors thereon.
 - (b) the audited consolidated financial statement of the Company for the year ended March 31, 2015.
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. **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), Ms. Pratima Ram (DIN: 03518633) and who fulfils the qualifications for being appointed as an Independent Director, in respect to whom the Company has received a notice in writing proposing her 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 up to March 29, 2020."

By order of the Board
for DECCAN GOLD MINES LIMITED

Place : Mumbai
Date : 13 November, 2015

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.:022-33040797 Fax No.: 022-33040779.
Email.: info@deccangoldmines.com
Website.: www.deccangoldmines.com

DECCAN GOLD MINES LIMITED

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 business to be transacted at the meeting, is annexed.
5. The physical copies of notice of 31st Annual General Meeting and the Annual Report for 2014-15 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, upto the date of the annual general meeting.
6. The Register of Members and Share Transfer Books of the Company will remain closed from Tuesday, December 22, 2015 to Wednesday, December 30, 2015 (both days inclusive) for the purpose of the annual general meeting.
7. In terms of Section 152 of the Companies Act, 2013, Mr. Charles Edward English Devenish (DIN: 01252091) Director, retires by rotation at the Meeting and being eligible, offer themselves for reappointment. The Board of Directors of the Company recommend his re-appointment. Brief resume of Director including those proposed to be re-appointed, nature of their expertise in specific functional areas, names of public companies in which they hold directorships and memberships / chairmanships of Board Committees, shareholding and relationships between directors inter-se as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, are provided in the Corporate Governance Report forming part of the Annual Report and elsewhere in this Notice.
8. 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 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 Company are requested to submit their request with their valid e-mail address to Link Intime India Private Limited, Registrars 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, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Clause 35B of the Listing Agreement, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).
- II. The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.
- III. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
- IV. The remote e-voting period commences on December 27, 2015 (9.00 am) and ends on December 29, 2015 (5.00 pm). During this period members' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of December 23, 2015, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
- V. The process and manner for remote e-voting are as under:
 - A. In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company/Depository Participants(s)] :
 - (i) Open email and open PDF file viz; "Deccan Gold Mines remote e-voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password / PIN for remote 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. Click Login.
 - (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) Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.
 - (vii) Select "EVEN" of "DECCAN GOLD MINES LIMITED".
 - (viii) Now you are ready for remote 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.

DECCAN GOLD MINES LIMITED

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- (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 Participants(s) or requesting physical copy] :
- (i) Initial password is provided as below/at the bottom of the Attendance Slip for the AGM :
- | EVEN (Remote e-voting Event Number) | USER ID | PASSWORD/PIN |
|--|----------------|---------------------|
|--|----------------|---------------------|
- (ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.
- VI. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the downloads section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990.
- VII. If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote.
- VIII. 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).
- IX. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of December 23, 2015.
- X. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. December 23, 2015, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or mt.helpdesk@linkintime.co.in
- XI. However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" option available on www.evoting.nsdl.com or contact NSDL at the following toll free no.: 1800-222-990.
- XII. A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.
- XIII. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.
- XIV. Mr. Himanshu S. Kamdar, Practising Company Secretary, M/s. Rathi & Associates, Mumbai (Membership No. 5171, Certificate of Practice No. 3030) has been appointed for as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.
- XV. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of "Ballot Paper" for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
- XVI. The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- XVII. The Results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company www.deccangoldmines.com and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the BSE Limited, Mumbai.
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7. 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,
LBS Marg, Bhandup (West), Mumbai 400 078.
Tel. No. 022-25963838 Fax No. 022-25946969
Email : mt.helpdesk@linkintime.co.in

8. Members / Proxies are requested to bring the attendance slips duly filled into the meeting.

By order of the Board
for DECCAN GOLD MINES LIMITED

Place : Mumbai
Date : 13 November, 2015

S. Subramaniam
Company Secretary
ACS 12110

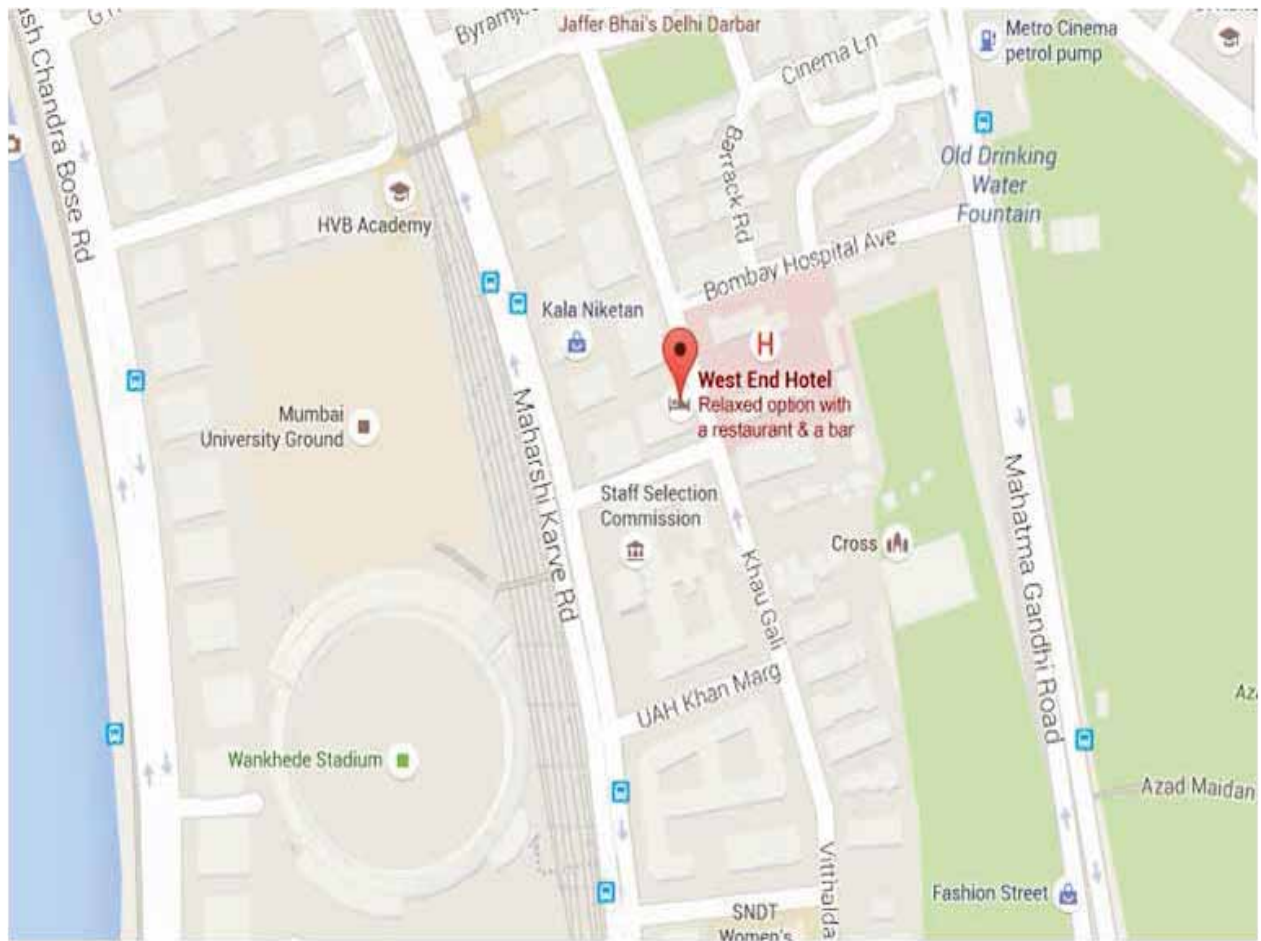
CIN: L51900MH1984PLC034662

REGISTERED OFFICE:

Parinee Crescenzo, C38-C39, G Block,
Bandra Kurla Complex, Bandra (East),
Mumbai – 400 051.
Tel .No.:022-33040797 Fax No.: 022-33040779.
Email.: info@deccangoldmines.com
Website.: www.deccangoldmines.com

DECCAN GOLD MINES LIMITED

Route Map for West End Hotel, 45, New Marine Lines, Mumbai – 400 020



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

ITEM NOS.:- 4

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.

The Directors of the Company (based on the recommendation of Nomination and Remuneration Committee) had on March 30, 2015 appointed Ms. Pratima Ram as an Additional Director (Independent Director) of the Company. In terms of Section 149 and other applicable provisions of the Companies Act, 2013, Ms. Pratima Ram being eligible, offers herself for appointment, and is proposed to be appointed as Independent Director for the term as stated in the resolution under Item No. 4.

The said Director has given declaration that she meets the criteria of independence as provided under Section 149(6) of the Companies Act, 2013. In the opinion of the Board, Ms. Pratima Ram fulfills the conditions specified in the Companies Act, 2013 and Rules made thereunder for her appointment as Independent Director of the Company.

The Board of Directors believes that vast experience and knowledge of the aforesaid director shall be beneficial for the progress of the Company. Hence in the interest of the Company, the Board recommends the appointment of Ms. Pratima Ram as an Independent Director.

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

Apart from Ms. Pratima Ram, 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.

By order of the Board
for DECCAN GOLD MINES LIMITED

Place : Mumbai
Date : 13 November, 2015

S. Subramaniam
Company Secretary
ACS 12110

CIN: L51900MH1984PLC034662

REGISTERED OFFICE:

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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 / Ms)	Charles Edward English Devenish	Pratima Ram
Director Identification Number (DIN)	01252091	03518633
Date of Birth	October 24, 1940	August 29, 1950
Appointed on	January 21, 2003	March 30, 2015
Qualification	School Leaving Certificate	Post-Graduate from University of Virginia USA and Bangalore University
Expertise in specific functional areas	Promoter of mineral exploration companies	Financial Sector
Directorship held in Public Companies (other than Deccan Gold Mines Limited)	Nil	Havells India Limited Nandan Denims Limited
Membership / Chairmanships of Committees across Public Companies (other than Deccan Gold Mines Limited)	Nil	2 (Member of Audit Committee & Stakeholders Relationship Committee of Nandan Denims Limited)
No. of shares held in the Company	Nil	Nil

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Deccan Gold Mines Limited

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Deccan Exploration Services Private Limited

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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 Ms. Pratima Ram
Chief Financial Officer	:	Mr. K. Karunakaran
Head-Legal & Company Secretary	:	Mr. S. Subramaniam
Auditors	:	M/s. V.K. Beswal & Associates Chartered Accountants, Mumbai.
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	:	Kotak Mahindra 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	:	# 5, 19th Main Road, 4th Sector, HSR Layout, Bangalore – 560 102. Tel : 91-80-67155700 Fax : 91-80-67155 701 Email : info@deccangoldmines.com

PROFILE OF DIRECTORS

CHARLES E.E. DEVENISH

Chairman

Mr. Charles Edward English Devenish has strong involvement in mineral exploration in Australia and overseas for decades. 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. He was appointed to the Board of our company in July 2002.

SANDEEP LAKHWARA (B.BUS., CPA)

Managing Director

Mr. Sandeep Lakhwara has over 15 years experience in the exploration and mining sector. 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, mergers and acquisition and corporate regulatory requirements for publicly listed companies. He was appointed on the Board of our Company in July 2002 and since then is primarily responsible for the development of Deccan Gold Mines Limited. 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

Independent Director

K.R. Krishnamurthy is a well known Mining Engineer, practising as a consultant since 1990. He is B.Sc., Chartered Engineer of the Institution of Engineers (India), and holds a Diploma in mining & First Class Mine Managers Certificate of Competency (metalliferous) with over five decades of experience in the mining sector. Earlier he had worked for Kolar Gold Mining Undertakings in Kolar Gold Fields, Indian Copper Corporation Ltd./ Hindustan Copper Ltd., (Mosaboni Group of Mines), Chitradurga Copper Company Limited (Ingaldhal Copper Mines) and Ashanti Gold Fields Corporation Limited (Ghana, West Africa). As a mining consultant he advises many mineral based industries in India and abroad.

MS. PRATIMA RAM

Independent Director

Pratima Ram is a Post-graduate from the University of Virginia, USA and Bangalore University. She is an experienced banker with three decades in corporate, international and investment banking and has held the position of Chief General Manager and Country Head of United States operations of State Bank of India and prior to this she was the CEO of the South African operations of the Bank. At SBI Capital Markets, she led the Corporate Advisory, M&A, & Project Appraisal businesses. While at SBI, she also headed the Diamond Financing business of the Bank. She later joined the private sector in the infrastructure space as Group President, Finance, at Punj Lloyd Group which has diversified operations in more than 15 countries. Till recently she was the CEO of India Infoline Finance Ltd, an NBFC focused on lending to small businesses, real estate and health care sectors. She is now Advisor to India Infoline Finance Ltd. She has held Board positions in SBI California Ltd, USA and India Infoline Finance Ltd, Mumbai.

DECCAN GOLD MINES LIMITED

DR. M. RAMAKRISHNAN

Independent Director

Mr. Moni Ramakrishnan is a well known Precambrian Geologist. He is M.Sc. (Geologist) and has completed PHD (Geology and Geochemistry) with over five decades of experience in the mineral sector. 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

Independent Director

Prof. Vinod Kumar Gaur is an eminent geoscientist. He is holder of Doctorate of Philosophy from University of London. He is a former Director of the National Geophysical Research Institute, Professor at Professional University of Roorkee and the Indian Institute of Astrophysics. He has also been Secretary to the Government of India between 1989-96

KEY PERSONNEL

Mr. S.C.R.PESHTWA, FGS (London), MGS (SA)

Director (Exploration), Deccan Exploration Services Pvt. Ltd.

Mr. Peshwa has nearly 32 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 for the development of DGML's Gold Projects and has implemented different exploration methods as per international standards including QA/QC programmes. He has international exposure for different styles for gold mineralization. Being a Fellow of Geological Society of London and Member of Geological Society of South Africa qualifies him as a competent person as defined by the JORC Code. Mr. Peshwa is also an RQP (Recognition as Qualified Person) awarded by Indian Bureau of Mines.

Mr. K. KARUNAKARAN

Chief Finance Officer

Mr. Karunakaran is a Certified Management Accountant from CMA (Australia) and also holds a Diploma in Management Accounting from CIMA, UK. He has a Masters Degree in Commerce. He possesses nearly three decades of experience in the field of Finance, Accounts and Audit and has worked in organisations in India and abroad. He has got wide experience in matters relating to Indian corporate laws, Banking matters and taxation. Apart from working in reputed corporate in India, Karun worked for 5 years in one of the leading multi divisional company in Sultanate of Oman – Muscat, in the internal audit department and advised management on methodologies to strengthen their internal control systems.

Mr. S. SUBRAMANIAM

Head-Legal & Company Secretary

Mr. Subramaniam is an Associate Member of the Institute of Company Secretaries of India and a Law Graduate from Bangalore University. Holds an Advanced Diploma in Management Accounting from CIMA, UK. He has 18 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, fund raisings & 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.

Dr. S. B. HARISH KUMAR

Exploration Manager

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 Ganajur 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.

Mr. RAJEEV P. HANAMASAGAR M.Sc. (IT)

GIS - IT Manager

Mr. Rajeev P. Hanamasagar has 12 years of experience in Mining and GIS software and its applications to geological and mineral exploration programs. He has developed expertise in generating maps on GIS platform to international standards.

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 subsidiary of Deccan Gold Mines Limited (DGML), explored an area of 5000 sq km of the Dharwar-Shimoga Greenstone belt covered under 2 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) are considered as significant discoveries.

DESPL submitted a total of Seven (7) Prospecting License (PL) and two (2) Mining Lease (ML) applications, covering all the important prospects of Dharwar-Shimoga basin. All these applications of DESPL are in compliance to the provisions of Section 10 A of the New Mines & Minerals (Development & Regulations) Act –(MMD&R) act that was promulgated by the Government of India in March 2015. Thus these PL and ML applications of DESPL are valid and are expected to be granted as per the regulations.

The Ganajur-Karajgi PL, within the southern Ganajur-Karajgi cluster, was granted in the year 2009 and the PL tenure has since expired. Mining Lease application covering the most important Ganajur Gold Deposit has been approved by the Ministry of Mines, Government of India on 24th July 2015. The Grant Notification from the Karnataka State Government is awaited. The Mangalagatti PL, which is located in the northern Dharwar Cluster, was granted in the year 2013 and due to certain delays from the State Government the execution of the PL could not be completed. However after the promulgation of the New MMDR Act 2015, the State is expected to issue a fresh notification that will facilitate the execution of the PL. The remaining applications are under various stages of processing. The updates on the Dharwar-Shimoga Belt Projects are presented below:

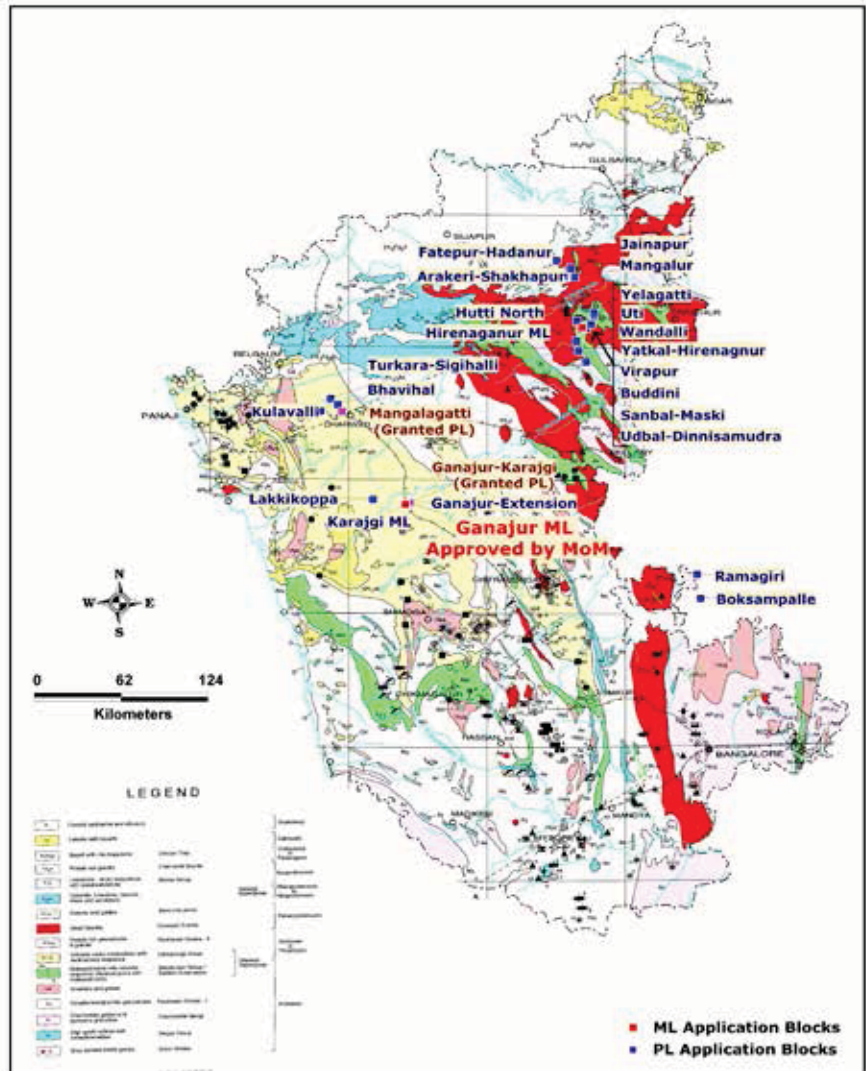


Fig-1, Geological map of Karnataka showing DGML related applications

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). DESPL explored the PL Block initially for 3 years followed by additional two years under under deemed renewal provision as per Rule-11(2b) of Mineral Concession Rules, 1960.

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. Additional resources were also estimated in two of the satellite prospects viz. Ganajur SE and Karajgi Main Prospects.

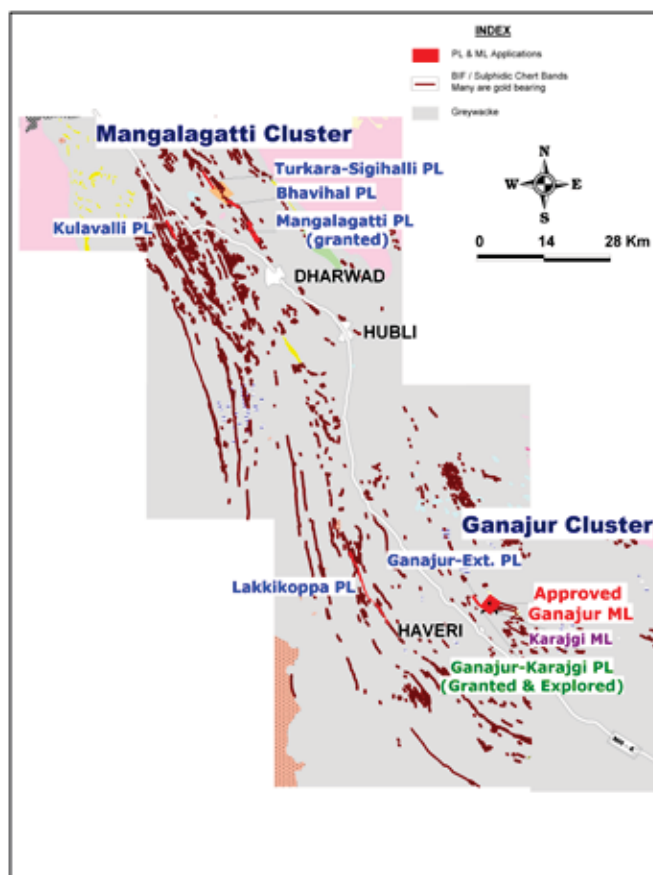


Fig-2, Dharwar Shimoga Basin, Details of Leases/Applications

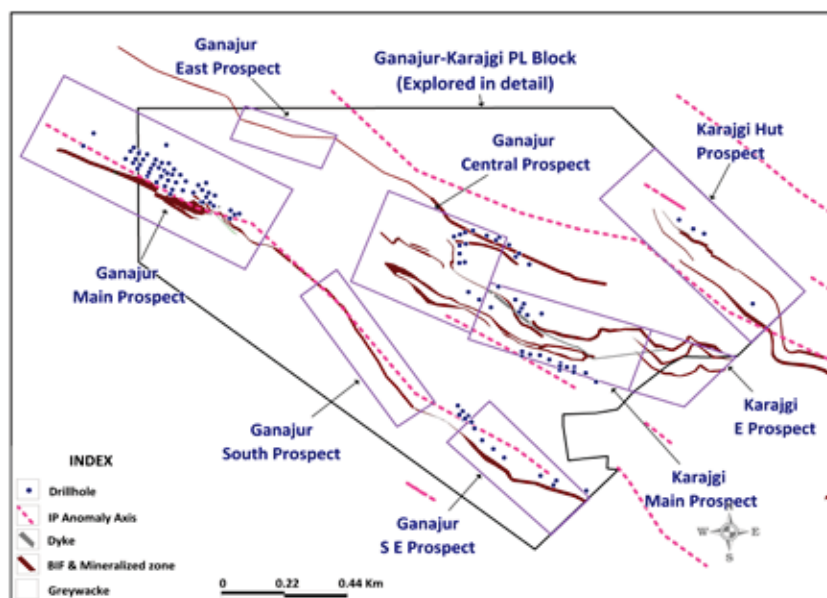


Fig-3, Ganajur-Karajgi PL Block showing the Ganajur Main and other key gold prospects.

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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
	GROUND GEOPHYSICAL IP SURVEY	LINE KMS	17.4
5	GROUND GEOPHYSICAL IP SURVEY	LINE KMS	17.4
6	GROUND GEOPHYSICAL EM SURVEY	LINE KMS	9
7	TRENCHING	LENGTH (M)	1929.43
8	SAMPLING AND ANALYSIS	Nos	2863
9	DRILLING		
	A. RC DRILLING (51 DRILL HOLES)	METRES	2328
	B. DIAMOND CORE DRILLING (76 DRILL HOLES)	METRES	6147.29
	TOTAL DRILLING	8475.29	200
10	COMPREHENSIVE METALLURGICAL STUDIES (AMMTEC)- SULPHIDE ORE- COMPLETED	KGS	200
	COMPREHENSIVE METALLURGICAL STUDIES (AMMTEC)- OXIDE ORE- UNDER PROGRESS	KGS	102.8
11	ENVIRONMENTAL BASE LINE DATA COLLECTION (AIR, DUST FALL, NOISE, WATER, SOIL)	SAMPLES	207
12	MINERAL RESOURCE ESTIMATION BY SRK (AS PER JORC)	COMPLETED	
13	SCOPING/PRE-FEASIBILITY STUDIES (for Ganajur Main Gold Project)	COMPLETED	
14	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.

DESPL carried out closed spaced drilling under PL stage as per International norms to discover an open pittable resource. DESPL has so far completed 6000 metres of drilling that includes 4166 metres of diamond core (Fig-5) and 1219 metres of Reverse Circulation (RC) drilling at Ganajur Main Prospect. Out of 6000 metres a total of 4660 metres of drilling was accomplished under the PL. This has resulted in defining a mineralised zone of 600 metres along the strike direction and 120 metres along the depth. Most of the drill holes intersected significant gold mineralization over significant width which is considered as ideal for an open pit mining operation. The details of the mineralization intersected in the drill holes completed during the PL stage is furnished in the Table-2

TABLE-2, DETAILS OF MINERALISED ZONES INTERSECTED IN THE DRILL HOLES

SL.NO	BH ID	From (m)	To (m)	Average Width (m)	Average Au (g/t)	Drill Type
1	G 12	20	24	4	2.19	RC
	G 12	32	34	2	3.66	RC
2	G 16	24	41	17	3.89	RC
3	G 18	21	32	11	3.6	RC
4	G 22	11	13	2	1.9	RC
5	G 25	21	24	3	1.62	RC
6	G 27	22	23	1	3.13	RC
7	G34	63	72	9	6.49	RC
8	G35	92	93	1	1.72	RC
9	GMC-1	34.6	43.6	9	5.21	Core
	GMC-1	47.1	48.1	1	1.4	Core
10	GMC-2	46.2	53.4	7.2	1.51	Core
	GMC-2	54.4	79.9	25.5	1.12	Core
11	GMC-3	59.4	79.9	20.5	2.64	Core
	GMC-3	84.4	93.4	9	3.27	Core
12	GMC-4	29.5	45	15.5	2.84	Core
	GMC-4	48	56.5	8.5	5.85	Core
13	GMC-5	47	48.5	1.5	1.71	Core
	GMC-5	50	79	29	8.54	Core
14	GMC-7	39.9	72.5	32.6	9.89	Core
15	GMC-9	83	90	7	4.46	Core
16	GMC-10	48.35	75	26.65	3.86	Core
17	GMC-11	39.3	46.8	7.5	5.37	Core
	GMC-11	54.2	57.7	3.5	6.65	Core
	GMC-11	62.8	65.8	3	4.19	Core
18	GMC-12	44	58.3	14.3	4.03	Core
19	GMC-13	59.2	71.15	11.95	3.58	Core
20	GMC-14	85.8	89.5	3.7	3.7	Core
21	GMC-15	47.7	62.31	14.61	3.24	Core
22	GMC-16	22.5	65.34	42.84	8.91	Core
23	GMC-17R	43.3	70.7	27.44	7.89	Core
24	GMC-18	57.9	80.75	22.85	5.45	Core
25	GMC-19	34.4	53.9	19	5.13	Core
26	GMC-27	39	45.5	6.5	2.19	Core
27	GMC-28	33.5	39	5.5	3.97	Core
28	GMC-29	48	54	6	2.05	Core
29	GMC-29	64.5	69.7	5.2	3.05	Core
30	GMC-30	8.4	22.5	14.1	1.35	Core

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Based on the excellent exploration results DGML appointed SRK Mining Services (India) Pvt Ltd. to independently review the data and submit a mineral resource estimate and preliminary economic assessment of the Ganajur Main Gold Deposit. SRK has estimated a JORC compliant resource of 3,08,000 oz of gold to a depth of 120 meters of which most of it is under indicated category (Table-3). The resource is equivalent of 121 category as per UNFC classification. Resource estimation was carried out by generating 3D block models with the help of Datamine Software and grade interpolation was done using Kriging Method. The 3D model was subdivided into two domains (Fig-4) viz, Oxide and Sulphide domains based on the lithological observation of the drilled core.

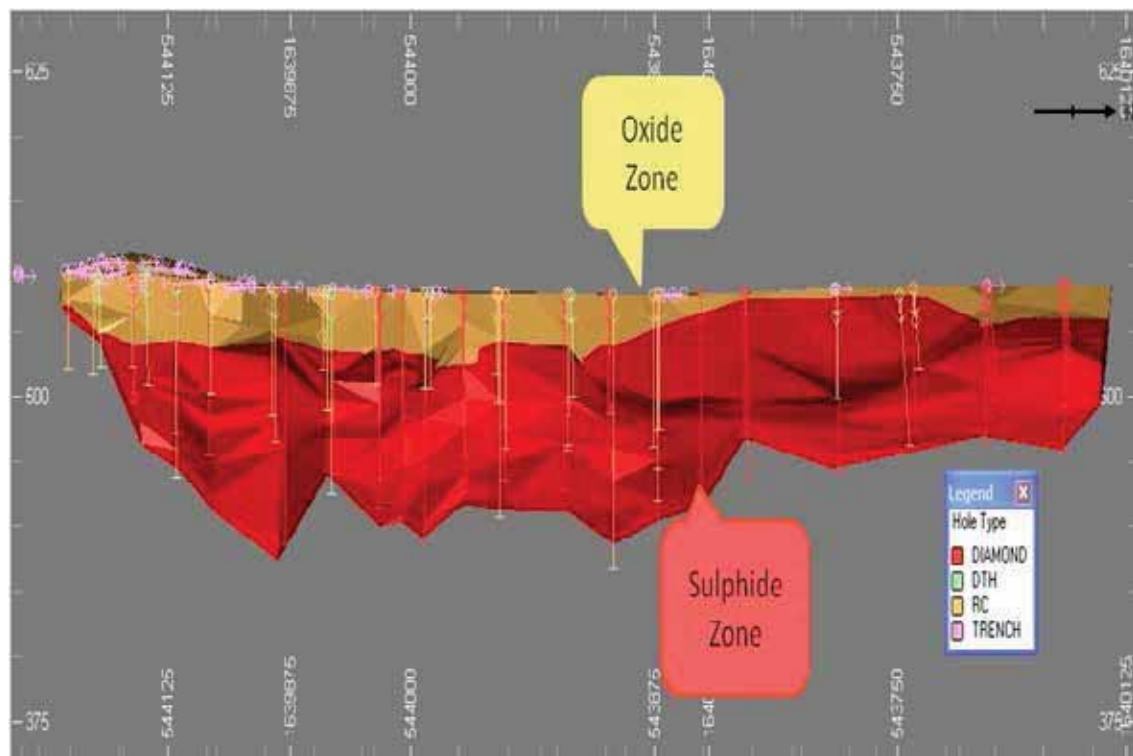


Fig-4, Longitudinal Section Looking West Showing the Two Modelled Resource Domains: Oxide and Sulphide.

Table 3- Mineral Resource statement of Ganajur Main Gold Deposit

CATEGORY (JORC)	UNFC CODE	Quantity (tonnes)	Grade (g/t)	Gold (ounces)
1. INDICATED	121			
A. SULPHIDE		1,921,000	3.83	237,000
B. OXIDE		631,000	3.19	65,000
TOTAL INDICATED	121	2,552,000	3.67	301,000
2. INFERRED				
A. SULPHIDE	221	93,000	1.82	5,000
B. OXIDE		17,000	3.26	2,000
TOTAL INFERRED	221	109,000	2.06	7,000

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.



Fig-5, A drilling Rig in operation Ganajur Main Prospect

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

Ground Geophysical Investigation:

As already reported, DESPL carried out a ground geophysical survey with a combination of Transient Electromagnetic Survey (TEM) and Induced Polarization (IP) methods to delineate conductive zones and also to locate geological structures favorable for hosting gold mineralization in the entire Ganajur –Karajgi PL Block. The IP survey has clearly brought out a 2.8 km long, strong linear Chargeability anomaly with high resistivity background, which also encloses the 600 metre long Ganajur Main Gold Deposit. This indicates that the structure hosting gold mineralization at Ganajur Main deposit could 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 is comparable to some well known world class gold deposits hosting 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.

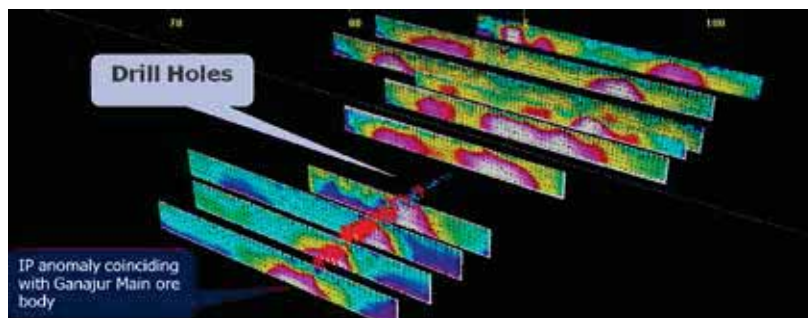


Fig-6, IP Inversion Model showing the IP anomalies

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Mining Lease approved by the Ministry of Mines, New Delhi :

DESPL's Mining Lease application covering the all important Ganajur Gold deposit was approved by the Ministry of Mines, Government of India on 24.7.2014 vide Letter No 4/113/2010-M.IV over an area of 0.29 sq.kms for a period of 50 years. The ML was approved per Section 5(1) and 10 A of the New MMDR Act 2015. Prior to this The Indian Bureau of Mines (IBM) submitted a detailed and positive report with regard to mineralization and UNFC classification in response to the clarification sought by the Ministry of Mines.

It may be also noted that the project is being monitored by the Project Monitoring Group of the Cabinet Secretariat. The Grant Notification from the Karnataka State Government is awaited. DGML is following this vigorously.

Progress of Work in the Mining Lease Area :

DGML has made all out efforts to speed up the implementation of the project while awaiting the grant of the ML. 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 was granted for a period of two years and with a provision to apply for an extension of the validity of the TOR form 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.

However as per the revised guidelines of the MOEF dated 24th October 2014, the validity of the TOR has been increased to 3 years with a provision for extending the validity by one more year. With this new guideline the validity for the plant TOR will be extended upto 27th April 2017. Regarding the Mine TOR, DESPL has applied for an extension till January 2017 as per the new guidelines.

DESPL has also carried out a detailed geo hydrological and geophysical surveys in the core zone and the buffer zone of the project as per prescribed in the TOR. The studies include ground water potential, aquifer characteristics, rainwater harvesting measures, Sources of water (river, ground water, mine water, other surface water), their requirement and utilization for the project at different stages. DESPL has appointed a senior consultant to undertake these studies.

DESPL has identified the Varada river located at a distance of 4.0 kms (Fig-7) from the proposed mine as a potential source for the project. The State High Level Clearance Committee (SHLCC) has approved our request for drawing the water from Varada River. However a judicious tapping of ground water is also considered as an alternative to the Varada river if need arises. Thus the detailed ground water study undertaken would be helpful to identify potential water resources in and around the Mining Lease area.

Detailed Geophysical Resistivity survey was carried out for locating suitable points with ground water potential. A total of 84 points were surveyed using Vertical Electrical Sounding (VES) method. The data from these studies indicate ground water potential areas that would be useful for the project.

Land acquisition Process:

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 about 90% of the land owners and it may also 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.



Fig-7, Barrage across Varada River:

FEASIBILITY STUDIES:

DGML will be appointing an independent consultancy group of International repute for undertaking a definitive Feasibility Study for the Ganajur Gold Project considering the fact that DGML would be commencing mining operation in the immediate future.

DGML has held several rounds of discussion with various independent consultancy groups including SRK Consulting (Australasia) Pty Ltd, Perth, Australia for undertaking a definitive feasibility studies for the project.

The study would involve commercial and technical feasibility of mining and producing gold in significant quantities. The study shall include estimation of ore reserves, mine planning, optimization and scheduling, geotechnical investigations, study of ground water and surface water resources, description of proposed processing (Including plant construction and infrastructure) tailing/waste disposal and management, economic evaluation including an estimate of the capital expenditure requirements and operating costs and a comparative analysis of the effect of various assumptions, taxation, legal and infrastructure, and a detailed sensitivity analysis for various thorough puts etc.

DGML will also be appointing a senior Mining Advisor of international exposure who will guide the company in developing the project and also interact with the independent consulting group in completion of the definitive feasibility study in a time bound manner.

Metallurgical Test Work and Process Design:

Ganajur Gold Project is an interlinked project with the proposed ore processing unit to be located at a distance of 1.5 kms south of the proposed gold mine. DGML has taken several steps in understanding the chemistry and process mineralogy of the gold ore so that it helps in designing a suitable flow sheet. Shareholders are aware that a representative sample (200 KGS) of the Ganajur sulphide gold ore drawn from the drill cores and was sent to AMMTEC Laboratory, Perth in Australia for carrying out a comprehensive metallurgical testing and gold recovery studies.

Based on the bench scale studies carried out at ALS-AMMTEC laboratory in Australia, two flow sheets for recovery of gold were considered and the recovery routes can be either of the following:

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1. Crushing – grinding – gravity – CIL (Gold Recovery-77%)
2. Crushing – grinding – flotation – roasting – CIL (Gold Recovery- 89%)

DGML has recently dispatched another batch of samples weighing 101 kgs from the Oxide ore to the same Laboratory in Perth to

- Oxide gold ore comminution test work including Bond abrasion Index, Bond Rod Mill Index, Bond Ball Mill Index, SAG Mill test
- Gravity separation
- CIL cyanidation, Intensive leach test work
- Multi Stage diagnostic test work etc.

The results are quite encouraging and indicate that the overall recovery through gravity and cyanide leaching is 87.72% including 31 % through gravity separation. The leach profile indicates that the gold leach kinetics is very fast with all the cyanidable gold being recovered after only 2 hours. The overall cyanide and lime consumption is low compared to the sulphide ore. This encouraging result is likely to enhance the overall economics of the project.

DGML has continued its 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 has recently appointed a consultant Process Engineer with a vast experience to study the metallurgical test results and also to prepare a detailed report on the gold ore processing. DGML has also shortlisted a few candidates with international experience in gold metallurgy and establishing gold processing plant. DGML plans to appoint one of them who along with the Mining Advisor will guide the company in developing the gold mine and also assist in establishment of the processing plant.

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 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. The exploration under RP & PL has revealed a 455 meters long gold mineralised zone in Ganajur South East Prospect. Significant intersections were obtained that included gold value of 6.23 g/t over 15.0m width in one of the drill holes. Follow up IP Geophysical survey had also indicated significant chargeability anomaly extending for nearly 2.8 kms that included Ganajur SE prospect.

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 holes intersected a sulphidic chert band carrying significant gold values. Table-4 summarizes the intersections of gold in the drill holes. Typical drill hole cross section is given in Fig-9

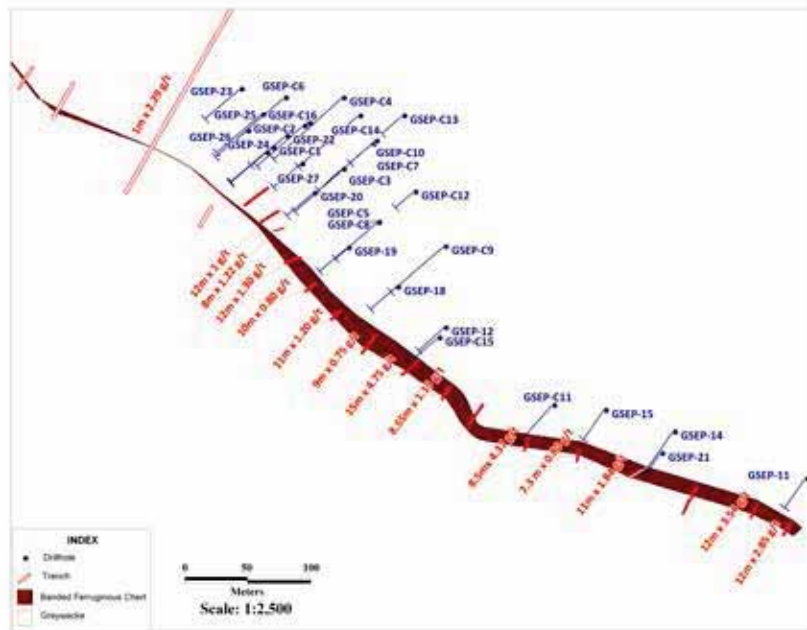


Fig-8 , Geological map of Ganajur SE Prospect with drill hole locations and trenches.

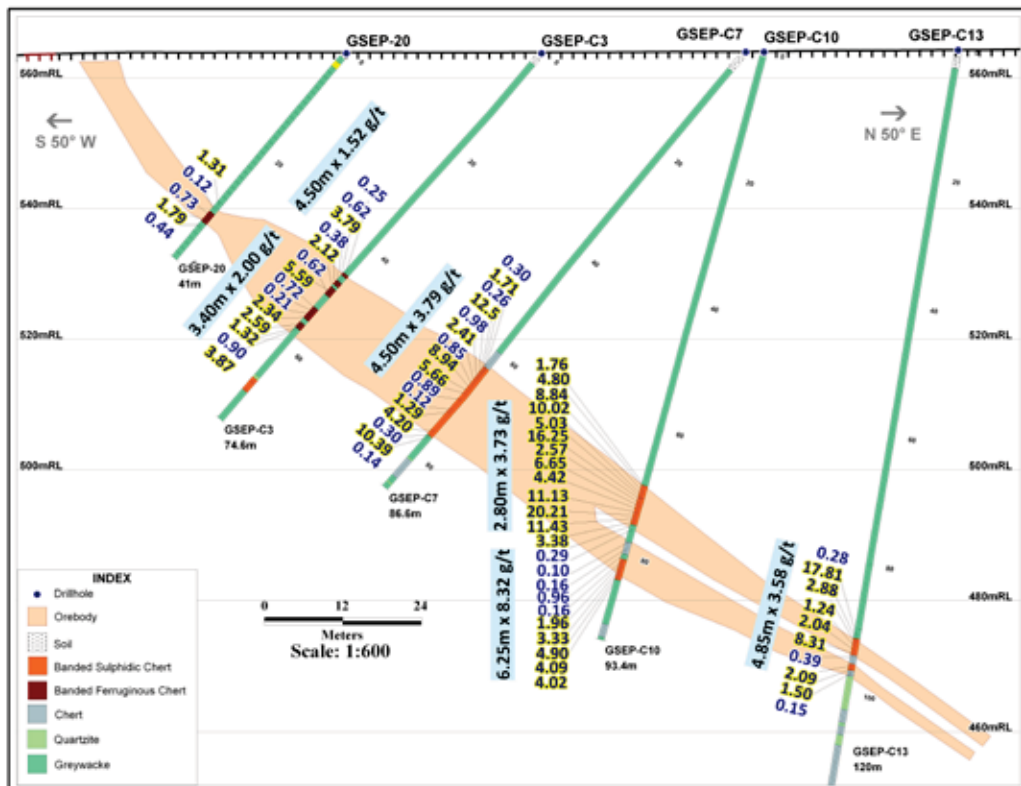


Fig- 9, Drill Hole Cross section along GSEP_C3_C7_C10-C13 (Ganajur SE P)

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TABLE-4, 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
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-13).

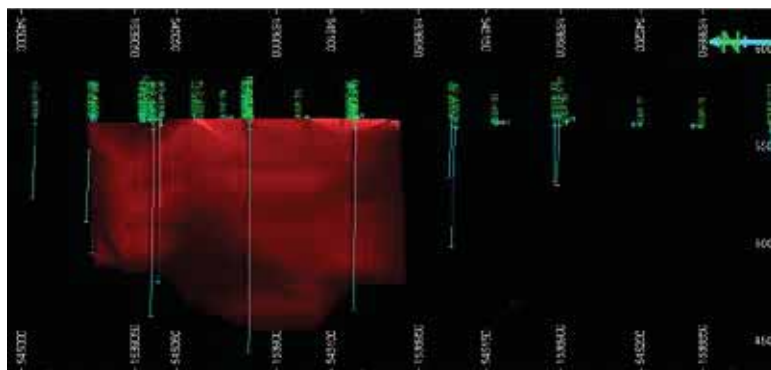


Fig-10, LV Section on Ganajur SE Ore body

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 an important prospect in the PL block. Karajgi Main comprises of a southern auriferous BIF and two sulphidic chert bands towards the northern slope area designated as A and B with significant grade and width. DESPL estimated an inferred resource of 90000 tonnes averaging 2.3 g/t Au based on the initial information obtained through RC drilling during the RP tenure. 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.

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 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 35o 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 metres. The true thickness of the ore body varies between 1.45 to 9.0 metres. The resource statement is furnished in Table-9.

Table-5, RESOURCE STATEMENT, KARAJGI MAIN PROSPECT

Au ZONE	Category (JORC)	Category (UNFC)	Quantity (tonnes)	Gold Grade g/t	Contained metal Gold (ounce)
ZONE-1	Indicated	211	123942	3.81	15229.7
ZONE-2	Inferred	221	100994	1.39	4512.3
ZONE-3	Indicated	211	43040	4.86	6750.7
GRAND TOTAL			267977	3.065	26493

(Resource estimates are subject to validation by an Independent Competent person)



Fig-11 : Old Working from Karajgi Main Prospect

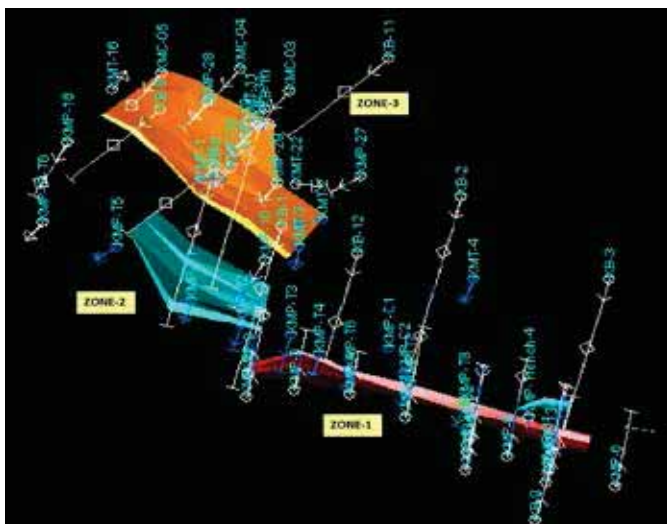


Fig-12, Plan View of the Karajgi Main Ore body

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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. The survey was carried out using Schlumberger array at electrode spacing of 5m, 10m and 15m separation.

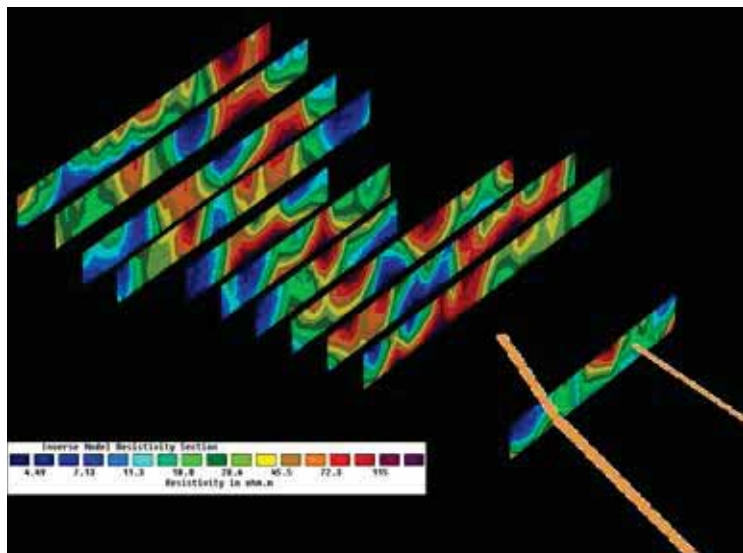


Fig-13, 3D view of the Resistivity profiles showing high resistivity zones

The data was processed using Encom Discover and 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 interpreted as the North west extension of the mineralised chert band of Hut Prospect. DESPL has plans to further explore this prospect by trenching and drilling.

Exploration Plan for Ganajur-Karajgi prospects:

Consolidation of all the exploration data (RP and PL) by DESPL has resulted in defining several new targets that require further exploration by drilling. The exploration carried out so far has demonstrated that the Ganajur-Karajgi PL block is an important mineralized corridor with possibility of finding sizeable resources.

DGML carried out multi-parametric geophysical exploration campaign employing Transient Electromagnetic Survey (TEM) followed by a detailed Induced Polarization (IP) survey to delineate conductive zones and also to locate geological structures favorable for hosting gold mineralization in the Ganajur –Karajgi PL Block. The Geophysical IP survey has revealed several new zones of possible gold mineralization that needs to be drill tested. IP Geophysical exploration has indicated possible extension of the Ganajur Main Ore body along strike and depth. DGML has drawn out a programme of carrying out detailed ground geophysical IP survey at different dipole spacings to generate new drill targets.

Ground magnetic survey was carried out over an area of 10 sq.kms that involved 90 line kms. The survey has revealed a 3.6 kms long WNW trending high magnetic anomaly which corresponds to Ganajur main, Karajgi prospects and their extensions. Another significant observation of the magnetic data is that the high magnetic zone follows the trend of an 'S' fold.

Considering these aspects, **DGML has now proposed an exploration programme involving around 10000 -12000 metres of Diamond core and RC drilling at Ganajur Main and its satellite prospects in a phased manner. The Phase I exploration would involve around 5000-7000 meters of drilling. The proposed exploration programme if successful is likely to increase the overall resources in Ganajur Main and its satellite prospects.**

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-13). 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 pouncing 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-14). 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.

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**

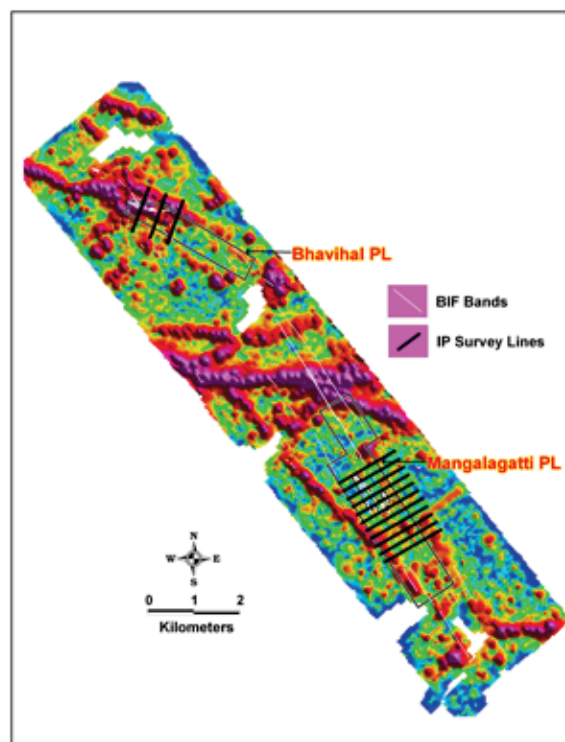


Fig-14 : Magnetic image with IP profiles of Mangalagatti-Bhavihal prospects

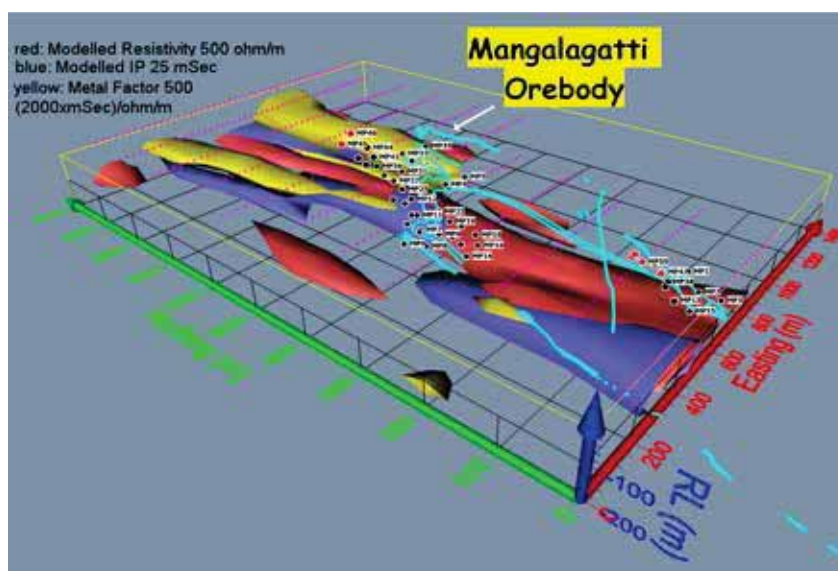


Fig-15, Mangalagatti 3D IP Geophysical Model

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around 5000 metres of diamond core/RC drilling in the PL Block.

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 pittable 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. DESPL is pursuing this PL application application vigorously.

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)

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.

A historical account of the legal battle is recounted in the following paragraphs:

- State Government of Karnataka rejected the Hutti North PL application in the year 2006 which was challenged in the High Court of Karnataka.
- In the year 2008, the State Government of Karnataka sent a proposal to the Ministry of Mines, Government of India, New Delhi (MoM) recommending for reservation of 14 prospective blocks in favour of Hutti Gold Mines Limited, which is a PSU of the State Government. These 14 blocks included several PL applications areas associated with DGML.
- The recommendation of the State Government of Karnataka was challenged through a Revision Petition filed before the Tribunal of the MoM.
- The Tribunal passed a Final Order on 22 October, 2010 rejecting the recommendation of the State Government of Karnataka and directed it to consider the pending PL applications of DESPL under the relevant law within a period of 100 days.
- Hutti Gold Mines Limited filed a Writ Petition before the Hon'ble High Court of Karnataka challenging the aforesaid Order of the Tribunal.
- The High Court of Karnataka passed an Order dated 18 February, 2011 directing the MoM to consider the recommendation of the State Government of Karnataka in accordance with law.

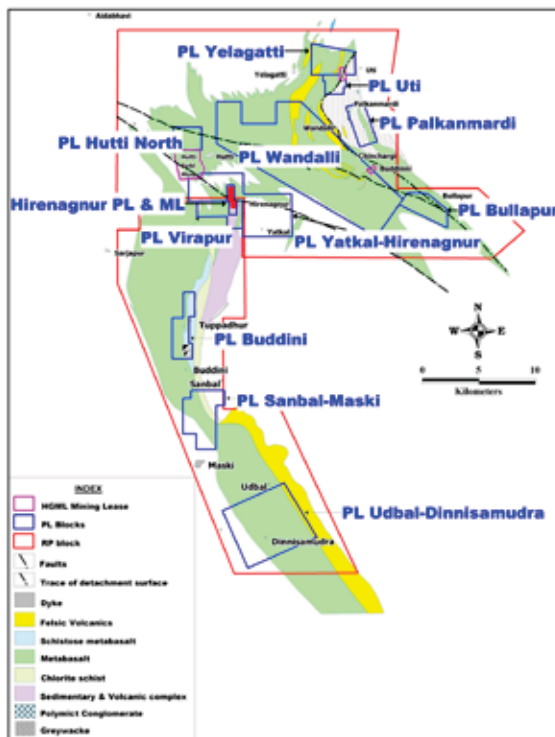


Fig-16 : Geological map of Hutti-Maski Greenstone Belt showing DGML's key gold prospects and applied tenements.

- The MoM rejected the recommendation of the State Government of Karnataka and instead directed the State Government to consider the pending Prospecting Licence applications of DESPL.
- Aggrieved, Hutti Gold Mines Limited once again took the matter to the High Court of Karnataka challenging the decision of the MoM. The High Court of Karnataka in its Order dated 3 April, 2012 directed the MoM to take a fresh decision on the matter within 3 months.
- DESPL has challenged the Order through a Special Leave Petition in the Supreme Court of India and has appointed leading Advocates to argue the case. The MoM is not inclined to take any fresh decision and is instead preparing to challenge the High Court verdict. The Supreme Court had directed the State Government of Karnataka and the Hutti Gold Mines Limited to furnish their comments.
- Ministry of Mines also filed an SLP on 7th of September, 2013 against the Karnataka High Court Order.
- HGML has filed its Statement of Objections and DESPL / GMSI to file a Rejoinder in consultation with their legal course.
- Rejoinder to HGML's objections was filed before the Supreme Court on 28th Jan 2015. Counter affidavit in respect of MoM's SLP was also filed by DESPL/GMSI on 30-1-2015.
- Further an application for bringing on record additional documents and subsequent events (latest MMDR Ordinance 2015) was also lodged on 30-1-2015.
- The case was listed for hearing on 16th July 2015 before a two-member bench of the Supreme Court. Since HGML had not submitted its pleadings in response to MoM's SLP the Supreme Court Bench directed that all the pleadings be completed within two months.
- The case came up for hearing on 24th November 2015 and was further posted to 11th December 2015 for hearing. DGML has appointed leading advocates to argue the case in its favour.

Revision Petition in case of Hutti North PL application:

1. DESPL as a result of work under a Reconnaissance Permit identified a highly prospective area in the Hutti North area and filed an application on 1.8.2003 seeking grant of Prospecting License (PL) for gold over the said area of 4.9 sq km vide P.L.
2. State Government on 8.5.2006, issued a Govt. Order bearing No. CL 68:MMM 2004, rejecting the PL application dt. 1.8.2003 of DESPL. DESPL enjoys preferential rights over this area as per Section 10A of the New MMDR act 2015.
3. As per the directive of the Hon'ble High Court of Karnataka, DESPL filed Revision Petition against this Rejection Order on 27-6-2012.
4. DESPL believes that the Revision application will be upheld by the Tribunal since the grounds for rejection is not as per the existing law and New MMDR Act 2015. DGML's earlier Revision Petition in the Hutti Belt area was also upheld by the RA.

Due to delays in grant of PLs, DGML was unable to undertake further detailed exploration in the Hutti-Maski belt. However the highlights of the key prospects which were explored by DGML during its RP tenure are presented below:

Table-6, SUMMARY OF EXPLORATION WORK CARRIED OUT IN HUTTI NORTH RP BLOCK

SL NO	TYPE OF EXPLORATION	UNIT	QUANTUM
1	TOPOGRAPHIC SURVEY	SQ.KMS	5
2	GEOLOGICAL MAPPING (1: 2000 AND 1:5000 SCALE)	SQ.KMS	500
3	GROUND GEOPHYSICAL MAGNETIC SURVEY	LINE KMS	145
4	GROUND GEOPHYSICAL IP SURVEY	LINE KMS	9
5	SAMPLING AND ANALYSIS		
	A. STREAM GEOCHEMICAL SAMPLING	Nos	347
	B. ROCK CHIP	Nos	953
	C. CHANNEL	Nos	1646

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	D. TERMITE MOUND SAMPLES	Nos	85
	E. SOIL SAMPLES	Nos	819
	F. BED ROCK GEOCHEMICAL SAMPLES	Nos	3980
	G. RAB DRILL SAMPLES	Nos	598
	H. RC DRILL SAMPLES	Nos	1319
	I. DIAMOND CORE SAMPLES	Nos	387
	TOTAL SAMPLES	10134	
5	DRILLING		
	A. RAB DRILLING (18 DRILL HOLES)		862.5
	B. RC DRILLING (36 DRILL HOLES)	METRES	2186
	C. DIAMOND CORE DRILLING (4 DRILL HOLES)	METRES	807.7
	TOTAL DRILLING		3856.2

HUTTI MINE NORTH PROSPECT

This block is located immediately north of the currently operating Hutti Gold Mine located 80 kms west of Raichur town in Karnataka. A total of eight parallel gold bearing quartz-sulphide veins are known to exist in the currently operating Hutti Mines. DGML's exploration such as IP geophysical survey, Bedrock-geochemical sampling, trenching, and limited drilling has resulted in tracing the extensions of atleast 5 of these lodes into DGML's PL block north of the Hutti Gold mine (Fig-17). The best finding was extension of the New East Reef which has analysed upto 10.0 g/t gold and the extension of the Main Reef that has analysed upto 16.0 g/t Gold. Strike Reef was explored by DGML by limited drilling with positive results.

DGML has applied for a Prospecting Licence that covers all the mineralized zones. A detailed drilling programme will be undertaken to explore the highly prospective North Hutti Block once the PL is granted.

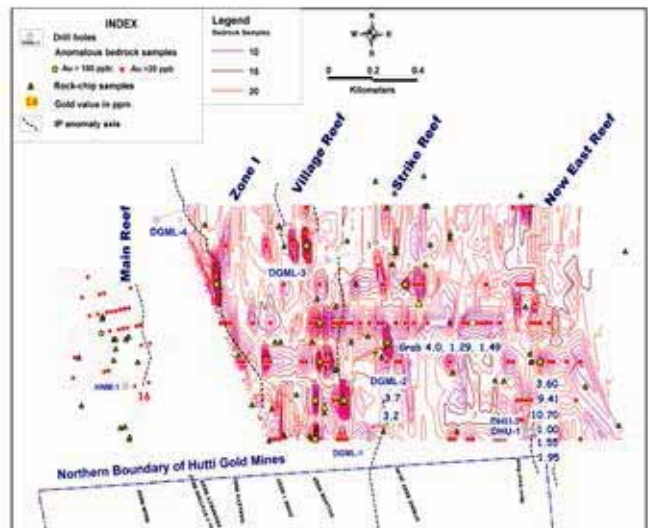


Fig-17, Hutti North Prospect showing the possible extensions of the Hutti Mine Lodes

Hirenagnur Prospect:

DGML considers Hirenagnur prospect as one of its best discoveries which is located 5 kms southeast of Hutti Gold Mines. Systematic exploration by means of geochemistry, ground geophysics, RC drilling and structural mapping has established a mineralized system of 2 kms length over a width of nearly 50 metres. Preliminary drilling indicates presence of 4 parallel mineralised zones of which the eastern most zone i.e zone III has a strike length of 600 metres. The drill hole data was processed by using Datamine Geological software which shows that all the 4 ore zones are open along strike and depth that would be investigated by detailed drilling. The data generated also suggests possibility of open pit mining of the Hirenagnur ore body (Fig-18). Some of the best drill intercepts are furnished below:

Drill hole No	Width (m)	Grade(g/t)
IHN-2	8	3.52
1HN-5	8	5.02
DHN-5	19	3.02
DHN-6	16	6.38
DHN-16	11	4.52

This prospect is an open ended N-S trending, zone revealed initially by a single rock-chip sample that assayed 7.13 g/t Au and subsequently by systematic bed-rock sampling and ground magnetic surveys.

Ore beneficiation studies of Hirenagnur ore was carried out at the India Bureau of Mines, Bangalore. The studies indicate that the ore is free milling and 91% of gold recovery was achievable by carbon –in- leach process. Pre-treatment of the ore can result in 97% recovery. Detailed drilling will follow the grant of prospecting licence over this prospect. Based on the initial exploration under RP, DGML estimated an inferred resource of 200,000 ozs averaging 2.72 g/t Au.

DGML also carried out detailed ground magnetic survey to explore strike extension of the mineralization towards north and south. The magnetic survey was successful in tracing a high magnetic anomaly for a length of 3.2 km coinciding with the main Hirenagnur mineralization and its extension towards north and south. Hirenaganur prospect is a structurally controlled mineralization. Therefore, the continuity of gold bearing structures is expected up to several hundred metres. Applications have been filed for both PL as well as a Mining Lease.

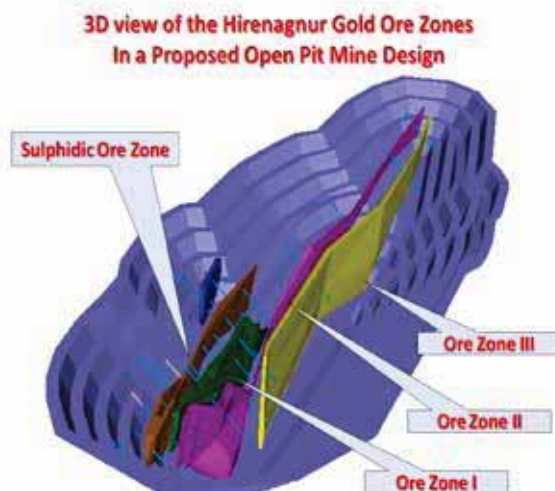


Fig-18: 3D view of the Hirenagnur Gold Ore Zones in a with Open Pit Mine Design.

Uti Gold Prospect- Southern and Northern continuity of the Uti Mine Lodes:

The Uti Mine is owned and operated, as an open pit mine, by the Hutti Gold Mines Ltd. Bed rock sampling at 20m intervals along 9 profiles southwest of Uti mine and along 3 profiles north of the mine have revealed gold anomalous zone in strike continuity of Uti mine lodes for about 3.5km to the south west and also towards north. 609m of reconnaissance drilling confirmed the strike continuity of gold lodes to the south. One of the lodes showed gold in the range of 0.82 to 1.4 g/t over widths ranging from 1 to 5m; a second lode yielded 1.34 to 1.72 g/t gold over 1 to 2m width; one more intersection analyzing 3.49 g/t gold over 4m was traced to yet another lode. Detailed drilling is called for to establish the full potential of the Uti south and North prospects. Old diggings by ancient miners and our recent channel sampling have revealed existence of three sub-parallel mineralized zones in an area 1.2 sq km west of the HGML's Uti mine. Surface samples have given high gold values of up to 22.94 g/t and 40.38 g/t gold. Bedrock geochemical sampling has indicated an anomalous gold bearing zone which is 1200m long and 80m wide.

CHINCHERGI –WANDALLI PROSPECT:

This block is an excellent exploration target defined by DGML as a result of extensive geochemical exploration, geological mapping, ground magnetic survey and limited Reverse Circulation drilling. DGML targeted a part of the major WNW trending Chinchergi- Amareshwara lineament between Chinchergi Prospect and Wandalli Prospect. Several ancient workings are seen all along this block.

Chinchergi prospect located some 15 km east of Hutti Gold Mine is an area of extensive ancient mining. Reconnaissance rock chip samples analyzing 5.59 g/t, 8.33 g/t, 9.92 g/t and 12.73 g/t were met with in this prospect. Channel sampling revealed 1 to 2m wide narrow lodes analyzing 1.18 g/t to 4.38 g/t.

In order to locate new targets in addition to tracing extensions of Wandalli and Chinchergi mineralisation, a bedrock geochemical programme was carried out involving 22 profiles and 1500 samples. The exploration has resulted in delineating two geochemical gold anomalies for 3.6 kms south and west of Chinchergi Prospect.

Preliminary reconnaissance reverse circulation (RC) drilling indicated anomalous gold values considered encouraging that warrants further drilling.

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BULLAPUR PROSPECT:

This is one of the new prospects discovered in the Hutti belt located outside of the GSI-explored area of ancient gold workings.

In the course of geological traversing along the major structural discontinuity south east of Chinchargi village, a new zone of mineralization was located close to Bullapur village. The mineralized zone comprises a series of quartz veins disposed as N-S splays from a narrow ENE trending shear zone. One of the veins showed a number of visible gold grains on panning. A rock chip sample yielded a good value of 6.53 g/t gold. The area deserves to be investigated in detail under a Prospecting Licence.

Yatkal Prospect:

Yatkal prospect is situated 10 kms south-east of Hutti. Gold mineralization is noticed in quartz veins emplaced along sheared and fractured granite. Mineralisation is controlled by a NE-SW trending fracture system along which several quartz veins are emplaced. During its Reconnaissance Permit, DESPL carried out detailed geochemical exploration, rock chip sampling and ground magnetic survey. The geochemical data processed reveals a 950 metre long NE-SW trending gold anomaly spread over 150 metres width. Most of the high gold values analysed in rock chip samples (1.0 to 32.05 g/t Au) fall within the 950 m long geochem anomaly. The geochemical anomaly matches very well with ground magnetic anomaly. Detailed drilling is warranted under a prospecting license.

RAMAGIRI 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. 19).

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

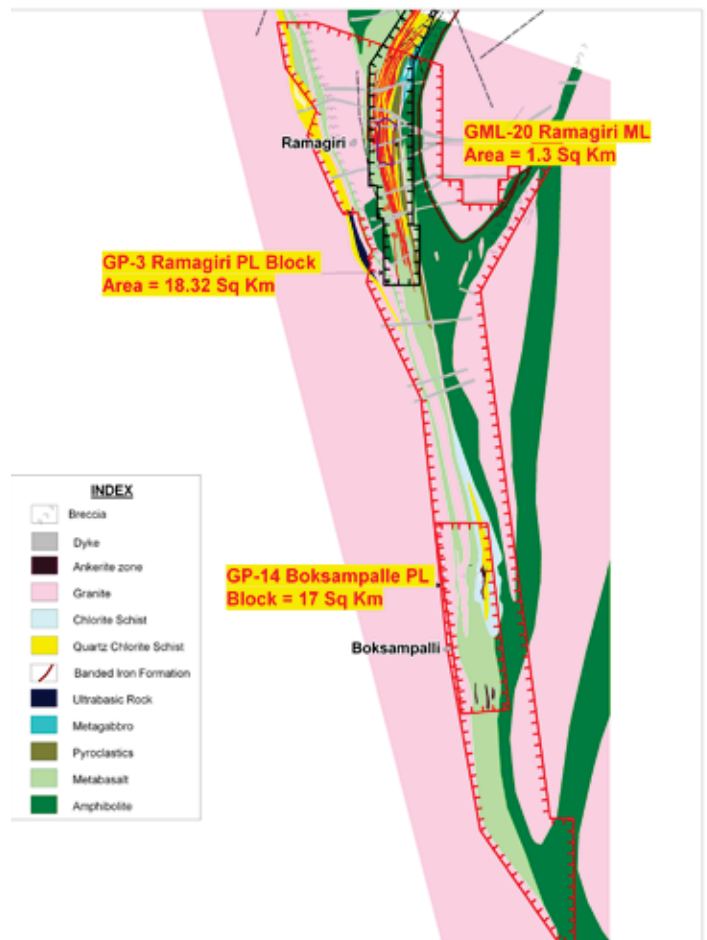


Fig-19 : Regional geological map of Ramagiri Greenstone belt showing DGML's applied prospecting license area and key prospects.

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 Basis. DGML as part of the Reconnaissance reviewed all 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.

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-20).

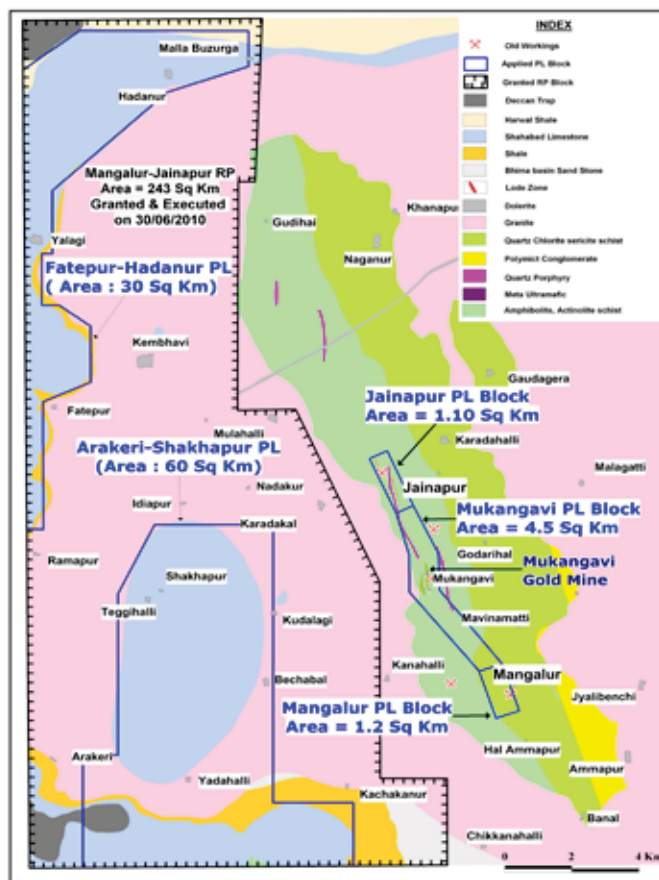


Fig-20, Regional Geological map of Mangalur Greenstone belt showing the applied PL areas.

STATUS OF MINERAL CONCESSION APPLICATIONS
(POST MMDR AMENDMENT ACT, 2015)
(AS ON 1ST DECEMBER 2015)

PROSPECTING LICENCE (PL) APPLICATIONS

PL No.	Block Name	District	Area in sq km	Date of Application	Ref. No. & Date	Status
KARNATAKA STATE						
DGML.PL-11	Fatehpur-Hadanur	Yadgir	30	25.3.2013	No.DMG/RP-Sec/01-APL/2013, dt.3.4.2013	Comes under seamlessness Section 11(1) of the Act. Under processing at DMG, Bangalore.
DGML.PL-12	Arakeri-Shakhapur	Yadgir	60	25.3.2013	No.DMG/RP-Sec/02-APL/ 2013, dt.3.4.2013	Comes under seamlessness 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. The PL tenure expired 24-9-2014	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 is Old file number) (CI 61 MMM 07 is Old file number)	Grant Notification issued by Government of Karnataka vide Order no. CI 61 MMM 2007, dt.11.10.2012. Execution of PL deed is delayed at the level of Director of Mines and Geology ("DMG") despite continuous follow up by DESPL. Since the time period for execution of PL deed (within 3 months of grant notification) has expired, we have been informed that a fresh grant notification has to be issued for grant of this PL. State Government had written to DMG to check whether the application is in conformity with section 10(A)2(b) of MMDR DMG has given the reply to state Government and confirms that the file comes under Seamlessness of the Act 10 (A) 2(b) of MMDR.

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DES.PL-6	Kulavalli	Belgaum	2	15.10.2004	No.127APL 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 requesting DMG to obtain a new NOC from District Commissioner. DESPL has written to State Government conveying its objections to the State Government's decision for obtaining a fresh NOC. There is no provision under MMDR/ MCR that justifies seeking a new NOC. Currently application is pending at DMG which has sought for a new NOC as per State Government's directive. District Collector has forwarded the file to Thasildar, Dharwar for further action and that the concerned revenue inspector has inspected the area and reported to Thasildar for further action.
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 requesting DMG to obtain a new NOC from District Commissioner. DESPL has written to State Government conveying its objections to the State Government's decision for obtaining a fresh NOC. There is no provision under MMDR/ MCR that justifies seeking a new NOC. Currently application is pending at DMG which has sought for a new NOC as per State Government's directive. DESPL has represented that District Collector has forwarded the file to Thasildar, Haveri for further action
DES-PL-8	Turkara - Sigihalli	Belgaum	1.7	31.12.2004	No.181 APL 04/14744, dt.3.1.2005	Pending at DMG, Bangalore.
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.

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DES.PL-1	Hutti North	Raichur	5	1.8.2003	No.24 APL 03, Dt.18.8.2003 CI 155 MMM 2004	This PL application comes under seamlessness Section 10A of the New MMDR Act. Despite this, the State Govt. rejected the PL application. Matter being contested before the Tribunal of the MoM, New Delhi. 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.
DES.PL-3	Uti	Raichur	2.9	14.1.2004	No.06APL04 / 16815, Dt.16.1.2004	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. 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. HGML has now filed its Statement of Objections and DESPL has prepared a Rejoinder to the same and sent to the Advocates in Delhi. MoM (Union of India) has also filed an SLP against Hutti Gold Mines Ltd. MoM's SLP is positive and supports our stand. Rejoinder to HGML's objections was filed before the Supreme Court on 28th Jan 2015. Counter affidavit in respect of MoM's SLP was also filed by DESPL/GMSI on 30-1-2015. The case came up for hearing on 24th November 2015 and was further posted to 11th December 2015 for hearing.

DES.PL-4	Y a t k a l - 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. Despite MoM approval, State Government has requested DMG for New NOC from the District Commissioner. Since MoM has already granted the approval. DMG has not moved for obtaining a new NOC. Grant Order is awaited.
GMSI.PL-7	Mangalur	Gulbarga	1.2	7.11.2003	No.46 APL 03, Dt.10.11.2003 CI 134 MMM 06	DMG had recommended to the State Govt., but the SG has returned the file to DMG requesting DMG to obtain a new NOC from District Commissioner.
						GMSI has written to State Government for communicating its objection towards State Government's request for new NOC as there is no provision under MMDR/ MCR that justifies seeking a new NOC. Currently application is pending at DMG. Bangalore and DMG has not moved to obtain a new NOC as requested by State Government.

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GMSI.PL-4	Sanbal-Maski	Raichur	14.7	29.8.2003	No. 32 APL 2003, Dt. 29.8.2003	<p>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.</p> <p>DESPL/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. 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>Rejoinder to HGML's objections was filed before the Supreme Court on 28th Jan 2015. Counter affidavit in respect of MoM's SLP was also filed by DESPL/ GMSI on 30-1-2015. As of now the case is listed for hearing on 24th November 2015. DGML has appointed leading advocates to argue the case in our favour.</p>
GMSI.PL-5	Buddini	Raichur	8	29.8.2003	No. 31 APL 2003, Dt. 29.8.2003	-do-
GMSI.PL-12	Udbal - Dinni samudra	Raichur	35	14.1.2004	No.9 APL 04, Dt.29.7.2004	-do-
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.

MINING LEASE (ML) APPLICATIONS

ML No.	Block Name	District	State	Area in sq km	Date of Application	Ref. No.	Status
DES.ML-2	Ganajuru	Haveri	Karnataka	0.29 (72 acres)	8.6.2006	No.567 AML 06/3389 (CI 30 MMM 2010, dt. 8.11.2010 is old file No.) CI 199 CMC 2015 dated 7.8.2015	On 24.7.2015, Letter No 4/113/2010-M.IV from Secretary-Mines, Ministry of Mines (MoM), Government of India approving the grant of Mining Lease over an area of 72 acres for a period of 50 years for the Ganajur Gold Project of DESPL. The approval is as per Section 5(1) of the MMDR Act 2015. Accordingly, the file was forwarded to Government of Karnataka for further processing and issue of a Letter of Intent / Grant Notification Letter. The Secretary (C&I) Government of Karnataka, has asked the Director of Mines and Geology, Karnataka (DMG) to furnish his opinion on compliance of the conditions stated in the MoM's letter dated 24-07-2015 referred to above by DESPL. The Company is following up the matter with DMG's Office.
DES.ML-5	Karajgi	Haveri	Karnataka	2.8	20.12.2012	No.DMG/Rp-Sec/11 AML 2012-13 Dt.5.1.2013	ML applied within granted & executed PL area of 2.2 sq km (Ganajur-Karajgi PL Block) within the stipulated period. Under processing at DMG, Bangalore.
GMSI. ML-20	Ramagiri	Anantapur	Andhra Pradesh	1.3	10.4.2008	Ack.No. 1770 /M/ 08, Dt. 11.4.2008	Pending at the Asst. Director's Office in Anantapur.

DIRECTORS' REPORT

To
The Members,
Deccan Gold Mines Limited

Your Directors present the 31st Annual Report of the Company together with the Audited Statement of Accounts for the year ended March 31, 2015.

1. FINANCIAL STATEMENTS & RESULTS:**a. FINANCIAL SUMMARY :**

The Company's performance during the year ended March 31, 2015 as compared to the previous financial year, is summarized below: (₹ in '000)

Particular	For the financial year ended March 31, 2015	For the financial year ended March 31, 2014
Income	3803	5895
Less: Expenses	19852	9254
Profit/ (Loss) before tax	(16049)	(3359)
Less: Provision for tax	-	-
Profit / (Loss) after Tax	(16049)	(3359)
Balance brought forward	(66826)	(63467)
Balance carried to Balance Sheet	(82899)	(66826)

b. OPERATIONS:

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 mineral concession applications" and in "Management Discussion & Analysis" which forms part of this Report.

Rights Issue

Your Directors are pleased to note that the Company had successfully completed fund raising of ₹ 50.33 crores through a rights issue. The rights issue was subscribed over 1.3 times which shows the confidence of our shareholders in the Company's long-term strategy.

The Company had offered 1 rights share for every 2 shares held on the Record Date (September 5, 2015) to the existing shareholders of the Company at an Issue Price of ₹17/- per equity share (including premium). Accordingly, 29,609,125 equity shares were offered on rights basis and the issue was kept open during October 14 – 30, 2015. On November 6, 2015, the Company issued and allotted the aforesaid equity shares as per the basis of allotment approved by the BSE Limited. The new shares were admitted for listing and trading on the floor of the BSE with effect from November 11, 2015.

The money raised will help the Company to focus on continued growth through development of its projects which include the Ganajur Gold Project in Karnataka.

There was no change in nature of the business of the Company, during the year under review.

c. REPORT ON PERFORMANCE OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES:

The performance and financial position of Deccan Exploration Services Private Limited, subsidiary company for the year ended March 31, 2015 is attached and marked as Annexure I and forms part of this Report.

d. DIVIDEND:

In view of the fact that the Company is yet to commence its commercial operations, your Directors express their inability to recommend dividend for the financial year under review.

e. TRANSFER TO RESERVES:

In view of the fact that the Company is yet to commence its commercial operations, your Directors express their inability to recommend dividend for the financial year under review.

f. REVISION OF FINANCIAL STATEMENT:

There was no revision of the financial statements for the year under review.

g. DEPOSITS :

The Company has not accepted or renewed any amount falling within the purview of provisions of Section 73 of the Companies Act 2013 ("the Act") read with the Companies (Acceptance of Deposit) Rules, 2014 during the year under review. Hence, the requirement for furnishing of details of deposits which are not in compliance with the Chapter V of the Act is not applicable.

h. DISCLOSURES UNDER SECTION 134(3)(I) OF THE COMPANIES ACT, 2013:

Except as disclosed elsewhere in this report, no material changes and commitments which could affect the Company's financial position, have occurred between the end of the financial year of the Company and date of this report.

i. DISCLOSURE OF INTERNAL FINANCIAL CONTROLS:

The Internal Financial Controls with reference to financial statements as designed and implemented by the Company are adequate. During the year under review, no material or serious observation has been received from the Internal Auditors of the Company for inefficiency or inadequacy of such controls.

j. DISCLOSURE OF ORDERS PASSED BY REGULATORS OR COURTS OR TRIBUNAL:

No orders have been passed by any Regulator or Court or Tribunal which can have impact on the going concern status and the Company's operations in future.

k. PARTICULARS OF CONTRACT OR ARRANGEMENT WITH RELATED PARTIES :

During the year under review, the Company has not entered into any contracts or arrangements with related parties that fall within the purview of Section 188 of the Companies Act, 2013.

l. PARTICULARS OF LOANS, GUARANTEES, INVESTMENTS AND SECURITIES:

During the year under review, the Company did not provide any loan or furnish any guarantees or made any investments.

m. DISCLOSURE UNDER SECTION 43(a)(ii) OF THE COMPANIES ACT, 2013:

The Company has not issued any shares with differential rights and hence no information as per provisions of Section 43(a)(ii) of the Act read with Rule 4(4) of the Companies (Share Capital and Debenture) Rules, 2014 is furnished.

n. DISCLOSURE UNDER SECTION 54(1)(d) OF THE COMPANIES ACT, 2013:

The Company has not issued any sweat equity shares during the year under review and hence no information as per provisions of Section 54(1)(d) of the Act read with Rule 8(13) of the Companies (Share Capital and Debenture) Rules, 2014 is furnished.

o. DISCLOSURE UNDER SECTION 62(1)(b) OF THE COMPANIES ACT, 2013:

As per provisions of Section 62(1)(b) of the Act read with Rule 12(9) of the Companies (Share Capital and Debenture) Rules, 2014 and other applicable Regulations, details of equity shares issued under Employees Stock Option Scheme during the financial year under review is furnished in Annexure II attached herewith which forms part of this Report.

p. DISCLOSURE UNDER SECTION 67(3) OF THE COMPANIES ACT, 2013:

During the year under review, there were no instances of non-exercising of voting rights in respect of shares purchased directly by employees under a scheme pursuant to Section 67(3) of the Act read with Rule 16(4) of Companies (Share Capital and Debentures) Rules, 2014.

2. MATTERS RELATED TO DIRECTORS AND KEY MANAGERIAL PERSONNEL**a. BOARD OF DIRECTORS & KEY MANAGERIAL PERSONNEL**

Ms. Pratima Ram (DIN: 03518633) was appointed as an Additional Director of the Company, as Independent Director, on March 30, 2015 to hold office up to the date of ensuing Annual General Meeting. The Company has received notice from a shareholder along with requisite deposits proposing the candidature of Ms. Pratima Ram for appointment as an Independent Director at the ensuing Annual General Meeting.

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Mr. K. Karunakaran was appointed as Key Managerial Person designated as Chief Financial Officer of the Company with effect from February 16, 2015.

In accordance with the provisions of the Act, none of the Independent Directors is liable to retire by rotation.

As per the provisions of Section 152 of the Companies Act, 2013, Mr. Charles Edward English Devenish retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment. Your Directors recommend his re-appointment.

b. DECLARATIONS BY INDEPENDENT DIRECTORS:

The Company has received declarations from all the Independent Directors under Section 149(6) of the Companies Act, 2013 confirming their independence vis-à-vis the Company.

3. DISCLOSURES RELATED TO BOARD, COMMITTEES AND POLICIES :

a. BOARD MEETINGS:

The Board of Directors met eight (8) times during the financial year ended March 31, 2015 in accordance with the provisions of the Companies Act, 2013 and rules made thereunder.

b. DIRECTOR'S RESPONSIBILITY STATEMENT:

In terms of Section 134(5) of the Companies Act, 2013, in relation to the audited financial statements of the Company for the year ended 31st March, 2015, the Board of Directors hereby confirms that:

- a. in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b. such accounting policies have been selected and applied consistently and the Directors 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 31st March, 2015 and of the loss of the Company for that year;
- c. proper and sufficient care was taken for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. the annual accounts of the Company have been prepared on a going concern basis;
- e. internal financial controls have been laid down to be followed by the Company and that such internal financial controls are adequate and were operating effectively;
- f. proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively;

c. NOMINATION AND REMUNERATION COMMITTEE:

The Nomination and Remuneration Committee of Directors as constituted by the Board of Directors of the Company in accordance with the requirements of Section 178 of the Act.

The composition of the committee is as under:

1. Mr. K.R. Krishnamurthy, Chairman,
2. Dr. M. Ramakrishnan, Director and
3. Prof V.K. Gaur, Director.

The Board has in accordance with the provisions of sub-section (3) of Section 178 of the Companies Act, 2013, formulated the policy setting out the criteria for determining qualifications, positive attributes, independence of a Director and policy relating to remuneration for Directors, Key Managerial Personnel and other employees.

Major criteria defined in the policy framed for appointment of and payment of remuneration to the Directors of the Company, are based upon their experience, qualifications, capability to make independent judgment and value addition.

d. AUDIT COMMITTEE:

The Audit Committee of Directors was constituted pursuant to the provisions of Section 177 of the Companies Act, 2013. The composition of the Audit Committee is in conformity with the provisions of the said section. The Audit Committee comprises of:

1. Mr. K.R. Krishnamurthy, Chairman,
2. Dr. M. Ramakrishnan, Independent Director and
3. Prof V.K. Gaur, Independent Director.

The scope and terms of reference of the Audit Committee have been amended in accordance with the Act and the Listing Agreement entered into with the Stock Exchanges.

During the year under review, the Board of Directors of the Company had accepted all the recommendations of the Committee.

e. STAKEHOLDERS RELATIONSHIP COMMITTEE:

During the year under review, pursuant to Section 178 of the Companies Act, 2013, the Board of Directors of the Company has constituted the Stakeholder's Relationship Committee, comprising of Mr. K.R. Krishnamurthy and Mr. Sandeep Lakhwara as its members.

Mr. K.R. Krishnamurthy has been appointed the Chairman of the Stakeholders' Relationship Committee. The Company Secretary acts as the Secretary of the Stakeholders' Relationship Committee.

f. VIGIL MECHANISM POLICY FOR THE DIRECTORS AND EMPLOYEES: (if applicable)

The Board of Directors of the Company has, pursuant to the provisions of Section 178(9) of the Companies Act, 2013 read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014, framed "Vigil Mechanism Policy" for Directors and employees of the Company to provide a mechanism which ensures adequate safeguards to employees and Directors from any victimization on raising of concerns of any violations of legal or regulatory requirements, incorrect or misrepresentation of any, financial statements and reports, etc.

The employees of the Company have the right/option to report their concern / grievance to the Chairman of the Audit Committee.

The Company is committed to adhere to the highest standards of ethical, moral and legal conduct of business operations.

g. RISK MANAGEMENT POLICY:

The Board of Directors of the Company has, pursuant to the provisions of Section 178(9) of the Companies Act, 2013 read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014, framed "Vigil Mechanism Policy" for Directors and employees of the Company to provide a mechanism which ensures adequate safeguards to employees and Directors from any victimization on raising of concerns of any violations of legal or regulatory requirements, incorrect or misrepresentation of any, financial statements and reports, etc.

The employees of the Company have the right/option to report their concern / grievance to the Chairman of the Audit Committee.

The Company is committed to adhere to the highest standards of ethical, moral and legal conduct of business operations.

h. CORPORATE SOCIAL RESPONSIBILITY POLICY:

Section 135 of the Companies Act, 2013, mandates the constitution of a Corporate Social Responsibility Committee by companies having networth of ₹ 500 crore or more OR turnover of ₹ 1000 crore or more OR a net profit of ₹ 5 crore or more during any financial year. However, considering the said applicability criteria, this provision is presently not applicable in the case of the Company.

i. ANNUAL EVALUATION OF DIRECTORS, COMMITTEE AND BOARD:

A statement indicating the manner for evaluation of performance of the Board and its committee, individual Directors is attached with the Board Report as Annexure III and forms part of this Report.

j. INTERNAL CONTROL SYSTEMS:

Adequate internal control systems commensurate with the nature of the Company's business and size and complexity of its operations are in place and have been operating satisfactorily. Internal control systems comprising of policies and procedures are designed to ensure reliability of financial reporting, timely feedback on achievement of operational and

DECCAN GOLD MINES LIMITED

strategic goals, compliance with policies, procedure, applicable laws and regulations and that all assets and resources are acquired economically, used efficiently and adequately protected.

k. DISCLOSURE UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 AND OTHER DISCLOSURES AS PER RULE 5 OF COMPANIES (APPOINTMENT & REMUNERATION) RULES, 2014:

The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year under review has been marked as **Annexure IV**.

I. PAYMENT OF REMUNERATION / COMMISSION TO DIRECTORS FROM HOLDING OR SUBSIDIARY COMPANIES:

The Managing Director of the Company is not in receipt of remuneration/commission from the Holding or Subsidiary Company of the Company. Apart from the Managing Director, the Company does not have any other managerial personnel.

4. AUDITORS AND REPORTS :

The matters related to Auditors and their Reports are as under:

a. OBSERVATIONS OF STATUTORY AUDITORS ON ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2015:

The observations made by the Statutory Auditors in their report for the financial year ended March 31, 2015 read with the explanatory notes therein are self-explanatory and therefore, do not call for any further explanation or comments from the Board under Section 134(3) of the Companies Act, 2013.

b. SECRETARIAL AUDIT REPORT FOR THE YEAR ENDED MARCH 31, 2015:

Provisions of Section 204 read with Section 134(3) of the Companies Act, 2013, mandates to obtain Secretarial Audit Report from Practicing Company Secretary. M/s Rath and Associates, Company Secretaries had been appointed to issue Secretarial Audit Report for the financial year 2014-15.

Secretarial Audit Report issued by M/s Rath and Associates, Company Secretaries in Form MR-3 for the financial year 2014-15 forms part to this report. The said report does not contain any observation or qualification requiring explanation or comments from the Board under Section 134(3) of the Companies Act, 2013.

c. RATIFICATION OF APPOINTMENT OF AUDITORS:

Pursuant to the provisions of Section 139 of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, M/s. V. K. Beswal & Associates, Chartered Accountants, Mumbai, the Statutory Auditors of the Company, hold office up to the conclusion of the ensuing Annual General Meeting. The consent of the Auditors along with certificate under Section 139 of the Act have been obtained from the Auditors to the effect that their appointment, if made, shall be in accordance with the prescribed conditions and that they are eligible to hold the office of Auditors of the Company. The Board recommends the appointment of M/s. V.K. Beswal & Associates, Chartered Accountants, Mumbai, as the Statutory Auditors of the Company.

Necessary resolution for reappointment of the said Auditors is included in the Notice of AGM for seeking approval of members.

d. COST AUDITORS:

The provisions of Section 148 of the Companies Act, 2013 relating to cost audit are not applicable to the Company..

5. OTHER DISCLOSURES

Other disclosures as per provisions of Section 134 of the Act read with Companies (Accounts) Rules, 2014 are furnished as under:

a. EXTRACT OF ANNUAL RETURN:

Pursuant to the provisions of Section 134(3)(a) of the Companies Act, 2013, Extract of the Annual Return for the financial year ended March 31, 2015 made under the provisions of Section 92(3) of the Act is attached as Annexure V which forms part of this Report.

b. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

The particulars as required under the provisions of Section 134(3) (m) of the Companies Act, 2013 read with Rule

8 of the Companies (Accounts) Rules, 2014 in respect of conservation of energy and technology absorption have not been furnished considering the nature of activities undertaken by the Company during the year under review.

During the year under review, the Company has neither earned nor used any foreign exchange.

c. CORPORATE GOVERNANCE:

As per the provisions of Section II of the Scheduel V of the Companies Act, 2013, the details of remuneration paid to Mr. Sandeep Lakhwara, Managing Director are furnished as under:

All elements of remuneration package such as salary, benefits, bonuses, stock options	₹ 7 lakhs per month (w.e.f. January 1, 2015)
Details of fixed component and performance linked incentives along with the performance criteria	Nil
Service contracts, notice period, severance fees	Notice period of 3 months. No stipulation of severance fee.
Stock option details, if any, and whether the same has been issued at a discount as well as the period over which accrued and over which exercisable	Granted 1,500,000 stock options under the Deccan Gold Mines Employee Stock Option Scheme, 2014. The said Options have been granted at the price of ₹ 7/- per option and the Managing Director shall have right to subscribe for shares within the period of 12 months from the date of vesting.

6. ACKNOWLEDGEMENTS AND APPRECIATION:

Your Directors take this opportunity 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

Charles E.E. Devenish

Chairman

DIN: 01252091

Date: November 13, 2015

Place: Bengaluru

CIN: L51900MH1984PLC034662

REGISTERED OFFICE:

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

Tel .No.:022-33040797

Fax No.: 022-33040779.

Email.: info@deccangoldmines.com

Website.: www.deccangoldmines.com

DECCAN GOLD MINES LIMITED

ANNEXURE I

PERFORMANCE OF SUBSIDIARY COMPANY

(Information in respect of subsidiary with amounts in ₹)

1	Name of the subsidiary	Deccan Exploration Services Private Limited
2	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Not applicable
3	Reporting currency and Exchange rate as on the last date of the relevant Financial Year in the case of foreign subsidiaries.	INR
4	Share capital	10101 equity shares of ₹10/- each
5	Reserves and Surplus	1,61,01,641
6	Total Assets	5,06,30,874
7	Total Liabilities	3,45,29,234
8	Investments	Nil
9	Turnover	Nil
10	Profit before taxation	(348694)
11	Provision for taxation	(115862)
12	Profit after taxation	(232832)
13	Proposed Dividend	Nil
14	% of shareholding	99%

For and on behalf of the Board

Charles E.E. Devenish

Chairman

DIN: 01252091

Date: November 13, 2015

Place: Bengaluru

ANNEXURE II

Disclosure of details pertaining to the shares allotted under Employees Stock Option Scheme under the provisions of Section 62(1) (b) of the Companies Act, 2013 and SEBI (Share Based Employee Benefits) Regulations, 2014 during the year.

DGML ESOP, 2014:

Total No. of Shares covered by ESOP Scheme approved by the Shareholders	3,000,000
Options granted	3,000,000
Options vested	Nil
Options exercised	Nil
The total number of shares arising as a result of exercise of option	3,000,000
Options forfeited	Nil
Options lapsed	Nil
Extinguishment or modification of options	Nil
The exercise price	₹ 7/- per share
Pricing formula	As per the recommendation of Nomination & Remuneration Committee after considering relevant factors such as future scaling up in the operations of the Company and the Rights Issue of the Company.
Variation of terms of options	Nil
Money realized by exercise of options	Nil
Total number of options in force	3,000,000
Employee wise details of options granted to:	
Key Managerial Personnel & Senior Managerial Personnel	Mr. Sandeep Lakhwara, Managing Director (1,500,000 stock options) Mr. S. Subramaniam, Head-Legal & Company Secretary (291,800 stock options) Mr. K. Karunakaran, Chief Financial Officer (291,800 stock options)
Any other employee who receives a grant of options in any one year of option amounting to 5% or more of options granted during that year	Nil
Identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant.	Mr. Sandeep Lakhwara, Managing Director - 1,500,000 Stock Options
Issued Capital (excluding outstanding warrants and conversions of the Company at the time of grant.	₹ 59,218,250
Diluted EPS calculated in accordance with International Accounting Standard (IAS) 33	₹ (0.26)

In case if the voting rights are not directly exercised, to provide additional details as specified in Rule 16(4) of the Companies (Share Capital and Debenture) Rules, 2014.

For and on behalf of the Board

Charles E.E. Devenish

Chairman

DIN: 01252091

Date: November 13, 2015

Place: Bengaluru

ANNEXURE III

STATEMENT ON MANNER OF EVALUATION OF BOARD OF DIRECTORS, COMMITTEE AND INDIVIDUAL DIRECTORS:

The Companies Act, 2013 has prescribed a new set of meeting known as exclusive meeting by Independent Directors to assign more responsibility and power to Independent Directors. As per schedule IV of the Companies Act, 2013, the Independent Directors shall hold at least one meeting in a year, without the attendance of Non-Independent Directors and members of the management and all such directors shall strive to be present at the meeting.

The Independent Directors of the Company held such meeting on May 28, 2015. Amongst other matters, they reviewed the performance of Non-Independent Directors, and the Board as a whole, the performance of the Chairperson of the Company, taking into account the views of Executive Director and Non-executive Directors; and assess the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

Evaluation Criteria of the Board's performance:

During the year under review, the Board adopted a formal mechanism for evaluating its performance as well as that of its Committees and individual Directors, including the Chairman of the Board. The exercise was carried out through a structured evaluation process covering various aspects of the Board functioning such as composition of the Board and Committees, experience and competencies, performance of specific duties and obligations, governance issues etc., Separate exercise was carried out to evaluate the performance of individual Directors including the Board Chairman who were evaluated on parameters such as attendance, contribution at the meetings and otherwise, independent judgment, safeguarding of minority shareholders interest etc., The evaluation of the Independent Directors was carried out by the entire Board and that of the Chairman and the Non-Independent Directors were carried out by the Independent Directors. The Directors were satisfied with the evaluation results, which reflected the overall engagement of the Board and its Committees with the Company.

For and on behalf of the Board

Charles E.E. Devenish

Chairman

DIN: 01252091

Date: November 13, 2015

Place: Bengaluru

ANNEXURE IV**DISCLOSURE FOR RATIO OF REMUNERATION OF EACH DIRECTOR TO THE MEDIAN EMPLOYEE'S REMUNERATION AND OTHER DETAILS AS PER RULE 5 OF THE COMPANIES (APPOINTMENT & REMUNERATION) RULES, 2014**

During the financial year 2014-15 till February 16, 2015, there were only 2 employees both of them were Key Managerial Personnel (KMP) viz., Managing Director and Company Secretary.

The remuneration details of the Managing Director and Company Secretary are given in Annexure V to the Directors' Report.

Mr. Sandeep Lakhwara, Managing Director was appointed for a term of 3 years with effect from May 1, 2013 at a monthly remuneration of ₹ 100,000/-. With the approval of the shareholders by way of a Special Resolution at their 30th AGM held on December 30, 2014 the remuneration was revised to ₹ 700,000/- per month for the balance term from January 1, 2015 to April 30, 2016.

The remuneration drawn by Mr. S. Subramaniam, Head-Legal & Company Secretary was ₹ 30.12 lac per annum compared to ₹ 27.84 lacs for the year 2013-14 representing an increase of 8.2%.

Mr. K. Karunakaran joined as Chief Financial Officer on February 16, 2015 and his remuneration from the said date till year ended March 31, 2015 was ₹3,92,000/-. Details are also given in Annexure V to the Directors' Report.

As at the end of the year, there were 14 employees on the rolls of the Company.

Considering the fact that the Company did not have any employees except KMPs during the major period of financial year under review, the particulars regarding the median remuneration of each director to median employees' remuneration will be furnished for full financial year in the next Annual Report.

STATEMENT PURSUANT TO RULE 5(2) OF COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014.

Name of employee	Sandeep Lakhwara
Designation of employee	Managing Director
Remuneration received	₹ 30,00,000/-
Nature of employment, whether contractual or otherwise	Appointed for a term of 3 years with the approval of the shareholders of the Company (from 1 May, 2013 to April 30, 2016).
Qualifications and experience of the employee	B.Bus., CPA (Australia)
Date of commencement of employment	July 31, 2002
Age of such employee	60 years
Last employment held by such employee before joining the Company	Independent Accounting Practice in Australia
% of equity shares held by the employee in the Company	0.19%
Whether any such employee is a relative of any Director or Manager of the Company and if so, name of such Director or Manager	No

For and on behalf of the Board

Charles E.E. Devenish

Chairman

DIN: 01252091

Date: November 13, 2015

Place: Bengaluru

DECCAN GOLD MINES LIMITED

ANNEXURE V

EXTRACT OF ANNUAL RETURN

As on financial year ended on 31st March 2015

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

CIN	L51900MH1984PLC034662
Registration Date	November 29, 1984
Name of the Company	DECCAN GOLD MINES LIMITED
Category / Sub-Category of the Company	Public Limited Company
Address of the Registered office and contact details	Parinee Crescenzo, C38-C39, G Block, Bandra Kurla Complex, Bandra (East) Mumbai 400051 Tel No: 022-3304 0797 Fax No.: 022-3304 0779 Mail Id: info@deccangoldmines.com Website: www.deccangoldmines.com
Whether listed company	Yes
Name, Address and Contact details of Registrar and Transfer Agent, if any	Link Intime India Private Limited C-13, Pannalal Silk Mills Compound, LBS Marg, Bhandup (West) Mumbai – 400 078 Tel No: 022-6171 5400 Fax No.: 022-2596 0329 Mail Id: mumbai@linkintime.co.in.

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sl. No.	Name and Description of main products/ services	NIC Code of the Product/ service	% to total turnover of the company
1	Gold exploration & mining	7295	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name and address of the Company	CIN / GLN	Holding / subsidiary / associate	% of shares held	Applicable section
1	Deccan Exploration Services Private Limited	U27205KA1997PTC022819	Subsidiary	99%	2 (87)(ii)

I. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity):

i, Category-wise Share Holding:

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	-	-	-	-	-	-	-	-	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	-	-	-	-	-	-	-	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Sub-total(A)(1):	-	-	-	-	-	-	-	-	-
(2) Foreign									
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other – Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	25168681	-	25168681	42.75	24654746	-	24654746	41.63	
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
Sub-total (A)(2):	25168681	-	25168681	42.75	24654746	-	24654746	41.63	-
Total shareholding of Promoter (A) =	25168681	-	25168681	42.75	24654746	-	24654746	41.63	
(A)(1)+(A)(2)	25168681	-	25168681	42.75	24654746	-	24654746	41.63	
B. Public	-	-	-	-					
Shareholding									
(1) Institutions	-	-	-	-					
a) Mutual Funds	-	-	-	-					
b) Banks / FI	-	-	-	-					
c) Central Govt	-	-	-	-					
d) State Govt(s)	-	-	-	-					
e) Venture Capital Funds	-	-	-	-					
f) Insurance Companies	-	-	-	-					
g) FIIs	1805581	-	1805581	3.07	1316473	-	1316473	2.22	
h) Foreign Venture Capital Funds	-	-	-	-					

DECCAN GOLD MINES LIMITED

i) Others – Please specify	-	-	-	-					
Sub-total (B)(1):	1805581	-	1805581	3.07	1316473	-	1316473	2.22	
(2)Non-Institutions									
a) Bodies Corp.									
i) Indian	2909057	-	2909057	4.94	2929130	-	2929130	4.95	
ii) Overseas	-	-	-	-					
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	20264709	91950	20356659	34.58	20506515	91450	20597965	34.78	
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	4532264	-	4532264	7.70	4598132	-	4598132	7.76	
c) Others – clearing member	-	-	-	-	1310	-	1310	-	
(specify)	398632	-	398632	0.68	362215	-	362215	0.62	
d) Others – NRIs (Repatriable)	3509344	-	3509344	5.96	4298569	-	4298569	7.26	
e) Others – NRIs (Non-Repatriable)	107032	-	107032	0.18	349710	-	349710	0.59	
f) Others – Foreign Portfolio Investors	-	-	-	-	1310	-	1310	-	
f) Others - Directors	80000	-	80000	0.14	110000	-	110000	0.19	
Sub-total(B)(2):	31801038	91950	31892988	54.18	33155581	91450	33247031	56.15	
Total Public Shareholding (B)=(B)(1)+(B)(2)	33606619	91950	33698569	57.25	34472054	91450	34563504	58.37	
C. Shares held by	58775300	91950	58867250	100	59126800	91450	59218250	100	
Custodian for									
GDRs & ADRs	-	-	-	-					
	-	-	-	-					
Grand Total									
(A+B+C)	58775300	91950	58867250	100	59126800	91450	59218250	100	

ii. SHAREHOLDING OF PROMOTERS:

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	
1	Rama Mines Mauritius Limited, Mauritius	25168681	42.75	Nil	24654746	41.63	Nil	(1.12)
	Total	25168681	42.75	Nil	24654746	41.63	Nil	(1.12)

iii. CHANGE IN PROMOTERS' SHAREHOLDING (PLEASE SPECIFY, IF THERE IS NO CHANGE):

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	At the beginning of the year	25168681	42.75		
	Date-wise Increase / (Decrease)				
	April 16, 2014@	Nil	(0.23)	25168681	42.52@
	June 6, 2014@	Nil	(0.02)	25168681	42.50@
	June 25, 2014 (Sale)	(24890)	(0.04)	25143791	42.46
	June 26, 2014 (Sale)	(11139)	(0.02)	25132652	42.44
	June 27, 2014 (Sale)	(71253)	(0.12)	25061399	42.32
	June 30, 2014 (Sale)	(49658)	(0.08)	25011741	42.24
	July 17, 2014 (Sale)	(61597)	(0.11)	24950144	42.13
	December 16-17 & 19, 2014 (Sale)	(139760)	(0.24)	24810384	41.89
	January 2 & 5-7, 2015 (Sale)	(155638)	(0.26)	24654746	41.63
	At the End of the year	24654746	41.63		

@ At the beginning of the year, the Company's paid-up capital was 58,867,250 equity shares. The Company had issued and allotted 321,000 equity shares and 30,000 equity shares under the DGML ESOP, 2008 on April 16, 2014 and June 6, 2014 respectively. The shareholding % of Promoter has been calculated as per the enhanced paid-up capital of 59,188,250 equity shares and 59,218,250 equity shares on April 16, 2014 and June 6, 2014 respectively.

iv. SHAREHOLDING PATTERN OF TOP TEN SHAREHOLDERS (OTHER THAN DIRECTORS, PROMOTERS AND HOLDERS OF GDRS AND ADRS):

Attached to this Report as Annexure V-A.

v. SHAREHOLDING OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

Sl. No.	For each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
(1)	Mr. Sandeep Lakhwara , Managing Director				
	At the beginning of the year	80,000	0.14		
	Date-wise Increase / (Decrease)				
	April 16, 2014@	Nil	(0.01)	80000	0.13@
	June 6, 2014@ (issue of shares under DGML ESOP, 2008)	30,000	0.06	110000	0.19@
	At the End of the year	110000	0.19		

DECCAN GOLD MINES LIMITED

(2)	Mr. S.Subramaniam, Head-Legal & Company Secretary				
	At the beginning of the year	31,000	0.05		
	Date-wise Increase / (Decrease)				
	April 16, 2014@ (Issue of shares under DGML ESOP, 2008)	33,000	0.06	64,000	0.11@
	June 6, 2014@	Nil	Nil	64,000	0.11@
	December 9, 2014	(16000)	(0.03)	48,000	0.08
	At the End of the year	48000	0.08		
(3)	Mr. K. Karunakaran, Chief Financial Officer				
	As on February 16, 2015 (date of joining)	36,000	0.06		
	Date-wise Increase / (Decrease)	NIL			
	At the End of the year	36,000	0.06		

@ At the beginning of the year, the Company's paid-up capital was 58,867,250 equity shares. The Company had issued and allotted 321,000 equity shares and 30,000 equity shares under the DGML ESOP, 2008 on April 16, 2014 and June 6, 2014 respectively. The shareholding % of Managing Director and KMPs have been calculated as per the enhanced paid-up capital of 59,188,250 equity shares and 59,218,250 equity shares on April 16, 2014 and June 6, 2014 respectively.

II INDEBTEDNESS:

Indebtedness of the Company including interest outstanding/accrued but not due for payment - Nil

III REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

(in ₹)

Sl. No.	Particulars of Remuneration	Name of Managing Director				Total Amount
		Mr.Sandeep Lakhwara	_____	_____	_____	
1	Gross salary	30,00,000				30,00,000
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	30,00,000				30,00,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	Nil				Nil
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	Nil				Nil
2	Stock Option	@				@
3	Sweat Equity	Nil				Nil
4	Commission	Nil				Nil
	- as % of profit					
	- others, specify					
5	Others, please specify					
	Total (A)	30,00,000				30,00,000
	Ceiling as per the Act	84,00,000#				84,00,000

@ Mr. Sandeep Lakhwara exercised 30,000 stock options under the DGML ESOP, 2008. Details are given under Item No. v above.

Further, Mr. Sandeep Lakhwara was granted 1,500,000 stock options under the DGML ESOP, 2014.

Pursuant to the approval granted by the shareholders at their 30th AGM held on December 30, 2014 by way of a Special Resolution, the remuneration of Mr. Sandeep Lakhwara was revised to ₹ 7,00,000/- for the remaining part of his tenure i.e., with effect from January 1, 2015 till April 30, 2016.

B. REMUNERATION TO OTHER DIRECTORS:

(in ₹)

Sl. No.	Particulars of Remuneration	Name of Directors			Total Amount
		K.R. Krishnamurthy (Mr.)	Moni Ramakrishnan (Dr.)	Vinod Kumar Gaur (Prof.)	
	1. Independent Directors				
	• Fee for attending board / committee meetings	57,500	37,500	12,500	1,07,500
	• Commission	Nil	Nil	Nil	Nil
	• Others, please specify	Nil	Nil	Nil	Nil
	Total (1)	57,500	37,500	12,500	1,07,500
	2. Other Non-Executive Directors	Nil	Nil	Nil	Nil
	• Fee for attending board / committee meetings	Nil	Nil	Nil	Nil
	• Commission	Nil	Nil	Nil	Nil
	• Others, please specify	Nil	Nil	Nil	Nil
	Total (2)	Nil	Nil	Nil	Nil
	Total (B)=(1+2)	57,500	37,500	12,500	1,07,500
	Total Managerial Remuneration	57,500	37,500	12,500	1,07,500
	Overall Ceiling as per the Act	The Non-Executive Directors have not been paid any remuneration except Sitting fees.			

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			Total
			Company Secretary	CFO (joined on February 16, 2015)	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961		30,12,000	3,92,000	34,04,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961		Nil	Nil	Nil
	(c) Profits in lieu of salary under section 17(3) Income tax Act, 1961		Nil	Nil	Nil
2	Stock Option		*See note below	* See note below	
3	Sweat Equity		Nil	Nil	Nil
4	Commission		Nil	Nil	Nil
	- as % of profit				
	- others, specify				
5	Others, please specify		Nil	Nil	Nil
	Total		30,12,000	3,92,000	34,04,000

*On March 10, 2015 CFO and Company Secretary have each been granted 291,800 stock options under the DGML ESOP, 2014.

IV. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: - Nil

For and on behalf of the Board

Charles E.E. Devenish

Chairman

DIN: 01252091

Date: November 13, 2015

Place: Bengaluru

DECCAN GOLD MINES LIMITED

Annexure V-A

Deccan Gold Mines Limited ISIN : INE945F01025

MGT-9 IV. Shareholding Pattern of Top Ten Shareholders

Sr No.	Name & Type of Transaction	Shareholding at the beginning of the year - 2014		Transactions during the year		Cumulative Shareholding at the end of the year - 2015	
		NO.OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY	DATE OF TRANSACTION	NO. OF SHARES	NO OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY
1	GOVIND SUBHASH SAMANT	1655000	2.7947			1655000	2.7947
	Transfer			04 Jul 2014	45000	1700000	2.8707
	Transfer			19 Sep 2014	90258	1790258	3.0232
	Transfer			03 Oct 2014	8894	1799152	3.0382
	Transfer			24 Oct 2014	5848	1805000	3.0480
	Transfer			31 Oct 2014	5000	1810000	3.0565
	Transfer			31 Dec 2014	30000	1840000	3.1072
	AT THE END OF THE YEAR					1840000	3.1072
2	ANAND MAHENDRA SARVAIYA	1175000	1.9842			1175000	1.9842
	Transfer			30 May 2014	23415	1198415	2.0237
	Transfer			06 Jun 2014	36585	1235000	2.0855
	Transfer			13 Jun 2014	92000	1327000	2.2409
	Transfer			20 Jun 2014	35000	1362000	2.3000
	Transfer			04 Jul 2014	53000	1415000	2.3895
	Transfer			11 Jul 2014	46000	1461000	2.4671
	Transfer			18 Jul 2014	39000	1500000	2.5330
	Transfer			25 Jul 2014	110000	1610000	2.7188
	AT THE END OF THE YEAR					1610000	2.7188
3	MSPL LIMITED	1527819	2.5800			1527819	2.5800
	Transfer			11 Apr 2014	3000	1530819	2.5850
	Transfer			23 May 2014	5300	1536119	2.5940
	Transfer			20 Jun 2014	4500	1540619	2.6016
	Transfer			29 Aug 2014	4800	1545419	2.6097
	Transfer			06 Feb 2015	(15475)	1529944	2.5836
	Transfer			13 Feb 2015	10000	1539944	2.6005
	Transfer			27 Feb 2015	2955	1542899	2.6054
	AT THE END OF THE YEAR					1542899	2.6054
4	MOTILAL GOPILAL OSWAL .	800000	1.3509			800000	1.3509
	AT THE END OF THE YEAR					800000	1.3509
5	NATIONAL WESTMINSTER BANK PLC AS TRUSTEE OF THE JUPITER INDIA FUND	658237	1.1115			658237	1.1115
	AT THE END OF THE YEAR					658237	1.1115

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6	JUPITER SOUTH ASIA INVESTMENT COMPANY LIMITED - SOUTH ASIA ACCESS FUND	658236	1.1115			658236	1.1115
	AT THE END OF THE YEAR					658236	1.1115
7	VIDYASHANKAR K S	571893	0.9657			571893	0.9657
	AT THE END OF THE YEAR					571893	0.9657
8	VIMLA DEVI SONKIA	241342	0.4075			241342	0.4075
	Transfer			20 Jun 2014	240180	481522	0.8131
	AT THE END OF THE YEAR					481522	0.8131
9	P. RAJESHKUMAR JAIN	305891	0.5165			305891	0.5165
	Transfer			11 Apr 2014	5998	311889	0.5267
	Transfer			18 Jul 2014	4500	316389	0.5343
	Transfer			25 Jul 2014	3602	319991	0.5404
	Transfer			01 Aug 2014	450	320441	0.5411
	Transfer			22 Aug 2014	9000	329441	0.5563
	Transfer			29 Aug 2014	4500	333941	0.5639
	Transfer			05 Sep 2014	450	334391	1.3374
	Transfer			19 Sep 2014	720	335111	0.5659
	Transfer			17 Oct 2014	45000	380111	0.6419
	Transfer			24 Oct 2014	9000	389111	0.6571
	Transfer			31 Dec 2014	9500	398611	0.6731
	Transfer			09 Jan 2015	55226	453837	0.7664
	Transfer			30 Jan 2015	(15827)	438010	0.7397
	Transfer			06 Feb 2015	(7000)	431010	0.7278
	Transfer			31 Mar 2015	600	431610	0.7288
	AT THE END OF THE YEAR					431610	0.7288
10	MAHENDRA RATILAL SARVAIYA	75000	0.1267			75000	0.1267
	Transfer			09 May 2014	5000	80000	0.1351
	Transfer			16 May 2014	10000	90000	0.1520
	Transfer			04 Jul 2014	22416	112416	0.1898
	Transfer			11 Jul 2014	17584	130000	0.2195
	Transfer			08 Aug 2014	12878	142878	0.2413
	Transfer			15 Aug 2014	17122	160000	0.2702
	Transfer			22 Aug 2014	6207	166207	0.2807
	Transfer			29 Aug 2014	8793	175000	0.2955
	Transfer			14 Nov 2014	(200)	174800	0.2952
	Transfer			23 Jan 2015	4200	179000	0.3023
	Transfer			30 Jan 2015	2000	181000	0.3056
	Transfer			06 Feb 2015	9000	190000	0.3208
	Transfer			13 Feb 2015	5000	195000	0.3293
	Transfer			20 Feb 2015	5000	200000	0.3377

DECCAN GOLD MINES LIMITED

	Transfer			27 Feb 2015	15000	215000	0.3631
	Transfer			06 Mar 2015	5000	220000	0.3715
	Transfer			13 Mar 2015	10000	230000	0.3884
	Transfer			20 Mar 2015	5000	235000	0.3968
	Transfer			27 Mar 2015	5000	240000	0.4053
	AT THE END OF THE YEAR					240000	0.4053
11	HITESH SATISHCHANDRA DOSHI	258054	0.4358			258054	0.4358
	Transfer			02 May 2014	(26601)	231453	0.3908
	Transfer			23 May 2014	(7500)	223953	0.3782
	Transfer			08 Aug 2014	447906	671859	1.1345
	Transfer			14 Nov 2014	(63616)	160337	0.2708
	Transfer			21 Nov 2014	(39116)	121221	0.2047
	Transfer			28 Nov 2014	(36000)	85221	0.1439
	Transfer			05 Dec 2014	(17050)	68171	0.1151
	Transfer			12 Dec 2014	(13171)	55000	0.0929
	Transfer			31 Dec 2014	(35000)	20000	0.0338
	Transfer			02 Jan 2015	(10000)	10000	0.0169
	Transfer			09 Jan 2015	(7500)	2500	0.0042
	Transfer			06 Feb 2015	7928	10428	0.0176
	Transfer			13 Feb 2015	6124	16552	0.0280
	Transfer			27 Feb 2015	27853	44405	0.0750
	Transfer			31 Mar 2015	15000	59405	0.1003
	AT THE END OF THE YEAR					59405	0.1003
12	MAVI INVESTMENT FUND LIMITED	487798	0.8237			487798	0.8237
	Transfer			12 Dec 2014	(487798)	0	0.0000
	AT THE END OF THE YEAR					0	0.0000

Note:

1. Paid up Share Capital of the Company (Face Value ₹ 1.00) at the end of the year is 59218250 Shares.
2. The details of holding has been clubbed based on PAN.
3. % of total Shares of the Company is based on the paid up Capital of the Company at the end of the Year.

For and on behalf of the Board

Charles E.E. Devenish

Chairman

DIN: 01252091

Date: November 13, 2015

Place: Bengaluru

SECRETARIAL AUDIT REPORT

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No. 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2015

To
The Members
DECCAN GOLD MINES LIMITED
Mumbai

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate governance practice by Deccan Gold Mines Limited (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's Books, Papers, Minutes Books, Forms and Returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended 31st March, 2015, complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

1. We have examined the books, papers, minute books, forms and returns filed and other records maintained by Deccan Gold Mines Limited ("the Company") as given in Annexure I, for the financial year ended on 31st March, 2015, according to the provisions of:
 - (i) The Companies Act, 2013 (the Act) and the rules made thereunder for specified sections notified and came into effect from 12th September, 2013 and sections and Rules notified and came into effect from 1st April, 2014;
 - (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
 - (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
 - (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment;
 - (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - i. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - ii. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
2. Provisions of the following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') were not applicable to the Company under the financial year under report:-
 - i. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - ii. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - iii. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
 - iv. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
 - v. The Securities and Exchange Board of India (Registrars to a Issue and Share Transfer Agents) Regulations, 1993, regarding the Companies Act and dealing with client; and
 - vi. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009.

DECCAN GOLD MINES LIMITED

3. We have relied on the representation made by the Company and its Officers for systems and mechanism formed by the Company for compliances under other applicable Acts, Laws and Regulations to the Company. The list of major head/groups of Acts, Laws and Regulations as applicable to the Company is given in Annexure II.

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India under the provisions of Companies Act, 1956; and
- (ii) The Listing Agreements entered into by the Company with Stock Exchange(s);

During the financial year under report, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the year under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

For RATHI & ASSOCIATES
COMPANY SECRETARIES

JAYESH SHAH
PARTNER
FCS: 5637
COP: 2535

Mumbai
Dated: 13 November, 2015

ANNEXURE - I

List of documents verified

1. Memorandum & Articles of Association of the Company.
2. Annual Report for the financial year ended 31st March, 2014
3. Minutes of the meetings of the Board of Directors, Audit Committee, Nomination & Remuneration Committee, Compensation Committee and Investor & Shareholder grievance Committee (Stakeholders' Relationship Committee) along with Attendance Register held during the financial year under report.
4. Minutes of General Body Meetings held during the financial year under report.
5. Statutory Registers viz.
 - Register of Directors & KMP and their Shareholding
 - Register of Employee Stock Options
 - Register of loans, guarantees and security and acquisition made by the Company (Form No. MBP-2)
 - Register of Investments (Form No. MBP-3)
6. Agenda papers submitted to all the directors / members for the Board Meetings and Committee Meetings.
7. Declarations received from the Directors of the Company pursuant to the provisions of Section 299 of the Companies Act, 1956 and Section 184 of the Companies Act, 2013.
8. Intimations received from directors under the prohibition of Insider Trading Code.
9. e-Forms filed by the Company, from time to time, under applicable provisions of the Companies Act, 1956 and Companies Act, 2013 and attachments thereof during the financial year under report.
10. Intimations / documents / reports / returns filed with the Stock Exchanges pursuant to the provisions of Listing Agreement during the financial year under report.
11. Documents related to payments of dividend made to its shareholders during the financial year under report.
12. Documents related to issue of shares under ESOP Scheme viz. ESOP Scheme, Exercise forms, Listing applications, Corporate Action Form, etc. filed with Stock Exchanges and Listing approvals received thereon.

ANNEXURE – II

List of applicable laws to the Company

1. The Mines and Minerals (Regulation and Development) Act, 1957
2. The Mines Act, 1952
3. The Mines Rules, 1955
4. The Mineral Concession Rules, 1960
5. The Mineral Conservation and Development Rules, 1988
6. Maternity Benefit (Mines) Rules, 1963
7. Mines Rescue Rules, 1985
8. The Forest (Conservation) Act, 1980
9. The Forest (Conservation) Rules, 1981
10. The Karnataka Shops and Commercial Establishments Act, 1961
11. The Karnataka Tax On Professions, Trades, Callings And Employment Act, 1976
12. The Bombay Shop & Establishment Act, 1948
13. Income Tax Act, 1961
14. Companies Act, 2013

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, 2015
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	99%
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	6,638
	ii) For the previous financial year of the subsidiary	6,870
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 : 28 May, 2015

S. Subramaniam
Company Secretary

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

INTRODUCTION

Deccan Gold Mines Limited (“DGML”) is the first and only gold exploration Company from the private sector that is listed on the Bombay Stock Exchange Limited (BSE). DGML was established in the year 2003 by Australian Promoters with vast experience in gold exploration and mining.

Since its inception, 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 subsidiary, Deccan Exploration Services Private Limited (DESPL) now have a large portfolio of gold exploration prospects primarily in the State of Karnataka.

The key project of DESPL is the Ganajur Gold Project situated in the State of Karnataka. A Mining Lease over the Ganajur Gold Project has been approved by the Ministry of Mines, Government of India (MoM) and the file is presently under the active consideration of the State Government of Karnataka for issue of grant notification letter.

DGML and DESPL have also got other high potential projects that are at various stages of development like Mangalagatti, Bhavihal and Hirenagnur Projects 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 of DGML and DESPL has been provided under the heading “Status of Mineral Concession Applications”.

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

Indian mining industry is characterized by a large number of small operational mines. The number of mines which reported mineral production (excluding minor minerals, crude petroleum, natural gas and atomic minerals) in India was 3461 in 2013-14 as against 3691 in the previous year.

India's gold production dropped 8% to 1.43 tonne in 2014-15 compared to 1.56 tonne in 2013-14. During the period from April 2014 to February 2015, gold import stood at 782 tonnes, while for the entire 2013-14 fiscal the same was 661.71 tonnes. (Source: Economic Times dated April 27, 2015).

India is a traditional and stable market for gold consumption. The present and future production of gold will not be sufficient to meet the ever increasing demand. Therefore, efforts will be required to reduce the gap between production and demand.

There has been a lot of talk in the past of gold imports into India acting as the major catalyst of the Country's Current Account Deficit (CAD).

The Government of India should therefore promote and facilitate the development of the gold mining Industry by improving Regulatory environment and fast tracking the grant of licenses to enable increased gold production in the country.

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 ₹ 1368.05 lac (cumulative) on exploration on its prospects as on 31 March 2015. The amount of exploration expenditure (cumulative) incurred as on 31 March, 2014 was ₹ 1266.95 lac.

Administrative and other costs for the year ended 31 March 2015 were ₹ 198.52 lacs compared to ₹ 92.54 lac for the year ended 31 March 2014.

The net loss (after tax) of the company for the year ended 31 March 2015 was ₹ 160.49 lac compared to ₹ 33.59 lac for the year ended 31 March 2014.

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

Internal Risk Factors

The Company is engaged in the business of gold exploration and mining, but has not commenced mining operations. Our exploration and mining activities depend on the timely grant, renewal and continuance in force of prospecting / mining leases which are valid only for a definite period of time and may provide for early termination. Other risks include actual resources differing from estimates, operational delays and availability of equipment, personnel and infrastructure.

The Mines and Minerals (Development and Regulation) Amendment Act, 2015 has amended the Mines and Minerals (Development & Regulation) Act, 1957 as a result of which, some of our applications have become ineligible by way of Section 10A of the Amendment Act, 2015. The regulatory framework for mining industry in India is evolving and any further regulatory changes, as and when introduced, could have a material adverse effect on our mineral concession applications.

Our operations are subject to extensive governmental and environmental regulations. Any failure to comply with such requirements, including obtaining required permits, approvals and clearances in a timely manner may adversely affect our operations. Further, if we are unable to acquire land and associated surface rights to access our ore reserves, we may be unable to mine our ore reserves which could materially and adversely affect our business, results of operations and financial condition.

Inability to obtain adequate financing to meet our Company's liquidity and capital resource requirements may have an adverse effect on the proposed mining activities of our Company and business operations.

External Risk Factors

Any changes in the regulatory framework could adversely affect our operations and growth prospects. Our business and prospects could be materially adversely affected by changes in any of these regulations and policies, including the introduction of new laws, policies or regulations or changes in the interpretation or application of existing laws, policies and regulations. Further, a slowdown in economic growth in the markets in which we operate could cause our business to suffer.

The securities markets are volatile and stock exchanges have in the past experienced substantial fluctuation in the prices of listed securities which could impact on the share price of the Company.

All the above factors notwithstanding, the 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

Since early ages, gold represents the wealth of a nation and later on evolved as a form of investment too. Referred to as "Bullion" in bulk form, it can cast as ingots or minted into coins. On account of its volatility in terms of price, gold has the ability to tilt an individual's or a nation's economic fortunes.

Demand for gold in India has always outstripped supply resulting in imports of the precious metal causing a severe drain on the country's forex reserves. Unless there is a step-up in the gold production, significant quantities of gold will continue to be imported in the years to come. This will require more reserves to be explored and established.

Geologically, India has a shared history with Western Australia and parts of Africa as these were formerly part of the Gondwana super-continent that existed 300 million years ago. So, there remains a positive probability of more discoveries.

Despite having good geological prospectivity, the exploration spend in India is abysmally low. It is interesting to

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note that 14% of the total world exploration expenditure was spent in Canada, 12% in Australia and 6% in China. Of the US \$ 10.74 billion spent globally, about 50% was on gold exploration.

Given the high odds and risks in exploration, India needs an attractive exploration policy which will encourage private investment and expertise. Government should define a timeframe for base level geological data generation of potential areas. It should also provide comprehensive geological, geo-chemical and geo-physical data sets to facilitate investment as practised in countries like Australia and Canada.

Mining industry in India is the highest taxed. The effective charge to a miner comes to approximately 60% as compared with 35% – 40% in other countries. A business-friendly tax regime will encourage exploration companies to build large inventories of mineral resources and reserves of different grades.

Mining and exploration companies would also stand to benefit from improved automation and computer-linked systems. Accurate data representing the geology, geo-chemistry, structure, shape, location and size of the resource make a successful mine.

The Indian economy is reviving helped by positive actions that have instilled confidence. The Indian economy is the bright spot in the global landscape, becoming one of the fastest growing big emerging economies in the world. India's economic profile recently got a lift as the country improved the way it measures economic output. (Source : International Monetary Fund – www.imf.org).

Deccan Gold Mines Limited, the only private sector listed gold exploration company is positively placed to take advantage of the potential that the sector offers. DGML with state of the art technology; a large 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 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 resource 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 2015 as stipulated in 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 : 13 November, 2015

Himanshu S. Kamdar
Partner
FCS No. 5171

REPORT ON CORPORATE GOVERNANCE

for the year ended and as on 31 March, 2015

(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, structure and relationship 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 March 31, 2015.

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 March 31, 2015, the Board comprised of 6 Directors out of which one is an Executive Director and the other 5 are Non Executive Directors. Out of the 5 Non Executive Directors, 4 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 is well-balanced with members from diverse backgrounds who have years of experience and expertise in various fields.

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	Non-Independent, 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
Ms. Pratima Ram*	Additional Director	Non-Executive, Independent	3	Nil	2

*appointed w,e,f. March 30, 2015

Notes:

- For the purpose of considering the limit of directorship positions, foreign companies have been excluded.
- For the purpose of considering the limit of committee membership positions, membership of only Audit Committee and Stakeholders Relationship Committee have been considered.
- There are no inter-se relationships amongst the directors.

b) Reappointment of Directors

Detailed profile of Mr. Charles E.E. Devenish, liable to retire by rotation and who being eligible has offered himself for re-appointment and Ms. Pratima Ram, Additional Director who being eligible has offered herself for appointment as a Director, subject to the approval of shareholders, is furnished along with the Notice convening the ensuing Annual General Meeting.

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

Eight Board Meetings were held during the financial year 2014-15. These meetings were held on May 29, 2014; August 13, 2014; September 23, 2014; November 14, 2014; November 19, 2014; December 30, 2014; February 13, 2015 and March 27, 2015.

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 December 30, 2014 are as follows:

Name of the Director	No. of Board Meetings attended	Attendance at the last Annual General Meeting (Yes / No)
Mr. Charles E.E. Devenish	8	Yes
Mr. Sandeep Lakhwara	8	Yes
Mr. K.R. Krishnamurthy	5	Yes
Dr. M. Ramakrishnan	3	No
Prof. V.K. Gaur	1	No
Ms. Pratima Ram*	Not applicable	Not applicable

*Appointed on March 30, 2015

Separate meeting of Independent Directors

A separate meeting of Independent Directors was held on May 28, 2015.

Code of conduct

The Code for Conduct for Directors and Senior Management is in force and the said Code is also posted on the Company's website.

3. AUDIT COMMITTEE**a) Brief description of terms of reference and powers:**

- (i) The recommendation for appointment, remuneration and terms of appointment of auditors of the Company.
- (ii) Review and monitor the auditor's independence and performance, and effectiveness of audit process.
- (iii) Examination of the financial statement and the auditors' report thereon.
- (iv) Approval or any subsequent modification of transactions of the Company with related parties.
- (v) Scrutiny of inter-corporate loans and investments.
- (vi) Valuation of undertakings or assets of the Company, wherever it is necessary.
Evaluation of internal financial controls and risk management systems.
- (vii) Monitoring the end use of funds raised through public offers and related matters.
- (viii) 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;
- (ix) Approval of payment to Statutory Auditors for any other services rendered by the Statutory Auditors;
- (x) Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:
 - a) Matters to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013;
 - 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;

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- 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.
- (xi) Reviewing, with the management, the quarterly financial statements before submission to the board for approval.
- (xii) Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
- (xiii) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
- (xiv) 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.
- (xv) Discussion with internal auditors of any significant findings and follow up there on.
- (xvi) 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.
- (xvii) 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.
- (xviii) 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.
- (xix) To review the functioning of the Whistle Blower mechanism.
- (xx) Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;

The Audit Committee may call for the comments of the auditors about internal control systems, the scope of audit, including observations of the auditors and review of financial statement before their submission to the Board and may discuss any related issues with the internal and statutory auditors and the management of the Company.

The Audit Committee shall also have authority to investigate into any matters specified under (i) to (viii) above or such other matters referred to it by the Board and for this purpose shall have the power to obtain professional advice from external sources and have full access to information contained in the records of the company.

The auditors of the Company and the key managerial personnel shall have a right to be heard in the meetings of the Audit Committee when it considers the auditors' report but shall not have the right to vote.

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 meetings of the Audit Committee were held during the financial year 2014-15. These meetings were held on May 29, 2014; August 13, 2014; November 14, 2014; and February 13, 2015.

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	3
Prof. V.K. Gaur	1

- 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.
- e) The Chairman of the Audit Committee was present at the last Annual General Meeting held on 30th December 2014.

4. NOMINATION & REMUNERATION COMMITTEE**a) Brief Description of terms of reference**

Although a non-mandatory requirement, the Company has constituted a Remuneration Committee and the name of the Company was changed to Nomination and Remuneration Committee. This Committee functions as the Compensation Committee / Nomination & Remuneration Committee under the supervision and control of the Board of Directors in accordance with the applicable SEBI Guidelines and for the purposes of Section 178 of the Companies Act, 2013.

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

During the financial year 2014-15, the Committee met five times.

The committee met on April 16, 2014 & June 6, 2014 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. Both these meetings were attended by Mr. K.R. Krishnamurthy and Dr. M. Ramakrishnan.

The Committee met on November 14, 2014 to recommend the variation in the terms and conditions of appointment of Managing Director. Mr. K.R. Krishnamurthy and Prof. V.K. Gaur attended the meeting.

DECCAN GOLD MINES LIMITED

Further, the Committee met twice on January 14, 2015 & March 10, 2015 for grant of stock options under the DGML ESOP, 2014. Both these meetings were attended by Mr. K.R. Krishnamurthy and Prof V.K. Gaur.

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, 2013.

Details of the sitting fee paid to Non Executive Directors during the year 2014-15 is as under:

Name of the Director / Member	Sitting Fees paid for attending meetings of (in ₹)	
	Board	Audit Committee
Mr. K.R. Krishnamurthy	50000	7500
Dr. M. Ramakrishnan	30000	7500
Prof. V.K. Gaur	10000	2500
Total	90000	17500

iii) Executive Directors

The aggregate of the salary paid in the financial year 2014 – 15 to Mr. Sandeep Lakhwara, Managing Director is ₹ 30,00,000/-.

5. STAKEHOLDERS RELATIONSHIP COMMITTEE

a) Chairman of 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 2014-15. These meetings were held on May 29, 2014; August 13, 2014 and November 14, 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 2014 – 15, the Company did not receive any investor complaints. 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
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.
2013-14	30/12/2014	2.30 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
December 30, 2014	Variation in the terms and conditions of the appointment of Mr. Sandeep Lakhwara, Managing Director.
December 30, 2014	Introduction of Deccan Gold Mines Limited Employee Stock Option Scheme, 2014.
December 30, 2014	Grant of stock options under the Deccan Gold Mines Limited Employee Stock Option Scheme, 2014 to Managing Director in excess of 1% of the paid-up capital of the Company in a year.
December 30, 2014	Extension of the coverage and benefits of the Deccan Gold Mines Limited Employee Stock Option Scheme, 2014 to the eligible employees of current and future holding / subsidiary companies

iii) During the financial year 2014-15, the following resolutions were passed through Postal Ballot.

Date of passing of resolution	Particulars of Special Resolutions Passed
March 12, 2015	To increase the authorised Capital from ₹10 Crores to ₹ 25 Crores and thereby altering the Capital Clause of the Memorandum of Association
March 12, 2015	To alter the Capital Clause of Articles of Association of the Company
March 12, 2015	Authority to Board of Directors to borrow moneys in excess of paid up capital and free reserves of the company in terms of Section 180(1)(c) of the Companies Act, 2013
March 12, 2015	Authority to Board of Directors to create charge on the assets of the Company in terms of Section 180(1)(a) of the Companies Act, 2013
March 12, 2015	Authority to Board of Directors to grant loans or make investments in the securities or give guarantee(s) to any Body Corporate
March 12, 2015	Increasing the NRI and PIO investment limit in the Company from 10% to 24%.

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Details of voting pattern of the resolutions passed through postal ballot is as under:

Particulars	% of shares voted in favour of the resolution	% of shares against the resolution
To increase the authorised Capital from ₹10 Crores to ₹ 25 Crores and thereby altering the Capital Clause of the Memorandum of Association.	99.97%	0.03%
To alter the Capital Clause of Articles of Association of the Company	99.98%	0.02%
Authority to Board of Directors to borrow moneys in excess of paid up capital and free reserves of the company in terms of Section 180(1) (c) of the Companies Act, 2013.	99.96%	0.04%
Authority to Board of Directors to create charge on the assets of the Company in terms of Section 180(1)(a) of the Companies Act, 2013.	99.89%	0.11%
Authority to Board of Directors to grant loans or make investments in the securities or give guarantee(s) to any Body Corporate	99.83%	0.17%
Increasing the NRI and PIO investment limit in the Company from 10% to 24%.	99.96%	0.04%

- iv) The above Special Resolutions, passed by Postal Ballot were in accordance with the provisions of Section 110 of the Companies Act, 2013 read with Companies (Management and Administration) Rules, 2014.
- v) No Special resolution is proposed to be passed through Postal Ballot in the ensuing AGM.

7. DISCLOSURES

- a) 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 March 31, 2015.
- b) 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.
- c) The Company has complied with all the mandatory requirements as contained in Clause 49 of the Listing Agreement.

8. MEANS OF COMMUNICATION

- i. 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).
- ii. The website of the Company (www.deccangoldmines.com) also displays official news releases issued on behalf of the Company.
- iii. 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	Wednesday, December 30, 2015
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 March 31, 2015, has been published by the Company upon approval of the Audit Committee and Board of Directors of the Company at their meeting held on May 28, 2015.

The financial calendar would be as under:

Unaudited financial results for quarter / half-year ending	Reporting Date (Tentative)
June 30, 2015	By August 14, 2015*
September 30, 2015	By November 14, 2015*
December 31, 2015	By February 14, 2016
March 31, 2016	By May 31, 2016
Annual General Meeting for the year ending March 31, 2016	By September 30, 2016

* The unaudited financial results for the quarter ended June 30, 2015 and quarter/half year ended September 30, 2015 were approved by the board of directors and published as per the above calendar.

iii. Date of Book Closure

December 22, 2015 (Tuesday) to December 30, 2015 (Wednesday) - 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 for the financial year 2015-16.

vi. Stock Code

512068 (BSE).

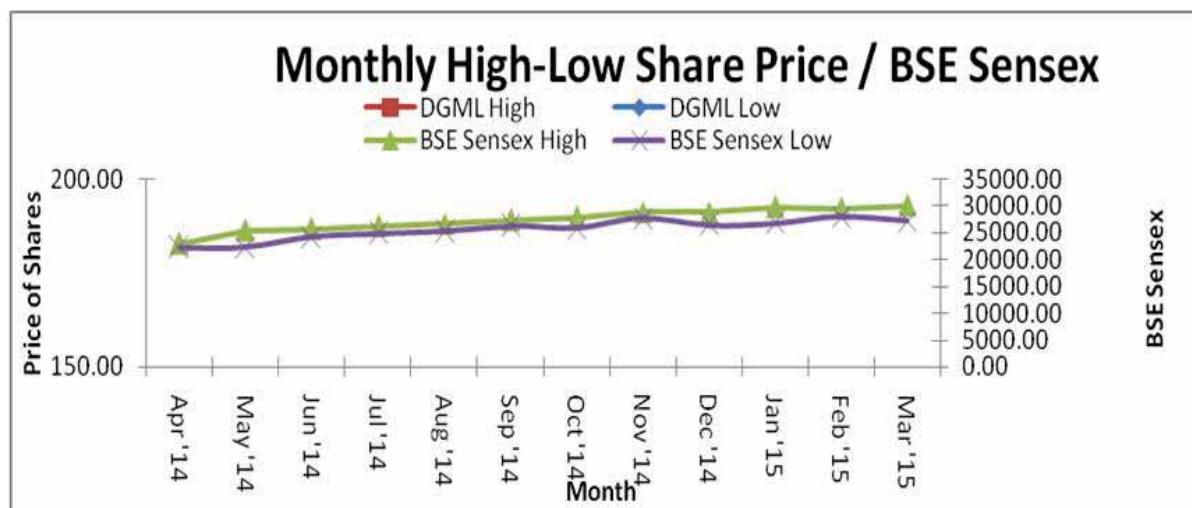
vii. Market price data – high & low during each month of last financial year

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 2014	19.95	16.80	22939.31	22197.51
May 2014	22.95	16.70	25375.63	22277.04
June 2014	24.95	21.05	25725.12	24270.20
July 2014	26.25	20.70	26300.17	24892.00
August 2014	21.90	19.45	26674.38	25232.82
September 2014	29.90	19.15	27354.99	26220.49
October 2014	24.65	20.30	27894.32	25910.77
November 2014	41.25	24.65	28822.37	27739.56
December 2014	52.10	32.15	28809.64	26469.42
January 2015	50.55	30.30	29844.16	26776.12
February 2015	41.00	33.00	29560.32	28044.49
March 2015	36.50	27.30	30024.74	27248.45

DECCAN GOLD MINES LIMITED

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 21 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.

xi. Shareholding Pattern & Distribution of Shareholding

(a) Shareholding Pattern (as at 31 March, 2015)

Sr. No.	Category	No. of Shares held	%
1.	Promoter Group	24654746	41.63
2.	Banks/FI/FII/Mutual Funds / UTI / Central & State Govt.,/ Venture Capital / Foreign Venture Capital / Trusts	1317783	2.22
3.	Bodies Corporate	2929130	4.95
4.	Individual Public shareholders	25196097	42.54
5.	Clearing Member	362215	0.62
6.	Non Resident Indians / NRNs	4648279	7.85
7.	Directors / Relatives	110000	0.19
	Total	59,218,250	100.00

(b) Distribution of Shareholding (as at March 31, 2015)

Shareholding of Nominal Value (₹)	No. of Shareholders	% of Total	Shares	% of Total
1 - 500	14753	74.65	2819554	4.76
501 - 1000	2310	11.69	2019771	3.41
1001 - 2000	1096	5.55	1779792	3.01
2001 - 3000	421	2.13	1097542	1.85
3001 - 4000	222	1.12	811844	1.37
4001 - 5000	191	0.97	914803	1.55
5001 - 10000	338	1.71	2569316	4.34
10001 and above	432	2.19	47205628	79.71
TOTAL		100.00	59,218,250	100.00

xii. Dematerialisation of Shares and Liquidity

About 99.85% of the shares have been dematerialized as on March 31, 2015. 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 2015

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
5	Ms Pratima Ram	Nil

xiv. 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 March 31, 2015. 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 and under the DGML ESOP 2014 are given in the Annexure to the Directors' Report forming part of the Annual Report for the year 2014-15.

DECCAN GOLD MINES LIMITED

xv. 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

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,

No. 5, 19th Main Road, 4th Sector,

HSR Layout, Bengaluru 560102

Tel : 91-80-6715 5700 & Fax : 91-80-6715 5701

e-mail : info@deccangoldmines.com

Neither the Company nor the Registrars have any undelivered equity share certificate (s) lying with them.

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

II. Remuneration Committee

Particulars of constitution of Remuneration Committee and terms of reference thereof have 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 a formal policy at present for training of the Board Members of the Company.

VI. Mechanism for evaluating non-executive board members

There is a formal mechanism existing at present for performance evaluation of non-executive directors.

VII. Whistle Blower Policy

The Company has 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 : 13 November, 2015

Sandeep Lakhwara
(Managing Director)

INDEPENDENT AUDITOR'S REPORT

To the Members of Deccan Gold Mines Limited,

REPORT ON THE STANDALONE FINANCIAL STATEMENTS

We have audited the accompanying standalone financial statements of Deccan Gold Mines Limited ("the Company"), which comprises the Balance Sheet as at March 31, 2015, 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 STANDALONE FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in Section 134 (5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the act for safeguarding of the assets of the company for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; Making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatements, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the rules made there under. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India, as specified under section 143(10) of the Act. 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 financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the company has in place an adequate internal financial system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the company's Directors, 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 on the standalone financial statements.

OPINION

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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, 2015;
- (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.

DECCAN GOLD MINES LIMITED

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 1 a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143(3) of the Act, we report that:
 - a) We have sought and 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 it appears from our examination of those books;
 - 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;
 - d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under section 133 of the Act, read with rule 7 of the Companies (Accounts) rules, 2014;
 - e) On the basis of written representations received from the directors as on March 31, 2015, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015, from being appointed as a director in terms of section 164(2) of the Act;
 - f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us;
 - i) The company does not have any pending litigations which would impact its financial position
 - ii) The company does not have any long term contracts including derivative contracts for which there were any material foreseeable losses
 - iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the company.
 - g) Attention is also invited to;

Note No.27 in "Notes to Account, regarding the standalone financial statements of the Company having been prepared on going concern basis, notwithstanding the fact that its net worth is completely eroded.

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

CA K.V. BESWAL
PARTNER
Membership Number: 131054

Place : Mumbai
Dated : 28 May 2015

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, quantitative details and situation of its 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.
2. Based on our scrutiny of the company's books of accounts and other records and according to the information and explanations given to us, we are of the opinion that the company has not purchased/sold goods during the year nor is there any opening stocks. Requirement on reporting on physical verification of stocks or maintenance of inventory records, in our opinion, does not arise.
3. The Company has not granted any loans, secured or unsecured to the companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act, 2013.
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. According to the information and explanations given to us, the Company has not accepted any deposits from public.
6. As informed to us, the Central Government has not prescribed the maintenance of Cost records under section 148 of the Companies Act, 2013 for any of the activities of the company.
7. In respect of Statutory Dues:
 - (a) According to record of the Company produced before us, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, customs duty, excise duty, cess and other statutory dues applicable to it.
 - (b) According to the information and explanations given, no undisputed amounts payable in respect of Income-Tax, sales tax, wealth tax, service tax, customs duty, excise duty/cess were outstanding as at 31.03.2015 for a period of more than six months from the date they became payable.
 - (c) According to the records of the company there are no dues of Income-Tax, sales tax, wealth tax, service tax, customs duty, excise duty/cess which have not been deposited on account of any dispute.
 - (d) According to the records of the company there are no amounts to be transferred to Investor Education & Protection Fund.
8. The accumulated losses of the Company are more than 50% of its net worth as at 31/03/2015. The company has incurred a cash loss of Rs.115.21 Lacs in the current financial year and Rs.31.65 Lacs in the immediately preceding financial year.
9. As per the information and explanations given to us the company has not obtained any loan from any financial institution or bank and issued debentures.
10. The company has not given any corporate guarantees in connection with loan taken by others.

DECCAN GOLD MINES LIMITED

11. According to the records of the Company, the Company has not obtained any term loans during the year. Hence, comments under the clause are not called for.
12. 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 : 28 May 2015

DECCAN GOLD MINES LIMITED

(FORMERLY WIMPER TRADING LIMITED)

BALANCE SHEET AS AT 31 MARCH 2015

(Amount in '000)

Particulars	Note No.	31-03-2015	31-03-2014
I. EQUITY AND LIABILITIES			
Shareholders' Funds			
(a) Share capital	1	59,218	58,867
(b) Reserves and surplus	2	(93,035)	(71,252)
(c) Employee Stock Option Outstanding		7,063	4,769
(d) Share Application Money		-	4,458
		(26,754)	(3,159)
Non-current liabilities			
(a) Long-term provisions	3	950	793
		950	793
Current liabilities			
(a) Trade payables	4	41,248	18,754
(b) Other current liabilities	5	2,156	682
		43,405	19,436
TOTAL (I)		17,601	17,070
II. ASSETS			
Non-Current Assets			
(a) Fixed Assets	6		
(i) Tangible Assets		344	607
(ii) Intangible Assets		246	7
(iii) Capital Work-in-Progress		-	-
(b) Non-Current Investments	7	100	100
(c) Other Non-Current Assets	8	2,642	2,115
		3,332	2,829
Current assets			
(a) Current Investments	9	825	-
(b) Cash and Cash Equivalents	10	3,637	6,100
(c) Short-term Loans and Advances	11	9,808	8,141
		14,269	14,241
TOTAL (II)		17,601	17,070

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

Charles E.E.Devenish
Chairman

Sandeep Lakhwara
Managing Director

CA K.V. BESWAL
PARTNER
Membership Number: 131054

K. Karunakaran
Chief Finance Officer

S. Subramaniam
Company Secretary

Place : Mumbai
Dated : 28 May 2015

Place : Bangalore
Dated : 28 May 2015

DECCAN GOLD MINES LIMITED

DECCAN GOLD MINES LIMITED

(FORMERLY WIMPER TRADING LIMITED)

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2015

(Amount in '000)

Particulars	Note No.	31-03-2015	31-03-2014
Other Income	12	3,803	5,895
Total Revenue		3,803	5,895
Expenses:			
Employee benefits expense	13	10,915	2,870
Finance costs	14	38	26
Depreciation and amortization expense	6	251	194
Other expenses	15	8,649	6,164
Total expenses		19,852	9,254
Loss before extraordinary items and tax		(16,049)	(3,359)
Extraordinary Items		-	-
Prior year adjustments		-	-
Loss before tax		(16,049)	(3,359)
Tax expense:			
(1) Current tax		-	-
Loss for the period		(16,049)	(3,359)
Earnings per equity share: Basic (in ₹)		-0.27	-0.06
Earnings per equity share: Diluted (in ₹)		-0.26	-0.06

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

CA K.V. BESWAL
PARTNER
Membership Number: 131054

Place : Mumbai
Dated : 28 May 2015

For and on behalf of the Board

Charles E.E.Devenish
Chairman

K. Karunakaran
Chief Finance Officer

Sandeep Lakhwara
Managing Director

S. Subramaniam
Company Secretary

Place : Bangalore
Dated : 28 May 2015

DECCAN GOLD MINES LIMITED
(FORMERLY WIMPER TRADING LIMITED)

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

Note : 1 Share Capital

A	Particulars	31 March 2015		31 March 2014	
		Numbers	₹ ('000)	Numbers	₹ ('000)
	Authorised				
	Equity Shares of ₹ 1 each	25,00,00,000	2,50,000	10,00,00,000	1,00,000
		25,00,00,000	2,50,000	10,00,00,000	1,00,000
	Issued, Subscribed & Fully Paid up				
	Equity Shares of ₹ 1 each	5,92,18,250	59,218	5,88,67,250	58,867
	Total	5,92,18,250	59,218	5,88,67,250	58,867

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

Particulars	Equity Shares			
	31 March 2015		31 March 2014	
	Numbers	₹ ('000)	Numbers	₹ ('000)
At the beginning of the year	5,88,67,250	58,867	5,87,71,250	58,771
Add Shares Issued on exercise of Employee Stock Options	3,51,000	351	96,000	96
At the end of the year	5,92,18,250	59,218	5,88,67,250	58,867

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

Particulars	Nature of Relationship	31 March 2015	31 March 2014
Equity Shares		NIL	

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

Name of Shareholder	Equity Shares			
	31 March 2015		31 March 2014	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Rama Mines (Mauritius) Limited	2,46,54,746	41.63	2,51,68,681	42.75

- E (1) The Company has reserved 493,000 (Previous Year 844,000) Equity Shares of Re.1/- each for offering to eligible employees of the Company and its subsidiaries under the Employee Stock Option Scheme, 2008. During the financial year 2010-11, the Company has granted 30,00,000 options to the eligible employees at a price of ₹ 16.95/- per option plus all applicable taxes. The options would vest over a maximum period of 3 years as decided by the Compensation Committee from the date of grant based on specified criteria. As of 31 March, 2015 there are no outstanding options under said Scheme since the Scheme has come to an end during June, 2014 itself.
- (2) During the year 2014-15, the Company had granted 30,00,000 stock options to the eligible employees (15,00,000 options on 14 January, 2015 and 15,00,000 options on 10 March, 2015) under the Deccan Gold Mines Limited Employee Stock Option Scheme, 2014. These options have been granted at a price of ₹ 7/- per option plus all applicable taxes. The options would vest over a period of 2 years (post a lock-in period of 1 year from the date of grant) as decided by the Nomination & Remuneration 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 2015 ₹ ('000)	31 March 2014 ₹ ('000)
a. Capital Reserves		
Opening Balance	16,726	16,726
(+)/(-) Transfer	-	-
Closing Balance	16,726	16,726
b. Securities Premium Account		
Opening Balance	1,05,542	1,03,469
(+) on allotment of Equity Shares	7,582	2,074
(-) Expenses for Increase in Authorised Capital	1,846	-
(-) Right Issue Expenses	1,336	-
Closing Balance	1,09,943	1,05,542
c. Profit & Loss Account		
Opening balance	(66,826)	(63,467)
(+) Net Loss For the current year	(16,049)	(3,359)
(-) Adjustment related to fixed assets (Refer Note 26)	(23)	-
Closing Balance	(82,899)	(66,826)
d. Preoperative Expenses		
Opening balance	(1,26,695)	(106,251)
(+) Incurred during the year	(10,110)	(20,445)
Closing Balance	(1,36,805)	(126,695)
Total	(93,035)	(71,252)

Note - 3 : Long Term Provisions

Particulars	31 March 2015 ₹ ('000)	31 March 2014 ₹ ('000)
Provision for Gratuity	950	793
	950	793

Note - 4 : Trade payables

Particulars	31 March 2015 ₹ ('000)	31 March 2014 ₹ ('000)
Due to Mirco, small and medium enterprises	-	-
Due to Others	41,248	18,754
Total	41,248	18,754

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 2015.

Note - 5 : Other Current Liabilities

Particulars	31 March 2015 ₹ ('000)	31 March 2014 ₹ ('000)
(i) Statutory dues	593	461
(ii) other liability	1,563	221
Total	2,156	682

Note 6 : Fixed Assets

(Amount in '000)

Fixed Assets	Gross Block				Accumulated Depreciation					Net Block (WDV)	
	Balance as at 01-04-2014	Additions	Disposals	Balance as at 31-03-2015	Balance as at 01-04-2014	For the year	Transfer to Reserve	Written back	Balance as at 31-03-2015	Balance as at 31-03-2015	Balance as at 31-03-2014
Tangible Assets :											
Land - Lease hold	2,864	-	2,864	-	2,864	-	-	2,864	-	-	-
Plant and Equipment	1,138	-	-	1,138	870	89	-	-	959	179	268
Vehicles	502	-	-	502	471	31	-	-	502	-	31
Computer	268	-	-	268	256	-	12	-	268	-	12
Furniture and Fixtures	563	-	-	563	429	67	-	-	496	67	134
Office equipment	452	-	-	452	291	59	4	-	354	98	161
Total	5,788	-	2,864	2,923	5,181	247	16	2,864	2,580	344	607
Intangible Assets :											
Computer software	146	250	-	396	139	4	7	-	150	246	7
Total	146	250	-	396	139	4	7	-	150	246	7
Capital Work In Progress	-	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-	-
Intangible assets under Development	-	-	-	-	-	-	-	-	-	-	-
Total	5,934	250	2,864	3,320	5,320	251	23	2,864	2,730	590	614
Previous Year	5,934	-	-	5,934	5,127	194		-	5,321	614	-

Note - 7 : Non-current investments

Particulars	31 March 2015 ₹ ('000)	31 March' 2014 ₹ ('000)
Investments in 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 2015 ₹ ('000)	31 March' 2014 ₹ ('000)
Security Deposits	2,642	2,115
Total	2,642	2,115

DECCAN GOLD MINES LIMITED

Note - 9 : Trade Receivable

Particulars	31 March 2015 ₹ ('000)	31 March 2014 ₹ ('000)
Unsecured, considered good		
Over Six months	-	-
Others	825	-
Total	825	-

Note - 10 : Cash and Cash Equivalents

Particulars	31 March 2015 ₹ ('000)	31 March 2014 ₹ ('000)
a. Balances with banks		
On current accounts in scheduled bank	3,609	6,044
b. Cash on hand	28	56
Total	3,637	6,100

Note - 11 : Short-term Loans and Advances

Particulars	31 March 2015 ₹ ('000)	31 March 2014 ₹ ('000)
Advance receivable in cash or kind	3,699	2,567
Balance with Government Authorities		
Income Taxes (Net)	2,327	2,225
Service Tax	3,782	3,349
Total	9,808	8,141

Note - 12 : Other Income

Particulars	31 March 2015 ₹ ('000)	31 March 2014 ₹ ('000)
Profit on Sale of Investment	-	23
Dividend Income	-	680
Consutancy Income	933	-
Reversal of Expenses on Employee Stock Option Scheme	2,785	5,192
Interest Income	85	-
Total	3,803	5,895

Note - 13 : Employee Benefit Expenses

Particulars	31 March 2015 ₹ ('000)	31 March 2014 ₹ ('000)
Salaries & wages	3,775	2,838
Expenses on Employee Stock Option Scheme	7,062	-
Staff welfare expenses	78	32
Total	10,915	2,870

Note - 14 : Finance costs

Particulars	31 March 2015 ₹ ('000)	31 March' 2014 ₹ ('000)
Bank Charges	27	17
Interest Paid	11	9
Total	38	26

Note - 15 : Other expenses

Particulars	31 March 2015 ₹ ('000)	31 March' 2014 ₹ ('000)
Electricity Expenses	132	151
Listing Fees	305	230
Rent	2,056	2,012
Rates and taxes	48	24
Repair and maintenance	628	347
Directors Remuneration	3,000	1,200
Business promotion, Advertisement & Miscellaneous Expenses	998	1,084
Travelling and conveyance	321	252
Communication Expenses	85	13
Legal and Professional fees	655	539
Directors' sitting fees	108	125
Auditor's remuneration	153	155
Brokerage and Commission	125	-
Membership & Subscription fees	35	32
Total	8,649	6,164

Payments to Auditor

Particulars	31 March 2015 ₹ ('000)	31 March' 2014 ₹ ('000)
For Audit Fee	130	105
For Certification & Others	23	50
Total	153	155

DECCAN GOLD MINES LIMITED

NOTE `(1A)' OF SIGNIFICANT ACCOUNTING POLICIES AND NOTES ANNEXED TO BALANCE SHEET AS AT 31st MARCH, 2015

(i) STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES:

A. Basis of accounting:

The financial statements of the company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The company has prepared these financial statements to comply in all material respects with the Companies (Accounts) Rules, 2014 and the relevant provision of Companies Act, 2013. The financial statements have been prepared on an accrual basis and under the historical cost convention. The accounting policies adopted in the preparation of financial statement are consistent with those of previous year.

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 capitalized.

C. Depreciation:

1. Depreciation on Fixed Assets is provided based on the useful life of the assets in the manner prescribed in Schedule II to the Companies Act, 2013.
2. Depreciation on fixed assets added /disposed off during the year is provided on pro-rata basis.

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:

- a. Current year tax is determined in accordance with Income Tax Act, 1961 at the Current Tax rates based on assessable income.
- b. 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 recognized 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 recognized when services are rendered.
- ii. Interest Income is recognized on accrual basis
- iii. Dividend Income is accounted on accrual basis when the right to receive the dividend is established
- iv. Consultancy Income is recognized as and when services are rendered.

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 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.

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:**Note 16**

S No	PARTICULARS	31.03.2015 ₹ ('000)	31.03.2014 ₹ ('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

Note 17. Expenditure and Earning in foreign currency :

	Particulars	31.03.2015 ₹ ('000)	31.03.2014 ₹ ('000)
1.	Expenditure in foreign currency	NIL	NIL
2.	Earning in foreign currency	NIL	NIL

Note 18. 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 31.03.2015 ₹ ('000)	Year ended 31.03.2014 ₹ ('000)
1	Reimbursement of Exploration Expenses to Subsidiary	7,994.56	20,375.74
2	Managerial Remuneration paid to directors	3,000.00	1,200.00
3	Directors Sitting Fees & Audit Committee fees	107.50	125.00
4	Rent for Guest House to Managing Director	240.00	360.00

DECCAN GOLD MINES LIMITED

Note 19: 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 ₹ 1368.05 Lacs as noted in Note '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.

Note 20: 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

Movement of Options granted

Particulars	01.04.2014 to 31.03.2015	01.04.2013 to 31.03.2014
Options outstanding at the beginning of the year	8,44,000	19,87,500
Exercised during the year	3,51,000	96,000
Options Lapsed during the year	4,93,000	9,27,500
Option Lapsed on account of Employee resignation	-	1,20,000
Options outstanding at the end of the year	-	8,44,000
Option unvested at the end of the year	-	-
Option exercisable at end of the year	-	8,44,000

Disclosure in respect of Deccan Gold Mines Limited Employee Stock Option Scheme 2014

Particulars	Tranche-1	Tranche-2
No. of Options	7,50,000	7,50,000
Method of Accounting	Intrinsic Value	
Vesting Period	14.01.2016 to 13.01.2017	14.01.2017 to 13.01.2018
Exercise Period	1 year	1 year
Grant Date	14.1.2015	14.1.2015
Grant / Exercise Price per share	₹ 7	₹ 7
Market Price on the date prior to the date of grant of option	₹ 44.05	₹ 44.05
Particulars	Tranche-1	Tranche-2
No. of Options	7,50,000	7,50,000
Method of Accounting	Intrinsic Value	
Vesting Period	10.03.2016 to 09.03.2017	10.03.2017 to 09.03.2018
Exercise Period	1 year	1 year
Grant Date	10/3/2015	10/3/2015
Grant / Exercise Price per share	₹ 7	₹ 7
Market Price on the date prior to the date of grant of option	₹ 30.80	₹ 30.80

Particulars	01/04/2014 to 31/03/2015	01/04/2013 to 31/03/2014
Options outstanding at the beginning of the year	Nil	Nil
Exercised during the year	Nil	Nil
Options lapsed during the year	Nil	Nil
Options lapsed on account of employee resignation	Nil	Nil
Options outstanding at the end of the year	Nil	Nil
Options unvested at the end of the year	30,00,000	Nil

Employee Stock Option Outstanding account ₹ 912.75 Lacs (PY ₹ 47.69 Lacs & Deferred Employee Compensation account ₹ 842.12 Lacs (PY ₹ 51.92 Lacs). Employee Compensation Expenses amounting to ₹70.62 Lacs (PY NIL) is included under the head Salaries and other benefits. Reversal of Employee Compensation Expenses amounting to ₹ 27.85 Lacs (PY 51.92 Lacs) is included under the head Other Income.

Note 21: Defined benefit Plans: -

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

Defined benefit Obligation

Sr No.	Particulars	31.3.2015	31.3.2014
1	Current service cost	96,138	88,119
2	Interest on obligation	71,059	59,101
3	Expected return on plan assets	-	-
4	Net actuarial losses (gains) recognised in year ended	(10,102)	(93,109)
5	Past service cost	-	-
6	Losses (gains) on curtailments and settlement	-	-
	Total, included in 'Employee Benefit Expense	1,57,095	54,111

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	31.3.2015	31.3.2014
1	Opening Defined Benefit Obligation	7,92,876	7,38,765
2	Service cost for the year	96,138	88,119
3	Interest cost for the year on opening D.B.O.	71,059	59,101
4	Actuarial losses (gains)	(10,102)	(93,109)
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	9,49,971	7,92,876

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.

DECCAN GOLD MINES LIMITED

D. Principal actuarial assumptions at the balance sheet date

	(expressed as weighted averages):	31.3.2015	31.3.2014
1	Discount rate	7.80%	9.10%
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	31.03.2015	31.03.2014
Net Profit / (Loss) available to Equity Shareholders	(16049)	(3359)
Weighted Average No of Equity Shares	5,91,99,634	5,88,11,228
Basic Earning Per Shares (in ₹)	(0.27)	(0.06)
Diluted Earning Per Shares (in ₹)	(0.26)	(0.06)

Note 23 : "During Financial 2013-14, 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.

Note 24 : Pursuant to the approval accorded by the Board at its meeting held on 19 November, 2014 and 30 December, 2014 the Company has announced a Rights Issue involving raising of funds to the tune of ₹ 444.14 million through the issue of 1 rights share for every 2 shares held in the Company at an Issue Price of ₹ 15/- per share (including a premium of ₹14/- per share) to the shareholders of the Company as on the Record Date. Accordingly, the Company proposes to issue 29.61 million shares to the shareholders of the Company. The Record Date would be fixed by the Board of Directors post the receipt of all statutory / regulatory approvals including from SEBI and BSE. The Company has lodged the draft Letter of Offer for the Rights Issue with SEBI and BSE on 31 March, 2015.

Note 25 : 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.

Note 26 : Pursuant to the enactment of Companies Act 2013, the company has applied the estimated useful lives as specified in Schedule II. Accordingly the unamortised carrying value is being depreciated / amortised over the revised/ remaining useful lives. The written down value of Fixed Assets whose lives have expired as at 1st April 2014 have been adjusted, in the opening balance of Profit and Loss Account amounting to ₹ 23 (in thousands). Had the company provided depreciation as per old companies act, 1956, the change for depreciation for the current year would have been lower by ₹0.99 Lac.

Note 27 : The Company has incurred substantial losses and its net worth is eroded, the accounts have been prepared on the principle of going concern with a view to revive the operations of the Company in future notwithstanding the fact that its net worth is completely eroded, and the company is a Sick Industrial Company.

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

CA K.V. BESWAL
PARTNER
Membership Number: 131054

Place : Mumbai
Dated : 28 May 2015

For and on behalf of the Board

Charles E.E.Devenish
Chairman

K. Karunakaran
Chief Finance Officer

Place : Bangalore
Dated : 28 May 2015

Sandeep Lakhwara
Managing Director

S. Subramaniam
Company Secretary

DECCAN GOLD MINES LIMITED

DECCAN GOLD MINES LIMITED

(FORMERLY WIMPER TRADING LIMITED)

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH, 2015

	For the year ended 31.03.2015 (₹ '000)	For the year ended 31.03.2014 (₹ '000)
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit/(Loss) before Tax and after Extraordinary items	(16,049)	(3,359)
Adjustment For :		
Depreciation	251	194
Interest & Finance charges	38	26
Interest received	(85)	-
Dividend Income	-	(680)
Expenses on Employee Stock option	7,062	
Reversal of Expenses on Employee Stock Option Scheme	(2,785)	(5,192)
Profit on Sale of Investment	-	(23)
Operative Profit before Working Capital Changes	(11,568)	(9,034)
Adjustment For :		
Trade and Other Receivables	(2,917)	(3,057)
Trade & Other liability	24,127	13,603
Cash Generation from Operations	9,642	1,512
Direct Taxes	(102)	-
Net Cash Flow from operating activities	9,540	1,512
B. CASH FLOW FROM INVESTING ACTIVITIES		
Pre-operative Expenses	(10,110)	(20,445)
Proceeds from investments	-	16,612
Dividend Income	-	680
Interest received	85	
Purchase of Fixed Assets	(250)	
Interest Received	-	23
Net Cash used in investing activities	(10,275)	(3,129)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Share Issue	1,491	1,627
Right Issue Expenses	(1,336)	-
Expenses for Increase in Authorised Capital	(1,846)	-
Share Application Money Received	-	4,458
Financial Charges	(38)	(26)
Net Cash used in financing activities	(1,728)	6,059
D. NET CHANGE IN CASH AND CASH EQUIVALENTS (A+B+C)	(2,463)	4,442
Cash and Cash Equivalents as at 1st April 2014	6,100	1,657
Cash and Cash Equivalents as at 31st March 2015	3,637	6,100

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

CA K.V. BESWAL
PARTNER
Membership Number: 131054
Place : Mumbai
Dated : 28 May 2015

For and on behalf of the Board

Charles E.E. Devenish
Chairman
K. Karunakaran
Chief Finance Officer

Sandeep Lakhwara
Managing Director
S. Subramaniam
Company Secretary

Place : Bangalore
Dated : 28 May 2015

DECCAN EXPLORATION SERVICES PRIVATE LIMITED

(FORMERLY DECCAN GOLD EXPLORATION SERVICES PRIVATE LIMITED)

DIRECTOR'S REPORT

To the Members,
Deccan Exploration Services Private Limited
Bengaluru.

Your Directors have pleasure in submitting their 18th Annual Report of the Company together with the Audited Statements of Accounts for the year ended 31st March 2015.

1. FINANCIAL SUMMARY

Amount in ₹

Particulars	As at the end of current reporting period	As at the end of previous reporting period
Total Revenue	9,193,902	18,518,928
Total Expenses	9,539,084	18,621,733
Profit or Loss before Exceptional and Extraordinary items and Tax	(345,182)	(102,805)
Less: Exceptional Items	(3,512)	(1,953)
Less: Extraordinary Items	-	-
Profit or Loss before Tax	(348,694)	(104,758)
Less: Current Tax	-	-
Deferred Tax	115,862	34,943
Profit or Loss After Tax	(232,832)	(69,815)
Add: Balance as per last Balance Sheet	68,70,620	69,40,435
Transfer to Reserves	9231,021	(69815)
Balance Transferred to Balance Sheet	1,61,01,641	68,70,620

2. DIVIDEND

No Dividend was declared for the current financial year.

3. TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND

The provisions of Section 125(2) of the Companies Act, 2013 do not apply as there was no dividend declared and paid last year.

4. REVIEW OF BUSINESS OPERATIONS AND FUTURE PROSPECTS:

Your Directors are pleased to report that the Company had received the formal communication from the Ministry of Mines, Government of India (MoM) with regard to approval of its mining lease application over an area of 72 acres for 50 years in respect of the Ganajur Gold Mine Project in the State of Karnataka.

The file will now be sent to the State Government of Karnataka (SG) for issue of a Grant Notification / Letter of Intent that would specify standard terms and conditions for the final grant order and execution of the Mining Lease. The Company looks forward to receiving the Grant Notification / Lol following which it will take necessary steps to ensure compliance.

Your Directors are of the opinion that this is an important milestone in the Company's journey towards achieving its objective of becoming a significant gold producer in India.

DECCAN GOLD MINES LIMITED

5. MATERIAL CHANGES AND COMMITMENT IF ANY AFFECTING THE FINANCIAL POSITION OF THE COMPANY OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR TO WHICH THIS FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT

No material changes and commitments affecting the financial position of the Company occurred between the end of the financial year to which this financial statements relate on the date of this report

6. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

The provisions of Section 134(m) of the Companies Act, 2013 do not apply to our Company. There was no foreign exchange earnings and outgo during the year under review.

7. STATEMENT CONCERNING DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT POLICY OF THE COMPANY

Keeping in mind the size and operations of the Company, the Company does not have any risk management policy.

8. DETAILS OF POLICY DEVELOPED AND IMPLEMENTED BY THE COMPANY ON ITS CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

The Company has not developed and implemented any Corporate Social Responsibility initiatives as the said provisions are not applicable.

9. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE UNDER SECTION 186 OF THE COMPANIES ACT, 2013

There were no loans, guarantees or investments made by the Company under Section 186 of the Companies Act, 2013 during the year under review and hence the said provision is not applicable.

10. PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES

Name of the party	Nature of relationship	Nature of transaction	Amount of transaction during the year	Closing balance as on 31.03.2015	Nature of closing balance
Deccan Gold Mines Limited	Holding company	Exploration Contract Receipts	₹ 79,94,560	₹ 79,94,560	Receivable

11. EXPLANATION OR COMMENTS ON QUALIFICATIONS, RESERVATIONS OR ADVERSE REMARKS OR DISCLAIMERS MADE BY THE AUDITORS AND THE PRACTICING COMPANY SECRETARY IN THEIR REPORTS

There are no qualifications, reservations or adverse remarks made by the Auditors in their report. The provisions relating to submission of Secretarial Audit Report is not applicable to the Company.

12. COMPANY'S POLICY RELATING TO DIRECTORS APPOINTMENT, PAYMENT OF REMUNERATION AND DISCHARGE OF THEIR DUTIES

The provisions of Section 178(1) relating to constitution of Nomination and Remuneration Committee are not applicable to the Company

13. ANNUAL RETURN

The extracts of Annual Return pursuant to the provisions of Section 92 read with Rule 12 of the Companies (Management and Administration) Rules, 2014 is furnished in Annexure A and is attached to this Report.

14. NUMBER OF BOARD MEETINGS CONDUCTED DURING THE YEAR UNDER REVIEW

The Company has conducted 9 Board meetings during the financial year under review on the following dates – April 28, 2014; May 29, 2014; September 2, 2014; November 14, 2014; December 10, 2014; February 13, 2015; February 17, 2015; March 7, 2015 and March 9, 2015.

15 DIRECTORS RESPONSIBILITY STATEMENT

In accordance with the provisions of Section 134(5) of the Companies Act, 2013 the Board of Directors state that:

- (a) in the preparation of annual accounts, applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) they had 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 and of the profit and loss of the company for that period;
- (c) they had 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;
- (d) they had prepared the annual accounts on a going concern basis;
- (e) the Company being unlisted, sub clause (e) of section 134(3) of the Companies Act, 2013 pertaining to laying down internal financial controls is not applicable to the Company; and
- (f) they had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

16 SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

The Company does not have any subsidiaries, joint ventures or associate companies.

17 DEPOSITS

The Company has neither accepted nor renewed any deposits during the year under review.

18 DIRECTORS

Dr. M.K. Devarajan and Dr. Modali Hanuma Prasad ceased to be Directors of the Company with effect from November 21, 2014 consequent upon their resignation. Your Directors place on record the services rendered by them during their tenure.

The Company is not mandatorily required to appoint any whole time Key Management Personnel (KMP).

19 DECLARATION OF INDEPENDENT DIRECTORS

The provisions of Section 149 for appointment of Independent Directors are not applicable to the Company.

20 ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

The Company has in place adequate internal financial controls with reference to financial statements. During the year under review, such controls were tested and no reportable material weakness in the design or operation were observed.

21 STATUTORY AUDITORS

M/s. Rao & Venkatesulu, Chartered Accountants were appointed as Statutory Auditors for a period of 1 year in the Annual General Meeting held in the year 2014 and are eligible for reappointment, subject to ratification of members at ensuing Annual General Meeting of the company.

22 DISCLOSURE OF COMPOSITION OF AUDIT COMMITTEE AND PROVIDING VIGIL MECHANISM

The provisions of Section 177 of the Companies Act, 2013 read with Rule 6 and 7 of the Companies (Meetings of the Board and its Powers) Rules, 2013 are not applicable to the Company.

DECCAN GOLD MINES LIMITED

23 SHARES

During the year under review, the company has undertaken following transactions:

Increase in Share Capital	Buy Back of Securities	Sweat Equity	Bonus Shares	Employees Stock Option Plan
Issue of 101 equity shares of ₹ 10/- each & 180,000 Redeemable Preference Shares of ₹ 100/- each.	NIL	NIL	NIL	NIL

24 DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS, COURTS AND TRIBUNALS

No significant and material order has been passed by the regulators, courts, tribunals impacting the going concern status and Company's operations in future.

25 ACKNOWLEDGEMENT

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

For and on behalf of the Board

Place : Bangalore
Date : 14 August 2015

S.C.R. Peshwa
Director

K. Karunakaran
Director

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

As on financial year ended on 31.03.2015

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.

I. REGISTRATION & OTHER DETAILS:

1. CIN	U27205KA1997PTC022819
2. Registration Date	25-09-1997
3. Name of the Company	DECCAN EXPLORATION SERVICES PRIVATE LIMITED
4. Category/Sub-category of the Company	PRIVATE LIMITED INDIAN NON GOVERNMENT COMPANY
5. Address of the Registered office & contact details	No. 5, 19th Main Road, 4th Sector, HSR Layout, Bengaluru 560102
6. Whether listed company	NO
7. Name, Address & contact details of the Registrar & Transfer Agent, if any.	Not Applicable

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

(All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Mining	7295	100

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	DECCAN GOLD MINES LIMITED	L51900MH1984PLC034662	HOLDING	98.99	2 (46)

IV. SHARE HOLDING PATTERN

(Equity share capital breakup as percentage of total equity)

(i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2014]				No. of Shares held at the end of the year [As on 31-March-2015]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
c) Bodies Corp.	-	9,999	9,999	99.99%		9,999	9,999	98.99%	1.00%
Sub Total (A) (2)	-	9,999	9,999	99.99%		9,999	9,999	98.99%	1.00%
B. Public Shareholding									
2. Non-Institutions									

DECCAN GOLD MINES LIMITED

b) (i) Individual shareholders holding nominal share capital up to Rs. 1 lakh		1	1	0.01%		1	1	0.01%	0.00%
c) Others (NRI)						101	101	1.00%	1.00%
Sub-total (B)(2):-	-	-	-	0.00%	-	101	101	1.01%	1.01%
C. Shares held by Custodian for GDRs & ADRs		NIL	-						
Grand Total (A+B+C)	-	10,000	10,000	100.00%	-	10,101	10,101	100.00%	0.00%

(ii) Shareholding of Promoter

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year*
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Deccan Gold Mines Limited	9,999	99.99%	0	9,999	98.99%	0	-1.00%
*Change due to increase in paid up capital								

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sl. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares	No. of shares	% of total shares
	At the beginning of the year	9,999	0.00%	9,999	0.00%
	Changes during the year	NO CHANGE	0.00%	NO CHANGE	0.00%
	At the end of the year	9,999	0.00%	9,999	0.00%

Note: No change in the number of shares held. Change in % due to increase in paid up capital.

(iv) Shareholding Pattern of top ten Shareholders

(Other than Directors, Promoters and Holders of GDRs and ADRs):

Sl.	For each of the Top 10 shareholders	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
Not applicable							

(v) Shareholding of Directors and Key Managerial Personnel:

K. Karunakaran - 1 equity share of Rs.10/- each as nominee of holding company.

V. INDEBTEDNESS

NIL

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

NIL

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

NIL

ANNUAL REPORT 2015

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A	COMPANY	NIL			
B	DIRECTORS	NIL			
C	OTHER OFFICERS IN DEFAULT	NIL			

For and on behalf of the Board

Place : Bangalore
Date : 14 August 2015

S.C.R. Peshwa
Director

K. Karunakaran
Director

AUDITOR'S REPORT

**TO THE MEMBERS OF
DECCAN EXPLORATION SERVICES PRIVATE LIMITED**

Report on the Financial Statements:

We have audited the accompanying financial statements of Deccan Exploration Services Private Limited, which comprise the Balance Sheet as at 31st March, 2015, the Statement of Profit and Loss and the Cash Flow Statement for the year ended on that date, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements:

The Company's Board of Directors and the management is responsible for the matters stated in Section 134 (5) of the Companies Act, 2013, with respect to 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 principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities, selection and application of appropriate accounting policies, making judgments and estimates that are reasonable and prudent and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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 have taken into account the provisions of the Act, the Accounting and Auditing Standards and matters which are required to be included in the audit report under the provisions of the Act and the rules and regulations made thereunder. We conducted our audit in accordance with the Standards on Auditing specified under Section 143 (10) of the Companies Act, 2013. 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 the disclosures in the financial statements. The procedures selected depend on our 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, we considered internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, 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 on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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,

- (i) in the case of Balance Sheet, of the state of affairs of the Company as at 31st March, 2015;
- (ii) in the case of Statement of Profit and Loss, of the Loss for the year ended on that date; and
- (iii) in the case of Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Matters:

As required by Section 143 (3) of the Companies Act, 2013 and orders issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give our findings on the matters specified in the paragraph (3) and (4) of the Order, to the extent applicable in the annexure hereto.

As required by Section 143(3) of the Act, we report that:

1. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
2. In our opinion proper books of accounts as required by law have been kept by the Company so far it appears from our examination of those books;
3. The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
4. In our opinion, the aforesaid Financial Statements comply with the Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014;
5. On the basis of the written information received from the Directors as on 31st March, 2015 and taken on record by the Board of Directors, none of the Directors is disqualified from being appointed as a Director in terms of Section 164(2) of the Act, as on 31st March, 2015; and
6. In our opinion and to the best of our information and according to the explanations given to us:
 - i. the Company does not have any pending litigations which would impact its Financial position;
 - ii. The Company did not have any long term contracts including Derivatives Contract for which there were any material foreseeable losses; and
 - iii. There were no amounts which were required to be transferred to Investor Education & Protection fund by the Company.

For **RAO & VENKATESULU**
Chartered Accountants

K.Y. NINGOJI RAO
Partner
Membership No. : 018278
FR No. 003108S

Place : Bangalore
Date : 30 April 2015

DECCAN GOLD MINES LIMITED

ANNEXURE REFERRED TO IN THE AUDIT REPORT

TO THE MEMBERS OF
DECCAN EXPLORATION SERVICES PRIVATE LIMITED

We further report the following on the matters stated in para (3) and (4) of the Companies (Auditor's Report) Order, 2015:

1. In respect of the Fixed Assets:

- (a) the company has maintained proper records showing their full particulars including their quantitative details and situation;
- (b) they have been physically verified at reasonable periodical interval by the management and as per the information given to us no discrepancy has been noticed; and
- (c) the company has not sold substantial part of its fixed assets during the year.

2. In respect of Inventory:

- (a) The management has physically verified the inventory at reasonable periodical intervals during the year;
 - (b) The procedure adopted for physical verification of the inventory is, in our opinion, reasonable and adequate in relation to the size of the company and the nature of its business; and
 - (c) The company has maintained proper records of inventory. The discrepancies found thereon have been properly dealt within the accounts. The discrepancy noticed on physical verification is not significant and material.
3. The company has not granted any loans to parties covered in the register maintained under section 189 of the Companies Act, 2013.
4. In our opinion and according to the explanations given to us, there are adequate internal control procedures, commensurate with the size of the company and the nature of its business with regard to the purchase of goods and fixed assets and sale of goods. We have not noticed any continued failure to correct major deficiencies in internal control.
5. In our opinion and according to the information and explanation given to us, the Company has not accepted any deposits from the public during the year.
6. The prima facie verification indicates that the Company has maintained adequate cost records as prescribed by the Central Government u/s section 148 (1) of the Companies Act, 2013.
7. In respect of statutory liabilities and obligations:
- (a) The company has according to the information and explanations given to us and on the basis of such checks as we considered necessary, been regular in depositing such undisputed statutory dues with the appropriate authority, the statutory liability in respect of Central Excise Duty, Provident Fund, Employees State Insurance, Income Tax, Entry Tax, Service Tax and other statutory dues, and there are no dues, which are due for more than a period of six months which remained outstanding as at 31st March 2015;
 - (b) There are no dues in respect of Central Excise Duty, Provident Fund, Employees State Insurance, Income Tax, Entry Tax, Service Tax, Fringe Benefit Tax and Sales Tax which have remained unpaid owing to pending dispute; and
 - (c) The funds which were required to be transferred to Investor Education & Protection fund have been transferred by the Company within the specified time.
8. The company has no accumulated losses as on the date of Balance Sheet dealt with by this report.
9. That as per the information given to us by the Company, the company has not defaulted in repayment of its due to the Financial institutions or Banks.
10. According to the information and explanation given to us, the company has not given any guarantees for loans taken by other parties from any bank or financial institution.
11. The company has not availed term loan during the year.
12. According to our information and to the explanations given to us no fraud on or by the company was noticed during the year.

For **RAO & VENKATESULU**
Chartered Accountants
K.Y. NINGOJI RAO
Partner
Membership No. : 018278
FR No. 003108S

Place : Bangalore
Date : 30 April 2015

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

BALANCE SHEET AS AT 31 MARCH, 2015

(Amount in '000)

Particulars	Sch No	31.3.2015	31.3.2014
I EQUITY AND LIABILITIES			
1 Shareholder's Funds:			
a Share Capital	1	18,101	100
b Reserves and Surpluses	2	16,102	6,871
c Money Received Against Share Warrants			
2 Share Application Money Pending Allotment		5,701	-
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	10,358	13,619
c Other Current Liabilities	4	369	475
d Short Term Provisions		-	-
TOTAL		50,631	21,065
II ASSETS			
1 Non Current Assets:			
a Fixed Assets:			
(i) Tangible Assets	5	372	571
(ii) Intangible Assets			
(iii) Capital work-in-progress		-	-
(iv) Intangible Assets Under Development			
b Non Current Investments			
c Deferred Tax Assets (net)	6	151	35
d Long Term Loans and Advances	7	282	282
e Other Non Current Assets	8	285	711
2 Current Assets:			
a Current Investments			
b Inventories		-	-
c Trade Receivables	9	41,309	18,756
d Cash and Cash Equivalents	10	7,755	651
e Short Term Loans and Advances	11	477	58
f Other Current Assets			
TOTAL		50,631	21,065

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 Accountants

S.C.R PESHWA
Director

K.KARUNAKARAN
Director

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

Place : Bangalore
Date : 30 April 2015

DECCAN GOLD MINES LIMITED

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

PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED ON 31 MARCH, 2015

(Amount in '000)

Particulars	Sch No	Current Year	Previous Year
REVENUES:			
Revenue From Operations	12	7,995	18,394
Other Income	12	1,199	125
Total Revenue (I +II)		9,194	18,519
EXPENSES:			
1 Exploration Expenses	13	9,234	18,468
2 Changes in Inventories of Finished Goods Work-in-Progress and Stock-in-Trade		-	-
3 Employee Benefit Expense		-	-
4 Financial Costs	14	6	3
5 Depreciation and Amortization Expense	15	199	114
6 Other Expenses	16	100	37
Total Expenses		9,539	18,622
Profit Before Exceptional and Extraordinary Items & Tax		(345)	(103)
Exceptional Items	17	4	2
Profit Before Extraordinary Items and Tax		(349)	(105)
Extraordinary Items		-	-
Profit Before Tax		(349)	(105)
Tax Expense:			
1 Current Tax		-	-
2 Earliear Year Taxes		-	-
3 Deferred Tax		(116)	(35)
Profit (Loss) For The Perid From Continuing Operations		(282)	(70)
Profit/(Loss) from Discontinuing Operations			
Tax Expense of Discounting Operations			
Profit/(Loss) From Discontinuing Operations			
Profit/(Loss) For The Period		(282)	(70)
Earning Per Equity Share:			
1 Basic		(23.27)	6.98
2 Diluted		(23.27)	6.98

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 : 30 April 2015

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

NOTES FORMING PART OF ANNUAL ACCOUNTS

1. SHARE CAPITAL:

Particulars	31.3.2015	31.3.2014
A. Authorized Capital:		
20,000, (P.Y. 10,000) Equity Shares of ₹ 10/- Each	2,00,000	100,000
3,50,000, 1% Redeemable Preference shares of ₹100/- Each	3,50,00,000	Nil
B. Issued, Subscribed & Paid Up Capital:		
10,101, Equity Shares of ₹10/- Each, Fully Paid Up	1,01,010	1,00,000
1,80,000, 0.0001% Redeemable Preference Shares of ₹100/- Each, Fully Paid Up	1,80,00,000	Nil
Total	1,81,01,010	1,00,000

Reconciliation of Number of Shares:

Particulars	31.3.2015	31.3.2014
Equity Shares:		
Balance at the beginning	10,000	10
Add: Number of Shares Allotted	101	Nil
Balance at close	10,101	10,000
0.0001% Preference Shares:		
Balance at the beginning	Nil	Nil
Add: Number of Shares Allotted	1,80,000	Nil
Balance at close	1,80,000	Nil

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

Particulars	31.3.2015	31.3.2014
Equity Shares of ₹10/- Each	Nil	Nil
1% Redeemable Preference Shares of ₹100/-	Nil	Nil

Rights, preferences and restrictions attached to each class of shares:

Equity Share of ₹ 10/- each & 0.0001% Redeemable Preference Shares of ₹ 100/- Each fully paid-up:

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

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

Name of Shareholders	31.3.2015	31.3.2014	% of Shares As at 31.3.2015	% of Shares As at 31.3.2014
Deccan Gold Limited	9,999	9,999	98.99%	99.99%

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

Name of Shareholders	31.3.2015	31.3.2014	% of Shares
Mr. Mahindra Ratilal Sarvaiya	1,50,000	Nil	83.33%
Mr. Samir Madhusudhan Thakur	30,000	Nil	16.67%

DECCAN GOLD MINES LIMITED
DECCAN EXPLORATION SERVICES PRIVATE LIMITED

2. PARTICULARS OF RESERVES AND SURPLUSES:

(Amount in '000)

Particulars	31.3.2015	31.3.2014
A. Capital Reserves:	Nil	Nil
B. Capital Redemption Reserve	Nil	Nil
C. Share Premium:	11,999	Nil
D. Profit & Loss Account:		
Opening Balance Brought Forward	6,871	6,940
Add: Current Year Profit	(233)	(70)
Closing Balance Carried Forward	6,638	6,871
Other Reserves;		
Pre-Operative Expenditure	(2,082)	Nil
Preliminary Expenses	(453)	Nil
Total	16,102	6,871

3. TRADE PAYABLES:

Particulars	31.3.2015	31.3.2014
A. Trade Creditors	10,184	13,490
B. Others	174	130
Total	10,358	13,620

4. OTHER CURRENT LIABILITIES:

Particulars	31.3.2015	31.3.2014
A. Income Tax TDS Payable	237	475
B. Others	132	Nil
Total	369	475

5. FIXED ASSETS:

Fixed Assets	Useful Life	Gross Block				Accumulated Depreciation				Net Block (WDV)	
		Value at the beginning	Additions during the Year	Deduction during the Year	Value at the end 31-03-2015	Value at the beginning 01-04-2014	Additions during the Year	Deduction during the Year	Value at the end 31-03-2015	WDV as on 31-03-2015	WDV as on 31-03-2014
Tangible Assets :											
Land		-	-	-	-	-	-	-	-	-	-
Buildings		-	-	-	-	-	-	-	-	-	-
Plant & Equipment		-	-	-	-	-	-	-	-	-	-
Vehicles	3	844	-	-	844	326	173	-	499	346	518
Furniture & Fixtures		-	-	-	-	-	-	-	-	-	-
Office equipment	2	13	-	-	13	3	5	-	8	5	10
Office equipment	2	33	-	-	33	10	12	-	22	12	23
Computer	2	49	-	-	49	30	9	-	39	9	19
Sub Total (A)		939	-	-	939	369	199	-	568	372	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)		939	-	-	939	369	199	-	568	372	571
Previous Year		883	56	-	939	255	114	-	369	571	-

6. NET DEFERRED TAX ASSETS:

(Amount in '000)

Particulars	31.3.2015	31.3.2014
A. Deferred Tax Asset	120	35
B. Less; Deferred Tax Liability	(31)	Nil
C. Net Deferred Tax Asset	151	35

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

Particulars	31.3.2015	31.3.2014
Written Down Value As Per Books	372	571
Written Down Value As Per Income Tax	467	571
Difference in WDV	(95)	Nil
Deferred Tax Liability	(31)	Nil
Disallowances U/s 40(a) & 43B	Nil	Nil
Unabsorbed depreciation & Business Loss	353	103
Deferred Tax Asset	120	35
Net Deferred Tax Asset	151	35
Deferred Tax Provided in earlier years	35	Nil
Deferred Tax Provided(+)/Withdrawn(-) in the year	116	35

7. LONG TERM LOANS & ADVANCES:

Particulars	31.3.2015	31.3.2014
A. Security Deposit	127	127
B. Loans & Advances to Related Parties	Nil	Nil
C. Other Loans & Advances	155	155
Total	282	282

8. OTHER NON-CURRENT ASSETS:

Particulars	31.3.2015	31.3.2014
A. Long Term Trade Receivables	Nil	Nil
B. Advances with Revenue Authorities	285	711
Total	284	711

9. TRADE RECEIVABLES:

Particulars	31.3.2015	31.3.2014
A. Outstanding for more than Six Months	9,351	377
B. Others	31,958	18,379
Total	41,309	18,756

10. CASH & CASH EQUIVALENTS::

Particulars	31.3.2015	31.3.2014
A. Cash In Hand	84	21
B. Bank Balance	7,671	630
Total	7,755	651

DECCAN GOLD MINES LIMITED
DECCAN EXPLORATION SERVICES PRIVATE LIMITED

BANK BALANCES INCLUDE:

(Amount in '000)

Particulars	31.3.2015	31.3.2014
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	7,671	630
Total	7,671	630

11. SHORT TERM LOANS & ADVANCES:

Particulars	31.3.2015	31.3.2014
A.Loans & Advances to Related Parties	Nil	Nil
B.Advances with Revenue Authorities	430	58
C.Other Loans & Advances	48	Nil
D.Total	478	58

12. SALES & OTHER INCOMES:

Particulars	31.3.2015	31.3.2014
A. Revenue from Operation :		
Exploration Contract	7,995	18,394
Total	7,995	18,394
B. Other Incomes:		
Consultancy Receipts	1,169	125
Interest on Deposits & Others	30	Nil
Miscellaneous Receipts		Nil
Total	1,199	125
Total	9,194	18,519

13. EXPLORATION EXPENSES:

Particulars	31.3.2015	31.3.2014
Analysis Charges	183	276
Boarding & Lodging Charges	9	31
Books & Periodicals	Nil	1
Camp Expenses	155	58
Diesel & Fuel	31	111
Duplicating Charges	1	37
Field Supplies & Consumables	65	141
Field Vehicle Maintenance	60	98
RP Processing Charges	190	35
Rent	231	341
Land & Crop Compensation	278	591
Field Travel Expenses	199	61
Exploration Contract Expenses	4,234	3,164

(Amount in '000)

Food & Water Charges	76	263
Professional & Consultancy Fees	1,402	1,267
Hire Charges	213	1,216
Trenching, Drilling & Pitting Charges	1,892	10,768
Other Camp Expenses	14	11
Total	9,234	18,468

14. FINANCIAL COST:

Particulars	31.3.2015	31.3.2014
Bank Charges & Other Charges	6	3
Total	6	3

15. DEPRECIATION AMORTIZED COST:

Particulars	31.3.2015	31.3.2014
Depreciation	199	114
Preliminary Expenses Amortized	Nil	Nil
Total	199	114

16. OTHER EXPENSES

Particulars	31.3.2015	31.3.2014
Office Expenses	9	2
Telephone Expenses	6	Nil
Printing & Stationery Expenses	13	5
Electricity Charges	4	Nil
Insurance Charges	25	Nil
Repairs & Maintenance	10	Nil
Professional Fees	6	3
AUDITORS REMUNERATION:		
For Audit	22	22
For Taxation	4	4
For Expenses	1	1
Total	100	37

17. EXCEPTIONAL ITEMS:

Particulars	31.3.2015	31.3.2014
Penal Interest & Other Expenses	4	2
Total	4	2

18. CONTINGENT LIABILITIES: Nil (P.Y Nil)

DECCAN GOLD MINES LIMITED
DECCAN EXPLORATION SERVICES PRIVATE LIMITED

19. TRADE RECEIVABLES:

(Amount in '000)

Classified as Current: ₹ 4,13,08,714/- (P.Y. ₹ 1,87,35,881/-) includes:

Particulars	31.3.2015	31.3.2014
i. Debts Due for a period:		
a. more than Six Months from the due date	9,351	377
b. Others	31,958	18,379
ii. Debts considered good and secured	Nil	Nil
iii. Debts considered good but not secured	41,309	18,756
iv. Debts considered unsecured and doubtful of recovery and not provided for	Nil	Nil
v. Debts due from:	Nil	Nil
a. Directors		
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: ₹ 4,77,475 /- (P.Y. ₹ 58,204/-) includes:

Particulars	31.3.2015	31.3.2014
i. Short Term Loans & Advances:		
a. Capital Advances	Nil	Nil
b. Security Deposits	Nil	Nil
c. Due From Related Parties	Nil	Nil
d. Others	477	58
ii. Loans and advances which are:		
a. Secured and considered good	Nil	Nil
b. Unsecured and Considered Good	477	58
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: ₹ 2,82,434/- (P.Y. ₹ 2,82,434/-) includes:

Particulars	31.3.2015	31.3.2014
i. Long Term Loans & Advances:		
a. Capital Advances	Nil	Nil
b. Security Deposits	127	127
c. Due From Related Parties	Nil	Nil
d. Others	155	155

(Amount in '000)

ii. Loans and advances which are:		
a. Secured and considered good	Nil	Nil
b. Unsecured and Considered Good	282	282
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

Classified as Other Non-Current: ₹ 2,84,552/- (P.Y ₹ 7,11,314/-) includes:

Particulars	31.3.2015	31.3.2014
i. Long Term Loans & Advances:		
a. Capital Advances	Nil	Nil
b. Security Deposits		
c. Due From Related Parties	Nil	Nil
d. Others	284	711
ii. Loans and advances which are:		
a. Secured and considered good	Nil	Nil
b. Unsecured and Considered Good	285	711
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:

Amounts due to Related Parties : Nil

Amounts due from Related Parties:

Particulars	31.3.2015	31.3.2014
Deccan Gold Mines Ltd	41,248	18,754
Total	41,248	18,754

23. OPERATING CYCLES OF THE VARIOUS BUSINESSES CONSIDERED BY THE MANAGEMENT ARE:

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

24. THE PARTICULARS OF GROSS SALES AND NET OF DUTIES ARE:

Particulars	Gross Value	Less: Duty	Net of Duty
Mining Exploration Contract	8,728	733	7,995
Mining Consultancy	1,190	21	1,169
Total	9,918	754	9,164

DECCAN GOLD MINES LIMITED
DECCAN EXPLORATION SERVICES PRIVATE LIMITED

25. The particulars of Foreign Exchange Earnings and Expenditure are: (Amount in '000)

Particulars	31.3.2015	31.3.2014
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	31.3.2015	31.3.2014
Provident Fund	Nil	Nil
ESI Contribution	Nil	Nil
Labour Welfare Fund	Nil	Nil
Total	Nil	Nil

27. RELATED PARTY TRANSACTIONS DISCLOSURES: In ₹

Particulars	Directors Relatives/ Holding Company	Key Management Personnel	TOTAL
Exploration Contract Receipts	79,94,560	Nil	79,94,560
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 / Holding Company	a. 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.

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:

1. Upto financial year ended 31.03.2014 the depreciation on fixed assets is provided on straight line method at the rates specified in the specified in schedule XIV to the Companies Act, 1956.
2. For financial year 2014-15 the depreciation on fixed assets is provided on estimated useful life as specified in schedule II to the Companies Act, 2013.

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 INTANGIBLE 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.

For **DECCAN EXPLORATION SERVICES PRIVATE LIMITED**

S.C.R PESHWA
Director

K.KARUNAKARAN
Director

As per our report of even date attached.

For **Rao & Venkatesulu**
Chartered Accountants

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

Place : Bangalore
Date : 30 April 2015

DECCAN GOLD MINES LIMITED

DECCAN EXPLORATION SERVICES PRIVATE LIMITED

Cash Flow for the Year Ended on 31st March, 2015

Particulars	Current Year		Previous Year	
Cash Flow From Operating Activities:				
Net Profit Before Tax & Extraordinary items Adjustments For :		(3,48,694)		(1,04,758)
Depreciation	1,98,986		1,13,792	
Miscellaneous Expenditure Written off		-		-
Provision For Gratuity & Earned Leave Payable		-		-
Profit/Loss on Sale of Investments		-		-
Profit/Loss on Sale of Assets		-		-
Investments Written Off		-		-
Interest,Dividends Etc	(30,052)		-	
Finance Cost	5,568	1,74,502	3,310	1,17,102
Operating Profit Before Working Capital Changes Adjustments for :		(1,74,192)		12,344
Trade Receivables	(2,25,52,296)		(1,30,20,754)	
Inventories		-		-
Other Receivables	(4,19,271)		(17,209)	
Other Current Assets				
Trade Payables & Current Liabilities	(33,67,590)	(2,63,39,157)	1,33,65,391	3,27,428
Cash Generated From Operations		(2,65,13,349)		3,39,772
Finance Cost	(5,568)		(3,310)	
Direct Taxes Paid		-		-
Dividend Paid	-	(5,568)	-	(3,310)
Cash flow before extra ordinary items Sales Assets		(2,65,18,917)		3,36,462
Net Prior Period Expenses				
Net Cash Flow From Operating Activities		(2,65,18,917)		3,36,462
Cash Flow from Investing Activities		-		-
Purchase of Fixed Assets	-		(56,060)	
Purchase of Investments		-		-
Sale of Assets		-		-
Increase In Preliminary Expenses & Pre Operative Expenditure	(25,35,137)			
Interest Received	30,052		-	
Dividend Received	-	(25,05,085)	-	(56,060)
Net Cash used in investing activities		(2,90,24,002)		2,80,402
Cash Flow from Financing Activities				
Other Non-Current Assets	4,26,762		1,97,949	
Long Term Loans & Advances		-		1,119
Proceeds from issue of Capital	3,00,00,000		-	
Proceeds from issue of Share Application Money	57,01,000			
Proceeds from Long Term Borrowings		-		-
Repayment of Finance Lease Liabilities		-		-
Work in Capital Loan		-		-
Investment Subsidy	-	3,61,27,762	-	1,99,068
Net Cash Used in Financing Activities		71,03,760		4,79,470
Net Increase/Decrease in Cash & Cash Equivalents				
Opening Balance of Cash & Cash Equivalents		6,51,354		1,71,884
Closing Balance of Cash & Cash Equivalents		77,55,114		6,51,354

As per our report of even date attached.

For **DECCAN EXPLORATION SERVICES PRIVATE LIMITED**

For **Rao & Venkatesulu**
Chartered Accountants

S.C.R PESHWA
Director

K.KARUNAKARAN
Director

K Y Ningoji Rao
Partner
Membership No. :018278

Place : Bangalore
Date : 30 April 2015

FRN: 003108S

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 (herein referred to as “the Holding Company”) and its subsidiaries (the holding company and its subsidiaries together referred to as “the Group”), comprising of the consolidated Balance Sheet as at March 31, 2015, the consolidated Statement of Profit and Loss and the consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information(herein referred to as the consolidated financial statements”).

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these financial statements in terms of the requirements of the companies Act, 2013 (herein referred to as “the act”) that give a true and fair view of the consolidated financial position, consolidated financial performance and cash flows of the group in accordance with the accounting principles generally accepted in India, including the accounting standards specified under section 133 of the Act, read with the rule 7 of the companies (accounts) rules, 2014. The respective board of directors of the companies included in the group are responsible for maintenance of adequate accounting records in accordance with the provisions of the act for safeguarding the assets of the group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for insuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatements, whether due to fraud or error, which has been used for the purpose of preparation of the consolidated financial statements by the directors of the holding company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the rules made there under.

We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India, as specified under section 143(10) of the Act. 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 consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the holding company has an adequate internal financial control system over financial reporting in place and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the holding company's board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditor's in terms of their reports referred to in sub-paragraph(a) of the other matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

DECCAN GOLD MINES LIMITED

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated 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, of the consolidated state of affairs of the group, its associates and jointly controlled entities as at 31st March, 2015,

- (a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2015;
- (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.

Other Matters

- (a) We did not audit the financial statements/ financial information of 1 subsidiary, whose financial statement/ financial information reflect the total assets of Rs.506.31 Lacs as at 31st March,2015, total revenues of Rs.11.99 Lacs and net cash flows amounting to Rs.71.04 Lacs for the year ended on that date, as considered in the consolidated financial statements. These financial statements/ financial information have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relate to the amounts and disclosures included in respect of subsidiary and our reports in terms of sub section (3) & (11) of section 143 of the Act in so far as it relates to the aforesaid subsidiary is based solely on the report of the other auditors.

Our opinion on the consolidated financial statements, and our report on other legal and regulatory requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, based on the comments in the auditor's reports of the Holding company and subsidiary companies incorporated in India we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by section 143(3) of the Act, we report, to the extent applicable, that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;
 - b) In our opinion proper books of account as required by law relating to preparation of the aforesaid financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors;
 - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;
 - d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under section 133 of the Act, read with rule 7 of the Companies (Accounts) rules,2014;
 - e) On the basis of written representations received from the directors of the Holding Company as on March 31, 2015, and taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on March 31, 2015, from being appointed as a director in terms of section 164(2) of the Act;
 - f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules,2014, in our opinion and to the best of our information and according to the explanations given to us;

- i) There were no pending litigations which would impact the consolidated financial position of the Group.
- ii) The Group did not have any material, foreseeable losses on long-term contracts including derivative contracts.
- iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies incorporated in India.

For V. K. BESWAL & ASSOCIATES

CHARTERED ACCOUNTANTS

FIRM REGN NO 101083W

CA K.V. BESWAL

PARTNER

Membership Number: 131054

Place : Mumbai

Dated : 28 May 2015

ANNEXURE TO THE AUDITOR'S REPORT EVEN DATE

(Referred to in paragraph 1 thereof)

1. In respect of Fixed Assets:

- a) The Holding Company and subsidiary company incorporated in India has maintained proper records showing full particulars, quantitative details and situation of its fixed assets.
- b) The fixed assets have been physically verified by the management of the Holding Company and subsidiary company incorporated in India at reasonable intervals during the year. We are informed that no material discrepancies were noticed by the management on such verification.

2. In respect of Inventories:

- a) Based on our scrutiny of the books of accounts and other records of Holding Company and subsidiary company incorporated in India and according to the information and explanations given to us, we are of the opinion that the Holding Company and subsidiary company incorporated in India has not purchased/sold goods during the year nor is there any opening stocks. Requirement on reporting on physical verification of stocks or maintenance of inventory records, in our opinion, does not arise.
3. The Group has not granted any loans, secured or unsecured to the companies, firms or other parties covered in the register maintained under Section 189 of the companies Act, 2013.
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 Holding Company and subsidiary company incorporated in India and the nature of their business. Further, on the basis of our examination of the books and records of Holding Company and subsidiary companies incorporated in India, 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. According to the information and explanations given to us, the Holding Company and subsidiary company incorporated in India have not accepted any deposits from public.
6. As informed to us, the Central Government has not prescribed the maintenance of Cost records under section 148 of the Companies Act, 2013 for any of the activities of the Holding Company and subsidiary company incorporated in India..

7. In respect of Statutory Dues:

- a) According to record produced before us, the Holding Company and subsidiary company incorporated in India are generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, customs duty, excise duty, cess and other statutory dues applicable to it.
- b) According to the information and explanations given, no undisputed amounts payable in respect of Income-Tax, sales tax, wealth tax, service tax, customs duty, excise duty/cess were outstanding as at 31.03.2015 for a period of more than six months from the date they became payable.
- c) According to the records of the company there are no dues of Income-Tax, sales tax, wealth tax, service tax, customs duty, excise duty/cess which have not been deposited on account of any dispute.
- d) According to the records of the company there are no amounts to be transferred to Investor Education & Protection Fund.
8. The accumulated losses of the Holding Company and subsidiary company incorporated in India are more than 50% of its net worth as at 31/03/2015. The Holding Company and subsidiary company incorporated in India has incurred a cash loss of Rs. 115.54 Lacs in the current financial year and Rs. 31.55 Lacs in the immediately preceding financial year.

9. As per the information and explanations given to us the Holding Company and subsidiary company incorporated in India have not obtained any loan from any financial institution or bank and issued debentures.
10. The Holding Company and subsidiary company incorporated in India has not given any corporate guarantees in connection with loan taken by others from banks.
11. According to the records of the Holding Company and subsidiary company incorporated in India have not obtained any term loans during the year. Hence, comments under the clause are not called for.
12. Based upon the audit procedures performed and information and explanations given by the management, we report that no fraud on or by the Holding Company and subsidiary company incorporated in India have 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 : 28 May 2015

DECCAN GOLD MINES LIMITED

DECCAN GOLD MINES LIMITED

(FORMERLY WIMPER TRADING LIMITED)

CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2015

(Amount in '000)

Particulars	Note No.	31-03-2015	31-03-2014
I. EQUITY AND LIABILITIES			
Shareholders' Funds			
(a) Share capital	1	77,218	58,867
(b) Reserves and surplus	2	(76,735)	(64,184)
(c) Employee Stock option Outsanding		7,063	4,769
(d) Share Application Money		5,701	4,458
(e) Miniority Interest		-	-
		13,247	3,910
Non-Current Liabilities			
(a) Long-term Provisions	3	950	793
		950	793
Current Liabilities			
(a) Trade payables	4	10,358	13,619
(b) Other current liabilities	5	2,525	1,156
		12,883	14,776
TOTAL (I)		27,080	19,478
II. ASSETS			
Non-Current Assets			
(a) Goodwill on Consolidation		197	197
(b) Fixed assets	6		
(i) Tangible assets		716	1,178
(ii) Intangible assets		246	7
(c) Long Term Loans and Advances	7	3,209	2,397
(d) Deferred Tax Assets		151	35
		4,519	3,814
Current assets			
(a) Current investments	8	885	-
(b) Cash and cash equivalents	9	11,392	6,751
(c) Short-term loans and advances	10	10,284	8,913
		22,562	15,664
TOTAL (II)		27,080	19,478

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

Charles E.E.Devenish
Chairman

Sandeep Lakhwara
Managing Director

CA K.V. BESWAL
PARTNER
Membership Number: 131054

K. Karunakaran
Chief Finance Officer

S. Subramaniam
Company Secretary

Place : Mumbai
Dated : 28 May 2015

Place : Bangalore
Dated : 28 May 2015

DECCAN GOLD MINES LIMITED

(FORMERLY WIMPER TRADING LIMITED)

STATEMENT OF CONSOLIDATED PROFIT & LOSS FOR THE YEAR ENDED 31 MARCH 2015

(Amount in '000)

Particulars	Note No.	31-03-2015	31-03-2014
Other income	11	5,002	6,020
Total Revenue		5,002	6,020
Expenses:			
Exploration Expenses		-	73
Employee benefits expense	12	10,924	2,873
Finance costs	13	47	31
Depreciation and amortization expense	6	449	308
Other expenses	14	9,980	6,198
Total expenses		21,400	9,483
Loss before extraordinary items and tax		(16,398)	(3,463)
Extraordinary Items Prior year adjustments		-	-
Profit before tax		(16,398)	(3,463)
Tax expense:			
(1) Current tax		-	-
(2) Deferred Tax		116	(35)
Profit (Loss) for the period before MI		(16,282)	(3,428)
Less : Minority Interest		1	-
Loss for the Period		(16,281)	(3,428)
Earnings per equity share: Basic (in ₹)		(0.27)	(0.06)
Earnings per equity share: Diluted (in ₹)		(0.26)	(0.06)

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

CA K.V. BESWAL
PARTNER
Membership Number: 131054
Place : Mumbai
Dated : 28 May 2015

For and on behalf of the Board

Charles E.E. Devenish
Chairman

K. Karunakaran
Chief Finance Officer

Place : Bangalore
Dated : 28 May 2015

Sandeep Lakhwara
Managing Director

S. Subramaniam
Company Secretary

DECCAN GOLD MINES LIMITED

DECCAN GOLD MINES LIMITED

(FORMERLY WIMPER TRADING LIMITED)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

Note : 1 Share Capital

A	Particulars	31 March 2015		31 March 2014	
		Numbers	₹ ('000)	Numbers	₹ ('000)
	Authorised				
	Equity Shares of ₹1 each	25,00,00,000	2,50,000	10,00,00,000	1,00,000
	Preference Share of Rs. 100 each	3,50,000	35,000	-	-
		25,03,50,000	2,85,000	10,00,00,000	1,00,000
	Issued, Subscribed & Fully Paid up				
	Equity Shares of ₹ 1 each	5,92,18,250	59,218	588,67,250	58,867
	1,80,000 Redeemable Preference Shares of Rs 100/- each, fully paid up	1,80,000	18,000	-	-
	Total	5,93,98,250	77,218	588,67,250	58,867

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

Particulars	Equity Shares			
	31 March 2015		31 March 2014	
	Numbers	₹ ('000)	Numbers	₹ ('000)
At the beginning of the year	5,88,67,250	58,867	587,71,250	58,771
Add Shares Issued on exercise of Employee Stock Options	3,51,000	351	96,000	96
At the end of the year	5,92,18,250	59,218	588,67,250	58,867

Particulars	Preference Shares			
	31 March 2015		31 March 2014	
	Numbers	₹ ('000)	Numbers	₹ ('000)
At the beginning of the year	-	-	-	-
Add Shares Issued during the year	1,80,000	18,000	-	-
At the end of the year	1,80,000	18,000	-	-

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

Particulars	Nature of Relationship	31 March 2015	31 March 2014
Equity Shares		NIL	

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

Name of Shareholder	Equity Shares			
	31 March 2015		31 March 2014	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Rama Mines (Mauritius) Limited	2,46,54,746	41.63	251,68,681	42.75

Name of Shareholder	Preference Shares			
	31 March 2015		31 March 2014	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Mahendra Ratilal Sarvaiya	1,50,000	83.33	-	-
Samir Madhusudhan Thakur	30,000	16.67	-	-

- E (1) The Company has reserved 493,000 (Previous Year 844,000) Equity Shares of ₹ 1/- each for offering to eligible employees of the Company and its subsidiaries under the Employee Stock Option Scheme, 2008. During the financial year 2010-11, the Company has granted 30,00,000 options to the eligible employees at a price of ₹ 16.95/- per option plus all applicable taxes. The options would vest over a maximum period of 3 years as decided by the Compensation Committee from the date of grant based on specified criteria. As of 31 March, 2015 there are no outstanding options under said Scheme since the Scheme has come to an end during June, 2014 itself.
- (2) During the year 2014-15, the Company had granted 30,00,000 stock options to the eligible employees (15,00,000 options on 14 January, 2015 and 15,00,000 options on 10 March, 2015) under the Deccan Gold Mines Limited Employee Stock Option Scheme, 2014. These options have been granted at a price of ₹ 7/- per option plus all applicable taxes. The options would vest over a period of 2 years (post a lock-in period of 1 year from the date of grant) as decided by the Nomination & Remuneration Committee from the date of grant based on specified criteria.
- F. Aggregate numbers of shares issued as fully paid up for consideration other than cash, bonus shares issued and shares bought back during the period of 5 years immediately preceding the reporting date.

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 2015 ₹ ('000)	31 March 2014 ₹ ('000)
a. Capital Reserves		
Opening Balance	16,726	16,726
(+)/(-) Transfer	-	-
Closing Balance	16,726	16,726
b. Capital Redemption Reserve		
Opening Balance	-	-
(+) Transfer from Share Premium Reserves	11,546	-
Closing Balance	11,546	-
c. Securities Premium Account		
Opening Balance	1,05,542	1,03,469
(+) on allotment of Equity Shares	7,582	2,074
(-) Expenses for Increase in Authorise Capital	-1,846	-
(-) Right issue expenses	-1,336	-
Closing Balance	1,09,942	1,05,542

DECCAN GOLD MINES LIMITED
CONSOLIDATED FINANCIAL STATEMENTS

d. Profit & Loss Account		
Opening balance	-65,589	(62,161)
(+) Net Loss /ProfitFor the current year	-16,281	(3,428)
(-) Adjustment to fixed assets (Refer Note No 25)	-23	-
Closing Balance	(81,893)	(65,589)
e. Preoperative Expenses		
Opening balance	-1,20,864	(1,00,419)
(+) Incurred during the year (Refer Note No 18)	-12,192	(20,445)
Closing Balance	(1,33,056)	(1,20,864)
Total	(76,735)	(64,183)

Note - 3 : Long Term Provisions

Particulars	31 March 2015 ₹ ('000)	31 March 2014 ₹ ('000)
Provision for Gratuity	950	793
	950	793

Note - 4 : Trade payables

Particulars	31 March 2015 ₹ ('000)	31 March 2014 ₹ ('000)
Due to Mirco, small and medium enterprises	-	-
Due to Others	10,358	13,619
Total	10,358	13,619

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 2015

Note - 5 : Other Current Liabilities

Particulars	31 March 2015 ₹ ('000)	31 March 2014 ₹ ('000)
(i) Statutory dues	962	936
(ii) Other liability	1,563	221
Total	2,525	1,157

Note 6 : Fixed Assets

(Amount in '000)

Fixed Assets	Gross Block				Accumulated Depreciation					Net Block (WDV)	
	Balance as at 01-04-2014	Additions	Disposals	Balance as at 31-03-2015	Balance as at 01-04-2014	For the year	Transfer to reserve	Balance Written back	Balance as at 31-03-2015	Balance as at 31-03-2015	Balance as at 31-03-2014
Tangible Assets :											
Land - Lease hold	2,864	-	2,864	-	2,864	-	-	2,864	-	-	-
Plant and Equipment	1,138	-	1,138	880	89	-	-	969	169	258	-
Vehicles	1,346	-	-	1,346	797	204	-	-	1,001	345	549
Computer	350	-	-	350	286	21	12	-	319	31	64
Furniture and Fixtures	563	-	-	563	429	67	-	-	496	67	134
Office equipment	466	-	-	466	294	64	4	-	362	104	172
Total	6,728		2,864	3,864	5,550	445	16	2,864	3,147	716	1,178
Intangible Assets :											
Computer software	146	250	-	396	139	4	7	-	150	246	7
Total	146	250	-	396	139	4	7	-	150	246	7

CONSOLIDATED FINANCIAL STATEMENTS

Capital Work In Progress	-	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-	-
Intangible assets under Development	-	-	-	-	-	-	-	-	-	-	-
Total	6,874	250	2,864	4,260	5,689	449	23	2,864	3,298	962	1,185
Previous Year	6,819	56	-	6,874	5,381	308	-	-	5,688	1,185	-

Note - 7 : Other Non-current Assets

Particulars	31 March 2015 ₹ ('000)	31 March' 2014 ₹ ('000)
Security Deposits	2,924	2,397
Others receivables	285	-
Total	3,209	2,397

Note - 8 : Trade Receivables

Particulars	31 March 2015 ₹ ('000)	31 March 2014 ₹ ('000)
Unsecured, considered good		
Over Six months	3	-
Others	883	-
Total	885	-

Note - 9 : Cash and Cash Equivalents

Particulars	31 March 2015 ₹ ('000)	31 March 2014 ₹ ('000)
a. Balances with banks		
On current accounts in scheduled bank	11,280	6,674
b. Cash on hand	112	77
Total	11,392	6,751

Note - 10 : Short-term loans and advances

Particulars	31 March 2015 ₹ ('000)	31 March 2014 ₹ ('000)
Advance receivable in cash or kind	3,698	2,570
Balance with Government Authorities		
Income Taxes (Net)	2,327	2,937
Service Tax	4,212	3,407
Others	48	-
Total	10,284	8,913

Note - 11 : Other Income

Particulars	31 March 2015 ₹ ('000)	31 March 2014 ₹ ('000)
Profit on Sale of Investment	-	23
Dividend Income	-	680
Reversal of Expenses on Employee Stock Option Scheme	2,785	5,192
Interest Income	115	-
Consultancy Income	2,102	125
Total	5,002	6,021

DECCAN GOLD MINES LIMITED
CONSOLIDATED FINANCIAL STATEMENTS

Note - 12 : Employee Benefit Expenses

Particulars	31 March 2015 ₹ ('000)	31 March 2014 ₹ ('000)
Salaries & wages	3,775	2,838
Expenses on Employee Stock Option Scheme	7,062	-
Staff welfare expenses	87	35
Total	10,924	2,872

Note - 13 : Finance costs

Particulars	31 March 2015 ₹ ('000)	31 March 2014 ₹ ('000)
Bank Charges	33	21
Interest Paid	15	10
Total	47	31

Note - 14 : Other expenses

Particulars	31 March 2015 ₹ ('000)	31 March 2014 ₹ ('000)
Electricity Expenses	136	151
Listing Fees	305	230
Rent	2,056	2,012
Rates and taxes	48	24
Repair and maintenance	638	347
Directors Remuneration	3,000	1,200
Bussiness promotion, Advertiesment Miscellaneous expenses	1,024	1,088
Travelling and conveyance	321	252
Communication Expenses	102	13
Legal and Professional fees	661	542
Directors' sitting fees	108	125
Exploration Expenses	1,239	-
Auditor's remuneration	181	183
Brokerage & Commission	125	-
Membership & Subscription fees	35	32
Total	9,980	6,198

Payments to Auditor

Particulars	31 March 2015 ₹ ('000)	31 March 2014 ₹ ('000)
For Audit Fee	152	127
For Certification & Others	28	55
Total	181	183

**NOTE '(1A)' OF SIGNIFICANT ACCOUNTING POLICIES AND
NOTES ANNEXED TO BALANCE SHEET AS AT 31st MARCH, 2015**

(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 of the company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The company has prepared these financial statements to comply in all material respects with the Companies (Accounts) Rules, 2014 and the relevant provision of Companies Act, 2013. The financial statements have been prepared on an accrual basis and under the historical cost convention. The accounting policies adopted in the preparation of financial statement are consistent with those of previous year.

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 on Fixed Assets is provided based on the useful life of the assets in the manner prescribed in Schedule II to the Companies Act, 2013.
2. Depreciation on fixed assets added /disposed off during the year is provided on pro-rata basis.

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. Provision for current tax is made with reference to taxable income computed for the accounting period, for which the financial statements are prepared by applying the tax rates as applicable.
- ii. Deferred tax is recognized subject to the consideration of prudence, on timing differences being the difference between taxable incomes and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Such deferred tax is quantified using the tax rates and laws enacted or substantively enacted as on the Balance Sheet date. Deferred tax assets are recognized and carried forward to extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

DECCAN GOLD MINES LIMITED

CONSOLIDATED FINANCIAL STATEMENTS

H. Impairment of Assets

a) 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.

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
- iv. Consultancy Income is recognized as and when services are rendered.

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.

NOTES TO THE ACCOUNTS:

Note 15:

Particulars	31.03.2015	31.03.2014
	₹ ('000)	₹ ('000)
1. Capital Commitments	NIL	NIL
2. Claims made against the company but not acknowledged as debts	NIL	NIL
3. Contingent Liabilities	NIL	NIL

Note 16: Expenditure and Earning in foreign currency:

Particulars	31.03.2015	31.03.2014
	₹ ('000)	₹ ('000)
1. Expenditure in foreign currency	NIL	NIL
2. Earning in foreign currency	NIL	NIL

Note 17: 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

b) Transactions with related parties:-

Sr. No.	Nature	31.03.2015	31.03.2014
		₹ ('000)	₹ ('000)
1	Managerial Remuneration paid to directors	3000.00	1200.00
2	Directors Sitting Fees & Audit Committee fees	107.50	125.00
3	Rent for Guest House to Managing Director	240.00	360.00

Note 18: 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 ₹ 1330.56 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.

Note 19: Disclosure in respect of Employee Stock Option Scheme

a. Employee Stock Option Scheme 2008:

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	01.04.2014 to 31.03.2015	01.04.2013 to 31.03.2014
Options outstanding at the beginning of the year	8,44,000	19,87,500
Exercised during the year	3,51,000	96,000
Options Lapsed during the year	4,93,000	9,27,500
Option Lapsed on account of Employee resignation	-	1,20,000
Options outstanding at the end of the year	-	8,44,000
Option unvested at the end of the year	-	-
Option exercisable at end of the year	-	8,44,000

DECCAN GOLD MINES LIMITED

Disclosure in respect of Deccan Gold Mines Limited Employee Stock Option Scheme 2014

Particulars	Tranche-1	Tranche-2
No. of Options	750,000	750,000
Method of Accounting	Intrinsic Value	
Vesting Period	14.01.2016 to 13.01.2017	14.01.2017 to 13.01.2018
Exercise Period	1 year	1 year
Grant Date	14.01.2015	14.01.2015
Grant / Exercise Price per share	₹ 7	₹ 7
Market Price on the date prior to the date of grant of option	₹ 44.05	₹ 44.05

Particulars	Tranche-1	Tranche-2
No. of Options	750,000	750,000
Method of Accounting	Intrinsic Value	
Vesting Period	10.03.2016 to 09.03.2017	10.03.2017 to 09.03.2018
Exercise Period	1 year	1 year
Grant Date	10.03.2015	10.03.2015
Grant / Exercise Price per share	₹ 7	₹ 7
Market Price on the date prior to the date of grant of option	₹ 30.80	₹ 30.80

Particulars	01.04.2014 to 31.03.2015	01.04.2013 to 31.03.2014
Options outstanding at the beginning of the year	Nil	Nil
Exercised during the year	Nil	Nil
Options lapsed during the year	Nil	Nil
Options lapsed on account of employee resignation	Nil	Nil
Options outstanding at the end of the year	Nil	Nil
Options unvested at the end of the year	3000000	Nil

Employee Stock Option Outstanding account ₹ 912.75 Lacs (PY ₹ 47.69 Lacs & Deferred Employee Compensation account ₹ 842.12 Lacs (PY ₹ 51.92 Lacs). Employee Compensation Expenses amounting to ₹ 70.62 Lacs (PY NIL) is included under the head Salaries and other benefits. Reversal of Employee Compensation Expenses amounting to ₹ 27.85 Lacs (PY ₹ 51.92 Lacs) is included under the head Other Income.

Note 20: Defined benefit Plans: -

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

Defined benefit Obligation

Sr No.	Particulars	31.3.2015	31.3.2014
1	Current service cost	96,138	88,119
2	Interest on obligation	71,059	59,101
3	Expected return on plan assets	-	-
4	Net actuarial losses (gains) recognized in year ended	(10,102)	(93,109)
5	Past service cost	-	-
6	Losses (gains) on curtailments and settlement	-	-
	Total, included in 'Employee Benefit Expense'	1,57,095	54,111

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	31.3.2015	31.3.2014
1	Opening Defined Benefit Obligation	792,876	7,38,765
2	Service cost for the year	96,138	88,119
3	Interest cost for the year on opening D.B.O.	71,059	59,101
4	Actuarial losses (gains)	(10,102)	(93,109)
5	Losses (gains) on curtailment	-	-
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	949,971	792,876

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)	31.3.2015	31.3.2014
1	Discount rate	7.80%	9.10%
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.

Note 21: Earnings Per Share

₹ (in '000)

Particulars	31.03.2015 ₹ ('000)	31.03.2014 ₹ ('000)
Net Profit / (Loss) available to Equity Shareholders	(16249)	(3428)
Weighted Average No of Equity Shares	5,91,99,634	5,88,11,228
Basic Earning Per Shares (in ₹)	(0.27)	(0.06)
Diluted Earning Per Shares (in ₹)	(0.26)	(0.06)

Note 22: "During Financial 2013-14, 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

DECCAN GOLD MINES LIMITED

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.

Note 23: Pursuant to the approval accorded by the Board at its meeting held on 19 November, 2014 and 30 December, 2014 the Company has announced a Rights Issue involving raising of funds to the tune of ₹ 444.14 million through the issue of 1 rights share for every 2 shares held in the Company at an Issue Price of ₹.15/- per share (including a premium of ₹ 14/- per share) to the shareholders of the Company as on the Record Date. Accordingly, the Company proposes to issue 29.61 million shares to the shareholders of the Company. The Record Date would be fixed by the Board of Directors post the receipt of all statutory / regulatory approvals including from SEBI and BSE. The Company has lodged the draft Letter of Offer for the Rights Issue with SEBI and BSE on 31 March, 2015.

Note 24: 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.

Note 25 : Pursuant to the enactment of Companies Act 2013, the company has applied the estimated useful lives as specified in Schedule II. Accordingly the unamortised carrying value is being depreciated / amortised over the revised/ remaining useful lives. The written down value of Fixed Assets whose lives have expired as at 1st April 2014 have been adjusted, in the opening balance of Profit and Loss Account amounting to ₹ 23 (in thousands).

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

CA K.V. BESWAL
PARTNER
Membership Number: 131054
Place : Mumbai
Dated : 28 May 2015

For and on behalf of the Board

Charles E.E.Devenish
Chairman

K. Karunakaran
Chief Finance Officer

Sandeep Lakhwara
Managing Director

S. Subramaniam
Company Secretary

Place : Bangalore
Dated : 28 May 2015

DECCAN GOLD MINES LIMITED

(FORMERLY WIMPER TRADING LIMITED)

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2015

	For the year ended 31.03.2015 (₹ '000)	For the year ended 31.03.2014 (₹ '000)
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net (Loss) before Tax and after Extraordinary items	(16,398)	(3,463)
Adjustment For :		
Depreciation	449	308
Interest & Finance charges	47	31
Interest received	(115)	-
Dividend Income	-	(680)
Expenses on Employee Stock option	7,062	-
Reversal of Expenses on Employee Stock Option Scheme	(2,785)	(5,192)
Profit on Sale of Investment	-	(23)
Loss on sale/(disposal) of Assets	-	-
Operative Loss before Working Capital Changes	(11,740)	(9,019)
Adjustment For :		
Non & Current Assets	(3,674)	(2,677)
Trade & Other liability	(1,736)	13,949
Cash Generation from Operations	(17,150)	2,253
Direct Taxes	610	(198)
Net Cash Flow from operating activities	(16,541)	2,055
B. CASH FLOW FROM INVESTING ACTIVITIES		
Pre-operative Expenses	(12,192)	(20,445)
Proceeds from investments	-	16,635
Purchases of fixed assets	(250)	6
Dividend Income	-	680
Interest Received	115	-
Net Cash used in investing activities	(12,327)	(3,185)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Share Issue	31,038	1,627
Share Application Money Received	5,701	4,458
Right Issue Expenses	-1,336	-
Expenses for Increase in Authorised Capital	-1,846	-
Financial Charges	-47	-31
Net Cash used in financing activities	33,510	6,054
D. NET CHANGE IN CASH AND CASH EQUIVALENTS		
(A+B+C)	4,642	4,922
Cash and Cash Equivalents as at 1st April 2014	6,751	1,829
Cash and Cash Equivalents as at 31st March 2015	11,393	6,751

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

CA K.V. BESWAL
PARTNER
Membership Number: 131054

Place : Mumbai
Dated : 28 May 2015

For and on behalf of the Board

Charles E.E. Devenish
Chairman

K. Karunakaran
Chief Finance Officer

Place : Bangalore
Dated : 28 May 2015

Sandeep Lakhwara
Managing Director

S. Subramaniam
Company Secretary

NOTES

This image shows a full page of white paper with horizontal dotted lines. The lines are evenly spaced and run across the width of the page, providing a guide for handwriting practice. There are no margins, text, or other markings on the page.

NOTES

This image shows a full page of white paper with horizontal dashed lines, typical of primary school writing paper. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.

NOTES

This image shows a full page of a document template designed for handwritten notes or answers. It features approximately 28 evenly spaced horizontal dotted lines across the entire width of the page, providing a guide for letter height and placement. The background is plain white, and there are no margins, headers, or footers visible.



DECCAN GOLD MINES LIMITED

CIN: L51900MH1984PLC034662

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ATTENDANCE SLIP

Sr. No.:

Registered Folio No./ DP ID & Client ID	
Name and address of the Member(s)	
Joint Holder 1 Joint Holder 2	
No. of Shares	

1. I hereby record my presence at the 31st ANNUAL GENERAL MEETING of the Company held on Wednesday, the 30th day of December, 2015 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

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

Note: Please read the instructions printed in the Notes attached to the Notice dated 13 November, 2015 of the 31st Annual General Meeting. The Voting period starts from 9.00 a.m. on Sunday, 27 December, 2015 and ends at 5.00 p.m. on Tuesday, 29 December, 2015. The voting module shall be disabled by NSDL for voting thereafter.

DECCAN GOLD MINES LIMITED

Regd. Office : 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):	Folio No:
Registered address:	*Client Id:
	*DP ID:
E-mail 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 Wednesday, the 30th day of December, 2015 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
ORDINARY BUSINESS				
1.	Adoption of the audited Balance Sheet and Profit & Loss Account for the year ended March 31, 2015 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 herself for re-appointment.	Ordinary		
3.	Appointment of Auditors and fixing of their remuneration.	Ordinary		
SPECIAL BUSINESS				
4.	Appointment of Ms. Pratima Ram as an Independent Director of the Company	Ordinary		

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

Signature of Shareholder

Affix
Revenue
Stamp

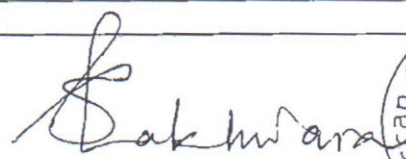





Signature of Proxy holder(s)

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.

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	March 31, 2015
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	 M, No. 124809 C. P. CHEKANI 
	Audit Committee Chairman	  Name : K.R. Krishnamurthy