



# DECCAN GOLD MINES LIMITED

**ANNUAL REPORT 2020**

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### **Consolidated Accounts of**

#### **Deccan Gold Mines Limited and Deccan Exploration Services Private Limited**

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## CORPORATE INFORMATION

Chairman	: Mr Kailasam S (w.e.f. November 12, 2020)
Managing Director	: Mr Sandeep Lakhwara
Board of Directors	: Dr Hanuma Prasad Modali Mr Govind Subhash Samant Mr Natesan C Mrs Revathi Thiruvendagam (w.e.f. June 16, 2020) Mrs. Pratima Ram (Chairman / Director till March 29, 2020)
Exploration Director of subsidiary company	: Mr Saradchandra Rao Peshwa
Head-Legal & Company Secretary	: Mr Subramaniam S
Chief Financial Officer	: Mr Karunakaran K
Corporate Identification No	: L51900MH1984PLC034662
Registered Office	: Parinee Crescenzo, 803, 8th Floor, Opp. MCA Ground, C38-39, G Block, Bandra Kurla Complex, Bandra (E), Mumbai – 400 051, Maharashtra Tel : 91-22-61554797 Fax : 91-22-67084655 Email : <a href="mailto:info@deccangoldmines.com">info@deccangoldmines.com</a> Web : <a href="http://www.deccangoldmines.com">www.deccangoldmines.com</a>
Corporate Office	: No. 5, 19th Main Road, 4th Sector, HSR Layout, Bengaluru – 560 102, Karnataka Tel : 91-80-67155700 Fax : 91-80-67155701
Statutory Auditors	: P R Agarwal & Awasthi Chartered Accountants, Mumbai (Firm Registration No 117940W)
Registrars & Share Transfer Agents	: Link Intime India Private Limited C 101, 247 Park, LBS Marg, Vikhroli West, Mumbai – 400 083 Tel : 91-22-49186000 Fax : 91-22-49186060 Email: <a href="mailto:rnt.helpdesk@linkintime.co.in">rnt.helpdesk@linkintime.co.in</a>
Bankers	: Kotak Mahindra Bank

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## **PROFILE OF BOARD OF DIRECTORS**

**Mr KAILASAM SUNDARAM**

Chairman (Independent, Non-executive Director)

Kailasam has over 28 years of corporate experience in the field of corporate law, FEMA, finance & taxation, audit (internal & external), legal and HR matters. Areas of expertise include fund raising for short-term and long-term requirements, listing of securities and handling of direct and indirect tax matters, risk assessment, evaluation of internal controls, understanding and evaluation of systems and processes.

Since July, 2015 he is acting as an Independent Advisor to various corporates providing specialised services on capital structuring (within and outside India), FEMA and other corporate law matters. He is a regular speaker and presents papers on corporate law matters at events conducted by professional bodies.

Kailasam is a Fellow Member of the Institute of Company Secretaries of India and an Associate Member of the Institute of Cost & Management Accountants of India.

**Mr SANDEEP LAKHWARA (B.Bus., CPA)**

Managing Director (Executive)

Sandeep has over 20 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 electronic and print media.

**Dr MODALI HANUMA PRASAD, M.Sc., Ph.D., MAusIMM**

Director (Non-Independent & Non-Executive)

Hanuma represents the Promoter Group i.e., Rama Mines Mauritius Limited, Mauritius (RMML) on the Board of the Company. He has 20 years of experience in exploration and mining industry, as exploration manager as well as part of the corporate management team. He has a Doctorate in Geology and worked with Geological Survey of India from 1994 to 2001 in geological mapping and mineral exploration projects. Presently, he serves as CEO of Australian Indian Resources Limited, Australia (AIR), a company that has got interests in mineral prospects in India. He also serves on the Board of AIM – listed Lionsgold Limited which also has got interests in mineral prospects in India.

**Mr GOVIND SUBHASH SAMANT**

Director (Non-Independent & Non-Executive)

Govind is an entrepreneur based out of Thailand and is a long-term shareholder of the Company holding a significant stake as on date. Mr Govind has a keen understanding and appreciation of the business model of exploration and mining companies.

**Mr NATESAN CHINNAPAN**

Director (Independent & Non-Executive)

A Post Graduate in Geology, Natesan has 41 years of experience in all facets of exploration and exploitation activities related to minerals like bauxite, limestone, magnesite and graphite. He has proved 10 bauxite deposits in Chhattisgarh and Tamil Nadu. Natesan served as Head of Mines in Bharat Aluminium Co Limited and Madras Aluminium Co Limited (Vedanta Resources) till 2010. During this period, he was instrumental in obtaining forest

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and environmental clearances in Kolli Hills bauxite deposits in Tamil Nadu; Mainpat and Kawardha bauxite deposits in Chhattisgarh.

### **Mrs REVATHI THIRUVENGADAM**

Director (Independent & Non-Executive)

Presently based in Bangalore, Revathi is a Senior Partner of Thiru & Thiru, a LEGAL 500 recommended law firm. Mrs. Revathi holds Bachelor's Degrees in Arts and Education from Sathya Sai University and Law Degree from the University of Bangalore. Upon being called to the Bar in 1992, she joined Thiru & Thiru and played a pivotal role in the development and expansion of the firm. She is a Registered Indian Patent Agent and a Trade Mark attorney and heads the Intellectual Property practice. She also specialises in Real Estate, Debt Recovery and Banking Law. In addition to this she is an accredited trained mediator.

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## **KEY PERSONNEL**

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

Exploration Director

Peshwa has 33 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. With his international exposure to different styles for gold mineralization, 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. 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 Financial Officer

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 corporates 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 &amp; Company Secretary

Subramaniam is an Associate Member of Institute of Company Secretaries of India (ICSI) & Chartered Institute of Management Accountants, UK (CIMA). Holds a Bachelors Degree in Law from Bangalore University. He has over 22 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

Harish has 21 years of experience in exploration for gold and associated minerals, particularly in the States of Karnataka, Andhra Pradesh, Tamil Nadu and Kerala. He was a key member of the exploration team of 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, Feasibility, E.I.A , E.M.P and Hydrogeological, studies etc. Besides, he has also been involved in the exploration and development of Mangalagatti and Bhavihal gold prospects of DGML.

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**Mr. RAJEEV P. HANAMASAGAR** (M.Sc IT)  
GIS-IT Manager

Rajeev has 15 years of experience in working on Mining & GIS softwares like DataMine, Surpac, Datamine Discover 3D, Auto-Cad and Mapinfo. With his expertise in Database Management of Mining & Exploration data, he is involved in generation of seamless geological and structural maps for exploration & mining projects using GIS platform matching international standards. In the past, he has assisted in preparing necessary geological maps and drill holes sections forming part of Mining Plan of 2 Gold Projects including the Ganajur Gold Project. Also handles the implementation and maintenance of the Company's technology infrastructure and central information processing system to support efficient data management and communications. Rajeev is also responsible for the secure and effective operation of all computer systems, related applications, hardware and software in the Company.

**Dr. YOGANANDA K.S**  
Senior Geologist

Yogananda has got more than 12 years of experience in field geology, mineral exploration/prospecting and mining industry with a focus on gold exploration in different parts of India and abroad which include Epithermal Gold System in parts of Volcanic Terrain of Djibouti, N-E Africa and the Paleo-Proterozoic mobile belt in southern part of Tanzania.

Yogananda is a key member of the geological team working at the Ganajur Gold Project and the Mangalagatti and Bhavihal prospects.







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Deccan Exploration Services Private Limited (DESPL) explored an area of around 5000 sq. km of the Dharwar-Shimoga Greenstone belt covered under 2 Reconnaissance Permit (RP) blocks and identified 22 gold prospects. 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 (Fig-2).

DESPL submitted a total of Seven (7) Prospecting License (PL) and two (2) Mining Lease (ML) applications covering all the important prospects in the Dharwar-Shimoga basin. All these applications of DESPL are in compliance with the provisions of Section 10A introduced into the Mines and Minerals (Development and Regulation) Act, 1957 (MMDR) vide the Amendment Act of 2015 with effect from March, 2015.

### (2) GANAJUR MAIN GOLD DEPOSIT (GANAJUR GOLD PROJECT):

A Mining Lease (ML) application covering the most important Ganajur Main Gold Deposit was approved by the Ministry of Mines, Government of India (MoM) on 24/07/2015 and

further a clarificatory letter was issued by MoM on 07/02/2017 confirming that their prior approval was under Section 10A(2)(b) of MMDR and advising the Government of Karnataka to execute the Mining Lease and expedite clearances and approvals for starting the mining operations. Despite this and receipt of a positive opinion of the Law Department, Government of Karnataka on the Ganajur ML application subsequently in April 2018, DESPL still awaits the issue of Grant Notification Letter from the Commerce & Industries Department, Government of Karnataka (C & I).

We have held multiple meetings with the Secretary C&I, Director of Mines and Geology and the Mines Minister at the state level as well as multiple letters were submitted to the concerned authorities at the MoM (Ministry of Mines) Delhi. Ganajur Gold Project is also monitored by the Project Monitoring Group (PMG).

We also participated in the meeting convened by the Project Monitoring Group (PMG), Department of Promotion of Industry and Internal Trade, Government of India (DPIIT) that was held on , 16/12/2019 in Bangalore. The meeting was presided over by the Chief Secretary, Government of Karnataka and the Director, Department of Mines and

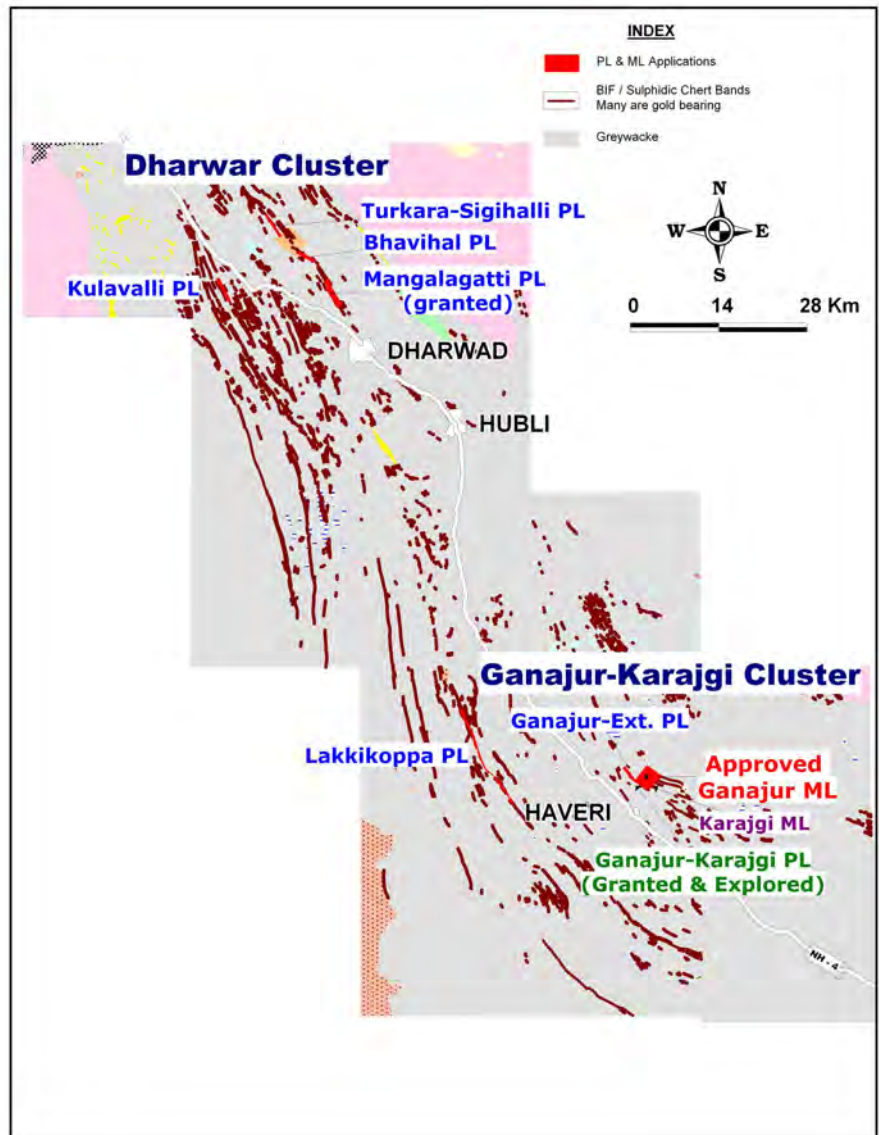


Fig-2: Dharwar -Shimoga Basin, Details of Leases/Applications

Geology, Government of Karnataka (DMG) was present. The Secretary (PMG), DPIIT and other Central Government officials participated in the meeting from Delhi through video conferencing. We submitted our case in the meeting and requested for the issuance of Grant Order. Despite all our efforts the much awaited Letter of Intent/Grant Order has not been issued thereby affecting severely the project implementation and development.

Although we have been updating our shareholders regularly on the progress made with regard to processing of the Ganajur ML application, we present hereunder a status summary:

### STATUS OF GANAJUR MINING LEASE:

- After detailed scrutiny and rigorous processing at various levels within the State Government, the Government of Karnataka recommended the proposal for grant of ML for Ganajur Gold Project to Ministry of Mines, Government of India (MoM) for their prior approval during November, 2010.
- After seeking and receiving multiple information / clarifications from State Government and Indian Bureau of Mines (IBM), MoM granted its prior approval for grant of ML for Ganajur Gold Project during July, 2015. Again, MoM clarified in February, 2017 that its prior approval was under Section 10A(2)(b), introduced through an Amendment Act in 2015 into the Mines and Minerals (Development & Regulation) Act, 1957 (MMDR) and further advised that “the grant of ML in this case pertains to the prior approval which has been granted on July 24, 2015, the State Government, may, therefore, get the ML executed in accordance with law at the earliest and the clearances & approvals for starting the mining operation may be expedited.”
- As per State Government (C & I) guidelines for processing ML applications, the file was then referred to DMG which subjected the MoM approved Ganajur ML application again to processing with its internal SoP / checklist (which included another sign-off from IBM). Upon processing, the file was sent by DMG to C & I for further processing.
- After processing the file and apparently as a matter of abundant precaution, Secretary, C & I referred the file to Law Department, Government of Karnataka during October, 2017 for an opinion. After a detailed study of the file, Law Department furnished a positive opinion on Ganajur ML application to C & I during April, 2018 with regard to its compliance with the MMDR Act, 1957 and advised the C & I to process the file.
- Despite this, C & I wrote a letter to MoM seeking further (substantially similar) clarifications on the Ganajur ML application despite the same having been positively clarified by their own office to MoM and confirmed by the IBM as well as Law Department, Government of Karnataka.
- Vide its response letter dated 08/10/2018, the MoM sought to know why the Government of Karnataka is contradicting its own stand and sought reasons / clarifications for the same. MoM also pointed out that it was the State Government that had earlier recommended the grant of ML and if it has obtained a legal opinion based on which it is seeking further clarifications, the same may be forwarded to it. The legal opinion from the Law Department, Government of Karnataka received on April 23, 2018 was not attached by C & I when seeking further clarifications from MoM.
- We expected the C & I to forward its reply to MoM attaching Law Department's opinion that it has received on the Ganajur ML application.
- However the C&I and the DMG took lot of time in sending its response to the Centre and the DMG was not ready to provide a fresh map showing the details of the tenements. Due to inaction from the State Government a decision was taken after consulting our Sr. Counsel to file a writ of Mandamus with the High Court of Karnataka, Bangalore.
- Writ of Mandamus was filed before the Hon'ble High Court, Bangalore on 10/12/2018.
- In the final hearing on 21/03/2019, the Writ Petition was expeditiously resolved in DESPL's favour and disposed.
- The Hon'ble High Court of Karnataka passed an Order directing the C & I to consider the Ganajur Mining Lease (ML) application of DESPL, within a period of 6 weeks, in the light of approvals received by DESPL from various authorities including representations made by the Company to the Government.

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- The Government Counsel did not raise any objections during the hearing. He submitted that the file is under the consideration of the Secretary, C & I and they would abide by the directions of the Hon'ble High Court in the matter.
- However, since there was no positive action forthcoming within the 6 weeks' period provided by the High Court, we initiated Contempt Proceedings. However, the same was dropped by the Court as the State Government produced a letter from MoM dated 22/07/2019.
- MoM vide its letter dated 22/07/2019 whilst seeking the Government of Karnataka's response for its earlier letter dated 08/10/2018, had raised certain additional queries with regard to the Ganajur ML asking for replies within 15 days thereof and further advised the Government of Karnataka that prior approval for the said ML granted vide their letter (s) dated 24/07/2015 and 07/02/2017 be kept in abeyance.
- In the meantime a very positive Judgment dated February 14, 2020 was delivered by the Hon'ble Karnataka High Court in M/s. Kumar Enterprises Vs Union of India and Government of Karnataka the facts of which are similar to that of our Ganajur ML application. Key points laid down in the aforesaid Judgment are: (a) It is well settled that in the absence of any statutory provision which provides for review of an administrative order by an authority, the authorities are not entitled to review their own orders (therefore, we believe it is now not open to the Government of Karnataka to review its recommendation with regard to Ganajur ML or the MoM to review its prior approval already accorded). (b) An order granting prior approval by the Government of India is not empty formality and the same is passed after application of mind and after consideration of the entire material on record.
- With the backing of the above judgement we approached the same Senior Legal Counsel who represented M/s. Kumar Enterprises and lodged a Writ of Mandamus in the Hon'ble High Court of Karnataka on 09/06/2020.
- This Writ Petition seeks to quash the Central Government's abeyance on its prior approval for Ganajur ML and also seeks a direction to the Government of Karnataka to issue the Grant Notification Letter followed by execution of ML within a definitive time frame.

We would like to assure our shareholders that we are exploring all means to get the issue resolved preferably in the normal course or through the Courts.

### **(3) FEASIBILITY STUDY – GANAJUR GOLD PROJECT:**

A definitive Feasibility Study(FS) was completed for the Ganajur Gold Project in 2017. The entire FS was carried out by internationally reputed Geological and Mining Consultant Snowden Mining Industry Consultants (Snowden) based in Perth.

A feasibility study is an evaluation of a proposed mining project to determine whether the mineral deposit can be mined economically and to definitively proceed with the project. Snowden has demonstrated the economic viability of the project and submitted a revised Mineral Resource estimates and Ore Reserves. The Australasian Code for Reporting of Exploration Results ('the JORC Code') 2012 Edition was used to identify economic Mineral Resources and Ore Reserves. DESPL has concluded that based on study inputs and outcomes, the Ganajur Gold mine is an economically attractive and robust project that can be developed into a viable gold producing operation. DESPL is seeking to establish an open pit gold mine and 0.3 million tonnes per annum (Mtpa) processing plant at Ganajur in Haveri District.

#### **(a) Highlights of FS:**

The document encompasses an elaborate study of every discipline required to take the Ganajur Gold Mine into production. The FS covered the following disciplines in a comprehensive manner. Several experts, both in country and abroad were heavily involved in completion of the FS as per International Standards. FS covered the following studies in detail:

Whilst the full FS report has been uploaded on the DGML website ([www.deccangoldmines.com](http://www.deccangoldmines.com)), key outcomes of the same are summarized below:

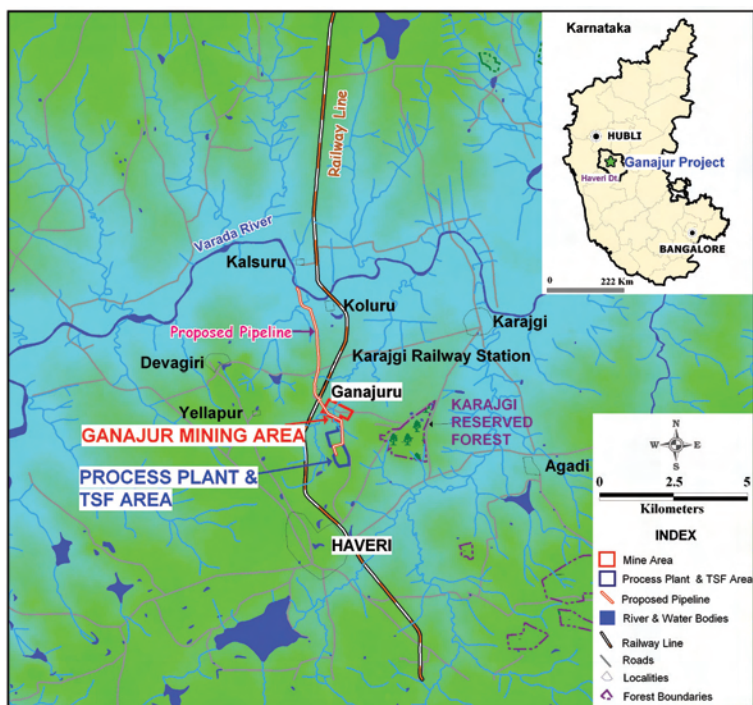


Fig-3: Ganajur Gold Project Location, Haveri Taluk & District, Karnataka.

**(b) Geology and Mineral Resource estimate:**

Snowden processed the entire exploration data and a revised resource model was prepared. Based on the revised resource model Snowden estimated a Mineral Resource for the Ganajur Main Gold deposit as per JORC 2012 (Table-1) Snowden has expressed its satisfaction at the overall QA/QC procedures adopted by DESPL. Please refer to the paragraph headed "Up gradation of Mineral Resources to Ore Reserves" wherein the quantum of up gradation has been provided.

**Table 1 - Mineral Resource estimate**

Classification	Deposit	Tonnes(kt)	Au g/t
Measured	Oxide	0.580	2.8
	Sulphide	1.700	4.0
	Total Measured	2.300	3.7
Indicated	Oxide	0.130	1.9
	Sulphide	0.320	2.1
	Total Indicated	0.450	2.1
<b>Measured + Indicated</b>	<b>Total</b>	<b>2,700</b>	<b>3.4</b>
Inferred	Oxide	100	2.3
	Sulphide	110	2.3
	Total Inferred	210	2.3



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### (c) Metallurgy:

As part of the FS significant amount of metallurgical test work was carried out at various laboratories such as AMTEL in Canada, ALS Perth, and Brisbane in Australia and Shiva Analyticals in India. Flotation test results on the sulphide ore have indicated a sulphide sulphur recovery of 97% and gold recovery of 95%. However, overall gold recovery after UFG and CIL leaching for the Sulphide Ore has been estimated to be 79%, whereas Oxide Ore indicated 90% over all gold recovery. Metallurgical studies were completed under the guidance of DGML's Process Engineer Mr. John Fodor based in Perth, Australia.

### (d) Ore Processing:

The FS metallurgical test work program focused on developing a gold recovery route on the predominant sulphide mineralization via a process flow sheet that involved flotation followed by the ultrafine grinding (UFG) and Carbon in Leach (CIL) on the sulphide concentrates. This flow sheet was assessed as the most likely process route that would provide the maximum NPV for the Ganajur Project. The process plant will treat 0.3 Mtpa of gold-bearing ore with a crushing availability of 70% on a single shift and an overall plant availability of 91.3%. The complete flow sheet of the process route is furnished as Figure-5.

### (e) Mining:

The mining method suggested by Snowden is conventional open pit mining with load, haul and drill blast activities performed by an experienced mining contractor (Fig-4). It is planned that the mining contractor will buy back the waste for use in their civil operations elsewhere, subject to an off take agreement with DESPL. The Ganajur gold ore comprises layers of Oxide Ore followed by Sulphide Ore and will be mined at the rate of 0.3 Mtpa.

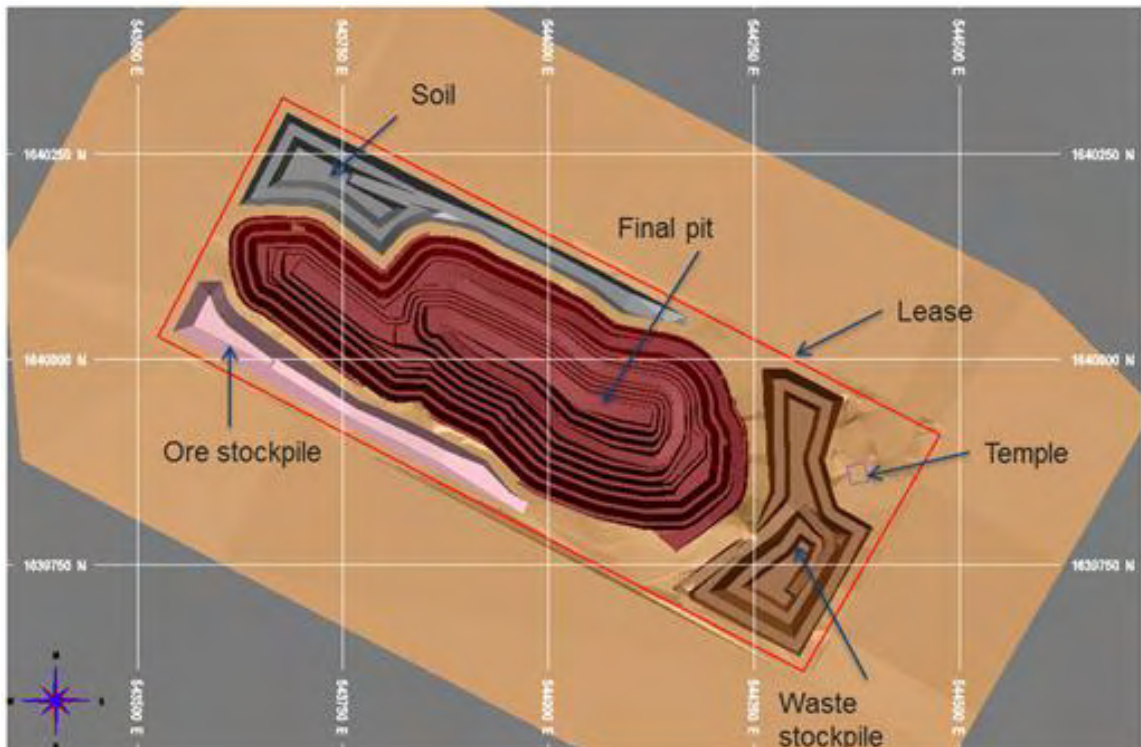


Fig-4: Ganajur Gold Mining Lease Layout.

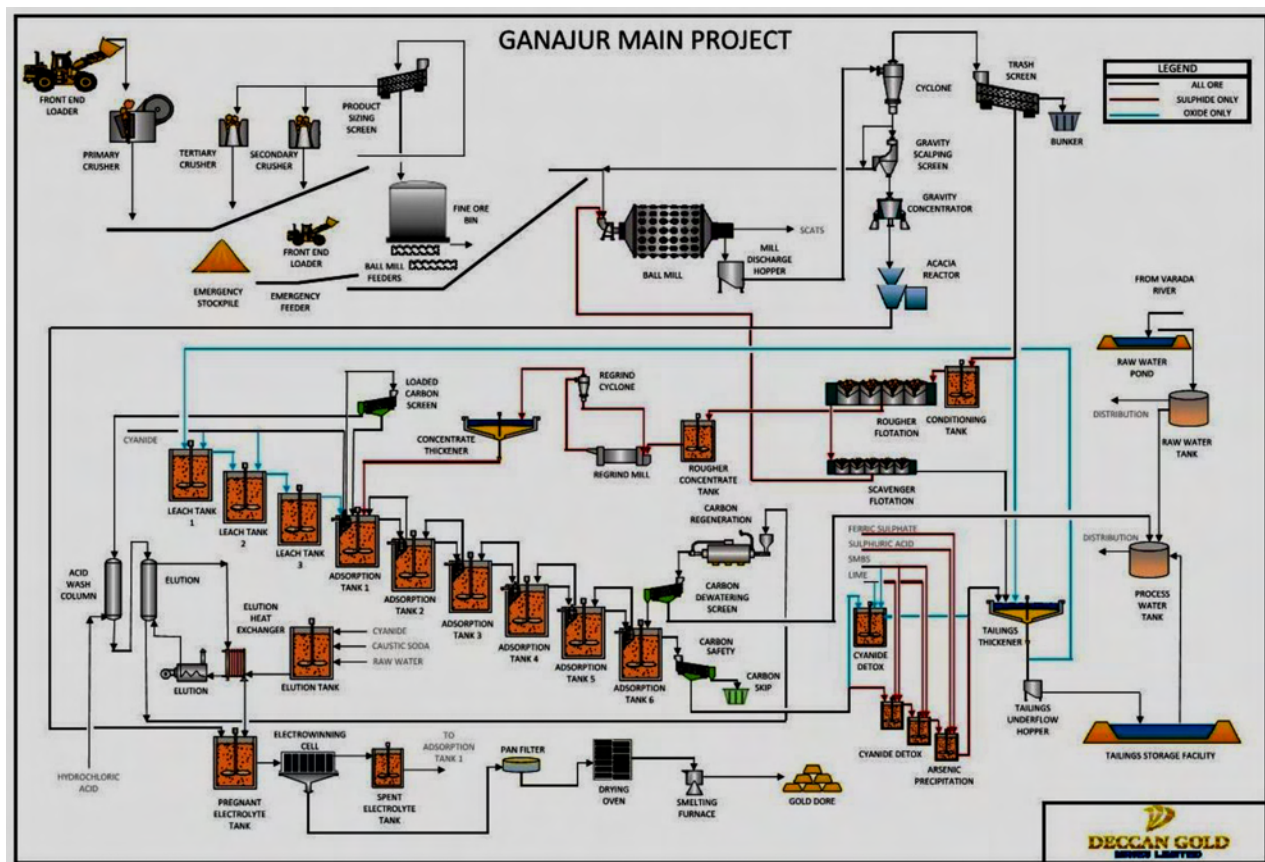


Fig-5: Process Flow Sheet

**(f) Ore Reserves:**

Snowden has estimated 2.14 million tonnes (Mt) @ 3.63 grams per tonne (g/t) gold as Proved Ore Reserves, and 0.37 Mt @ 1.98 g/t gold as Probable Ore Reserves for the Ganajur Main Gold Deposit (Table-2). It is to be noted that out of 300,000 ozs of gold estimated under Measured and Indicated Resource categories, 273,000 ozs are now placed under Proved and Probable Ore Reserves; Measured Resource has been upgraded to Proved Ore Reserves, while Indicated Resource has been upgraded to Probable Ore Reserves. Proved Ore Reserves account for 85% of the total Ore Reserves, which is a significant milestone for Ganajur Gold Project. The ore reserves were reported as per JORC Code 2012.

Table 2- Summary of Ore Reserves

Classification	Deposit	Tonnes(Mt)	Au (g/t)
Proved Ore Reserve	Oxide	0.568	2.76
	Sulphide	1.567	3.94
<b>Total Proved Ore Reserve</b>		<b>2.135</b>	<b>3.63</b>
Probable Ore Reserve	Oxide	0.122	1.78
	Sulphide	0.250	2.08
<b>Total Probable Ore Reserve</b>		<b>0.372</b>	<b>1.98</b>
<b>Total Ore Reserve</b>		<b>2.506</b>	<b>3.38</b>



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### (g) Financial Analysis:

The financial model demonstrates net cash flows of USD 133 million (M) before tax over the life of the mine (LOM). The Net Present Value (NPV) at 5% DCF is USD 91.6 M and USD 61.4 M before and after tax respectively. The Internal Rate of Return (IRR) is a very healthy 39.1% and 29.6% before and after tax respectively, and the payback period for the Project is 2.7 years. The gold price used for the above calculations is USD 1250 per ounce (oz.).

The key inputs and the results of the financial analysis are presented in the following Tables 3-6.

**Table 3- Economic model inputs**

Item	Unit	Value
Pre-production	years	1.75
Life of process production	years	8.35
Project life	years	10.1
LOM ore mined	Kilo tones (kt)	2,506
LOM waste mined	kt	9,237
LOM total material mined	kt	11,743
Strip ratio Waste : Ore	3.68	
LOM ore processed	kt	2,506
LOM average Au grade	%	3.38
LOM average Au recovery sulphide ore	%	79.0
LOM average Au recovery oxide ore	%	90.0
LOM average gold recovery	%	81.7
LOM contained ounces	Kilo ounce (koz)	273
LOM recovered ounces	koz	221
Average annual gold produced	koz	27
Plant throughput (average)	Mtpa	0.30
LOM Au price	USD/oz	1,250

**Table 4- Summary of total Life of Mine costs**

Item	Unit	Value
Pre-production capital	USD M	46.6
Production sustaining capital	USD M	3.1
<b>Total Capital Costs</b>	<b>USD M</b>	<b>49.7</b>
Total Mining	USD M	21.6
Total Processing	USD M	55.8
Onsite Labour	USD M	1.2
<b>Total Operating Costs</b>	<b>USD M</b>	<b>78.5</b>
<b>Royalties</b>	<b>USD M</b>	<b>14.9</b>
<b>Taxation</b>	<b>USD M</b>	<b>39.8</b>
<b>TOTAL ALL COSTS</b>	<b>USD M</b>	<b>183.0</b>

**Table 5 - Economic model headline results before taxation**

Item	Unit	Value at USD 1,250/oz Au
Net cash flow	USD M	133.0
NPV5	USD M	91.6
IRR	%	39.1

**Table 6 - Economic model headline results after taxation**

Item	Unit	Value at USD 1,250/oz Au
Net cash flow	USD M	93.1
NPV5	USD M	61.4
IRR	%	29.6

**(h) Capital cost:**

The total pre-production capital cost for the Project is USD 46.6 M. CPC Project Design Pty Ltd (CPC), Perth, completed the engineering design for the processing plant and related infrastructure. CPC also estimated the total capital cost for the Project. Summary of significant capital costs have been noted in the table below (Table 7).

**Table 7 – Significant capital cost summary**

Description	USD M
Mining	0.874
Process plant	19.028
Process plant infrastructure	5.043
Infrastructure plant and equipment	4.284
Construction indirects	2.153
Indirect costs	14.961

**(i) Break Even:**

A break even analysis after taxation was undertaken on the gold price and gold grade for NPV (Table 8). The analysis shows that the Project breaks even at a gold price of USD 701/oz of gold and gold grade of 1.90 g/t as compared to the average gold grade of 3.4 g/t at Ganajur Main Gold deposit.

**Table 8 - Break even analysis**

Item	Unit	Breakeven
Gold price	USD/oz Au	701
Gold grade	g/t Au	1.90

**(j) Tailings Storage Facility (TSF):**

The Ganajur Gold Project infrastructure will include a TSF, a return water dam and storm dam, and other surface water management measures (Fig-3 and 6). The TSF is proposed to be located immediately north of the Processing Plant. Prime Resources (Pty) Ltd, who specialize in environmental engineering and TSF design and are based in South Africa, issued a final recommendation for the selection of an upstream TSF design.

**Note:** Snowden had taken USD 1250 per Oz for the financial model and other costs. However the gold price has increased substantially to USD 1900 per oz thereby improving the NPV and IRR significantly.

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### **(4) INFRASTRUCTURE DEVELOPMENT - GANAJUR GOLD PROJECT:**

#### **(a) Land Acquisition:**

- The Government of Karnataka, vide its Order dated 28/04/2012 approved allotment of 200 acres of land for the Ganajur Main Gold Mining and Ore Processing Plant that facilitated land acquisition process through Karnataka Industrial Areas Development Board (KIADB).
- DESPL's made an application for allotment and acquisition of additional area of 55 acres through KIADB (As per Feasibility Studies) was approved by the State Level Single Window Clearance Committee vide its Order No CI 146 SPI 2012 dated 09/08/2017.
- DESPL also remitted Rs 6.82 crores to KIADB in April 2018 being 40% of the advance towards acquiring 200 acres land.
- On 27/04/2020, the Karnataka State Government made certain amendments to Section 109 of the Karnataka Land Reforms Act, 1961 (KLR) facilitating acquisition of land by Companies directly from the landowners for industrial purposes.
- Further on 13/07/2020, the State Government also came up with an Ordinance viz., (Karnataka Land Reforms (Amendment) Ordinance 2020) to amend the Karnataka Land Reforms Act 1961. The Ordinance omitted Sections 78A, B and C of the Principal Act facilitating acquiring agricultural land for industrial purpose.
- In the light of these positive decisions by the State Government, we have decided to acquire the land required for the Ganajur Gold Project directly from the landowners instead of more time consuming KIADB route once the Grant Notification Letter for the Ganajur ML is issued.
- We therefore submitted an application to the Karnataka Udyoga Mitra (KUM) for changing the mode of land acquisition for the Ganajur Gold Project from SUC KIADB to Section 109 of Karnataka Land Reforms Act, 1961 and also sought the refund of initial deposit of Rs. 6.82 crore paid to KIADB.

An agreement with the farmers belonging to ML area was entered into in May 2016 to pay the land owners an advance of Rs. 1.25 lakh per acre. We also paid additional Rs 40000 per acres for the same land owners and both these advances are linked to the final settlement on acquiring the land.

We have been paying annual crop compensation to the farmers belonging to the ML area for several years which was enhanced to Rs 8000 per acre in the year 2018. From the year 2018 onwards we have also paid the crop compensation to the farmers coming under the processing plant area of 128 acres. Thus we have paid crop compensation for 200 acres of land till the year 2019 which is coming under Phase 1 of land acquisition.

#### **(b) Water for Plant and Mine:**

It is proposed to pump water from the Varada River for the water requirement of the Project. The Varada River flows at a distance of 6.5 km north of the gold ore process plant area(Fig-3). The Karnataka State High Level Clearance Committee has approved the drawing of 3000 KLD of water from the Varada River for the Project from the Koluru-Kalasuru barrage (Fig-3).The abandoned quarry near the process plant area will be part of the raw water storage facility.

DESPL has submitted a proposal to the Secretary, Water Resource Department, and Government of Karnataka in Bangalore for pumping around 1.08 million cubic meters (Mm<sup>3</sup>) of water per annum. After vigorous follow up and several rounds of field inspections by the water authorities, we are happy that Government of Karnataka (Department of Water resources) in its letter dated 10th February 2020, approved our request for drawing 1.08 million cubic metres ( 3000 KLD per day) of water from the downstream of Koluru-Kalasuru barrage across Varada River. It is a significant milestone in our attempt to get all the approvals in infrastructure front. With this we have approval for electricity, land, water, railways.

#### **Power for Plant and Mine:**

The Karnataka Power Transmission Corporation Limited (KPTCL) approved our application for the drawing of 5MW on the 110 KV power line vide letter dated February 1, 2017 under the self-execution scheme. The high tension 110 kilovolt-amperes (kVa) power will be tapped from Basavanakatti Sub-station located at a distance of 7.0 kms from the processing plant site.

KPTCL approved the detailed survey report and detailed report on November 22, 2017 for laying the power line from Basavanakatti substation at a distance of 13.24 kms from the plant site. We also applied for allotment of a land within Basavanakatti Substation for the Terminal Bay. KPTCL in it's also approved our application to spare land within the Basavanakatti Sub-station for construction of Terminal bay. Chief Engineer, Electricity, KPTCL, Bagalkot issued the approval letter on March 8, 2018.

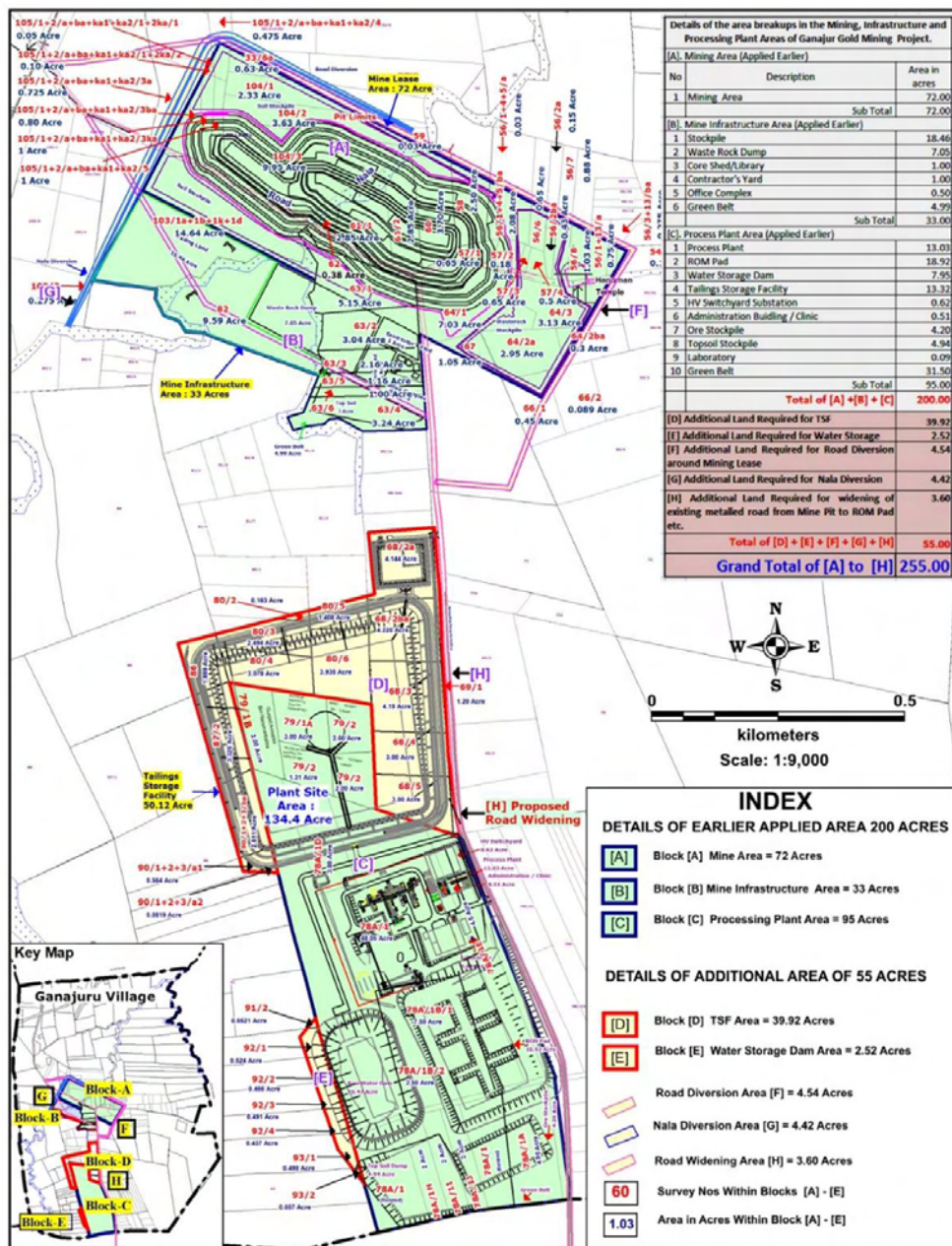


Fig-6, Details of Ganajur Gold Project showing land use pattern.



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### (d) Railways:

DESPL filed an application with the Divisional Railway Manager, South Western Railway (SWR), Mysore for obtaining permission for laying a water pipe line below Bengaluru-Pune Broad Gauge line on SW railway near Ganajur village. This water pipe will be for drawing water from Varada River to the Project site. Our application has been approved by the SWR.

We also remitted received Rs. 1.90 lakhs towards Way leave charges for 10 years as per the advice of the SW railway, Mysore Divisional office.

We also entered into an agreement with the South Western Railway for execution of the project. SW Railway, Mysore accorded permission for laying water pipe line below the railway line at KM 399/500-600 near Ganajur (Fig. 3)

### (5) GANAJUR MAIN GOLD DEPOSIT & ITS SATELLITE PROSPECTS IN THE GANAJUR-KARAJGI CLUSTER:

#### (a) Background Information

Due to delays in the grant of Mining Licences, very limited or no additional work was undertaken during the period under review for the following Projects viz., Ganajur South East Prospect, Karajgi Hut Prospect, Karajgi Main Prospect, Ganajur South, Ganajur Central, Mangalagatti and Bhavihal. However the details of these prospects are given hereunder.

Whilst the Ganajur Main Gold deposit was explored in detail and mineable ore reserves have been established as per JORC 2012 guidelines, it may be noted that it is part of the larger hydrothermal system that includes all other satellite prospects. A mineralized zone of 900 metres strike length has been defined up to a depth of 120 metres. However, due to constraints in size of the ML area (0.29 sq.kms) it is difficult to explore the strike extension of the Ganajur Main mineralization.

It may be noted that DESPL has explored the Ganajur-Karajgi cluster since the RP was granted in 2004. Exploration was carried out under different phases as per international norms. The discovery of an open pit mineable resource in Ganajur Main has been one of the significant achievements for the company. Apart from Ganajur Main Deposit, DESPL has been successful in delineating seven satellite prospects viz., Ganajur East, Ganajur South, Ganajur South East, Ganajur Central, Karajgi Main, Karajgi East and Hut prospects (Fig-7). DESPL has submitted a Mining Lease application covering all the satellite prospects over an area of 2.8 sq.kms. Ganajur Main ML application (0.29 sq.kms) has already received approval from the MoM and we are awaiting the grant notification from the Karnataka State Government. DESPL also submitted another Prospecting Licence over an area of 8.0 sq.kms around the two ML applied areas (Fig.7 and 8).

The complete summary of the work carried out between years 2009 and 2016 in the Ganajur-Karajgi Block is given hereunder in Table-9:

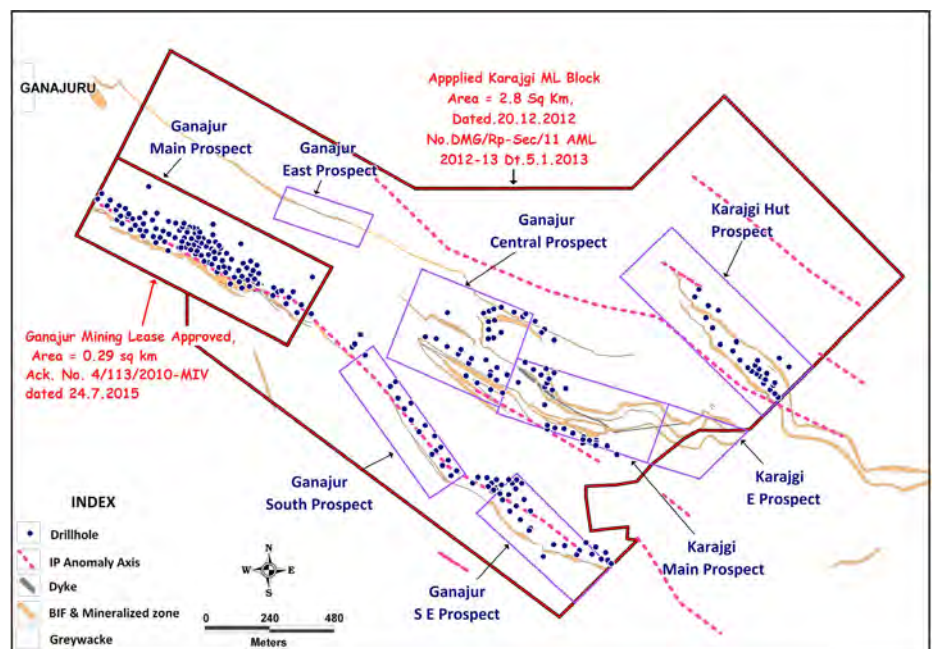


Fig-7 - Ganajur-Karajgi Cluster showing the satellite prospects

Table-9

**SUMMARY OF EXPLORATION WORK CARRIED OUT IN GANAJUR-KARAJGI 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	24.83	
5	GROUND GEOPHYSICAL IP SURVEY	LINE KMS	31.25	
6	GROUND GEOPHYSICAL EM SURVEY	LINE KMS	9	
7	TRENCHING	LENGTH (M)	2838.8	
8	SAMPLING AND ANALYSIS	Nos	6426	
9	DRILLING			
	A. RC DRILLING (69 DRILL HOLES)	METRES	3861.00	
	B. DIAMOND CORE DRILLING (143 DRILL HOLES)	METRES	10300.48	
	C. GEOTECHNICAL DRILLING (MINE AND PLANT SITE (7 DRILL HOLES)	METRES	393.00	
	TOTAL DRILLING		14554.48	
10	COMPREHENSIVE METALLURGICAL AND GEOCHEMICAL TESTING CONDUCTED FOR GANAJUR GOLD MINING PROJECT			
	A} COMPREHENSIVE METALLURGICAL STUDIES (AMMTEC) SULPHIDE ORE	KGS	200.000	COMPLETED
	B} COMPREHENSIVE METALLURGICAL STUDIES (AMMTEC) OXIDE ORE	KGS	102.806	COMPLETED
	C} SULPHIDE VARIABILITY SAMPLES	KGS	252.757	COMPLETED
	D} OXIDE ORE METALLURGICAL TEST	KGS	31.708	COMPLETED
	TOTAL	KGS	587.271	
	E} ARD STUDY (Acid Rock Drainage, sulphur and leach studies)	SAMPLES	31	COMPLETED
	F} PREG ROBBING INDEX TEST	SAMPLES	82	COMPLETED
	G} MULTI-ELEMENT ANALYSIS	SAMPLES	214	COMPLETED
	H} WASTE ROCK ANALYSIS	SAMPLES	43	COMPLETED
	I} KINETIC TEST STUDY OF WASTE ROCK @ Geostratum, South Africa	SAMPLES	3	COMPLETED
11	ENVIRONMENTAL BASE LINE DATA COLLECTION AIR, DUSTFALL, NOISE, WATER, SOIL	SAMPLES	207	COMPLETED
12	WATER CHEMISTRY SAMPLING	SAMPLES	38	COMPLETED
13	GEOTECHNICAL STUDIES-MINE AND PROCESS PLANT, TSF AREA			COMPLETED
14	SCOPING/PRE-FEASIBILITY STUDIES PROJECT BY SRK INDIA			COMPLETED
15	FEASIBILITY STUDIES OF GANAJUR PROJECT BY SNOWDEN, AUSTRALIA			COMPLETED
16	LAND ACQUISITION			IN PROCESS



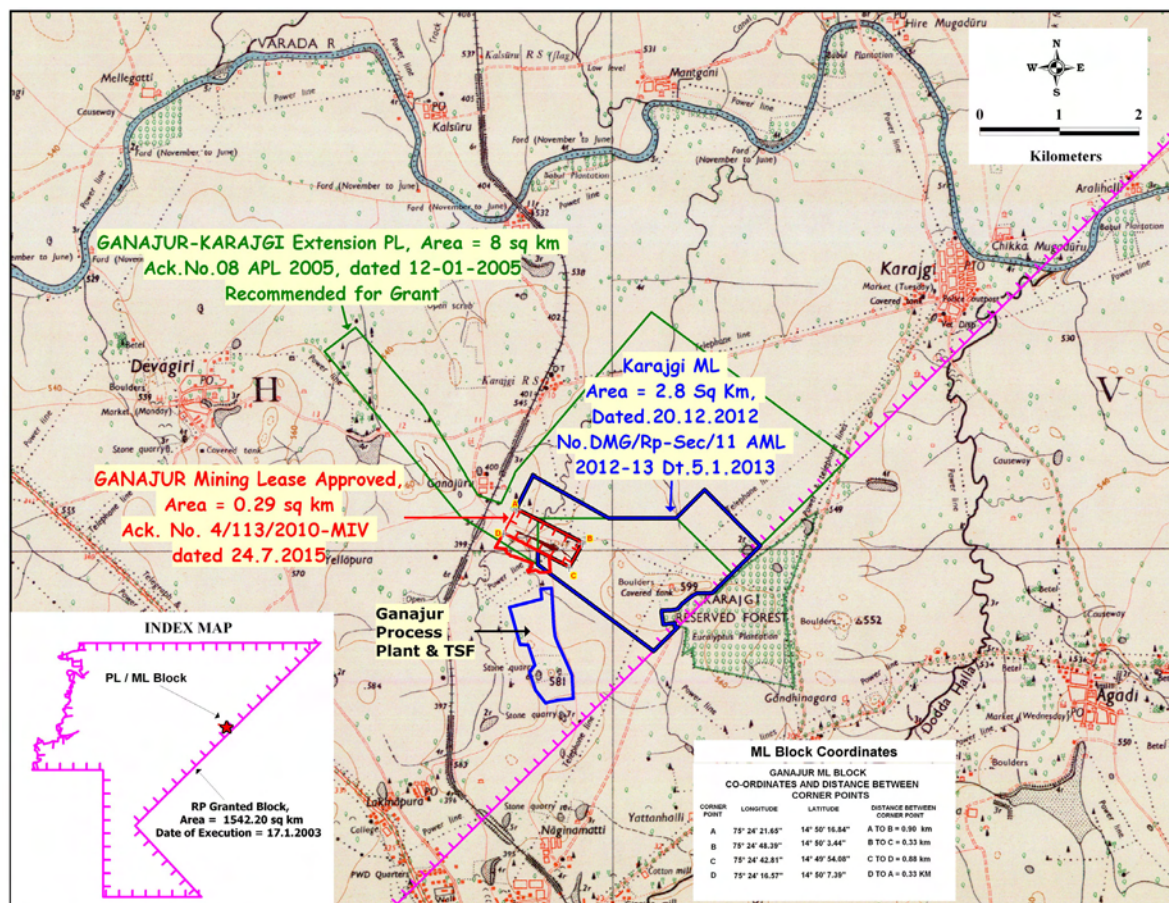


Fig-8: Ganajur-Karajgi Cluster showing the Ganajur M.L. and other lease applications.

## b) Petrographic and Ore – Microscopic study of Ganajur Gold Deposit.

Detailed Petrographic and Ore-Microscopic study of the gold mineralized cherts and its associated litho-units of Ganajur gold mining project was carried out at Bengaluru and Mysore Universities to understand the ore genesis, mineralogical association, mineral alteration, micro-structures, deformations, and petrographic characteristic of minerals to classify the rocks. The Ganajur Main ore body is hosted within the deformed banded sulphidic chert. The gold is associated with sulphides and the ore is refractory in nature. It is therefore important to study the petrography and ore microscopy to understand ore and petro genesis of the ore and host rock. The 17 drill core samples were selected for the thin section Petrographic study and 12 drill core section was selected for Ore-Microscopic study from 9 bore holes. Thin section and Ore section photograph was taken using Zeiss made Scope A1 microscope at IBM, Petrography Lab, Bengaluru. In the Ganajur gold deposit, the gold occur as fine 2 to 30 micron size inclusions within sulphides as encapsulated grains and also occurred as free gold and associated with silicate minerals like quartz and carbonates(Fig-9).

## (c) Ganajur South East Prospect:

Ganajur South East prospect is located 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 an RP that was further confirmed by detailed trenching and drilling during the PL stage. Exploration under the RP and PL stage also defined gold mineralized zone for a length of 455 meters. 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 geophysical IP survey had indicated a continuous high to moderate chargeability anomaly extending for nearly 2.8 kms that included Ganajur SE prospect.

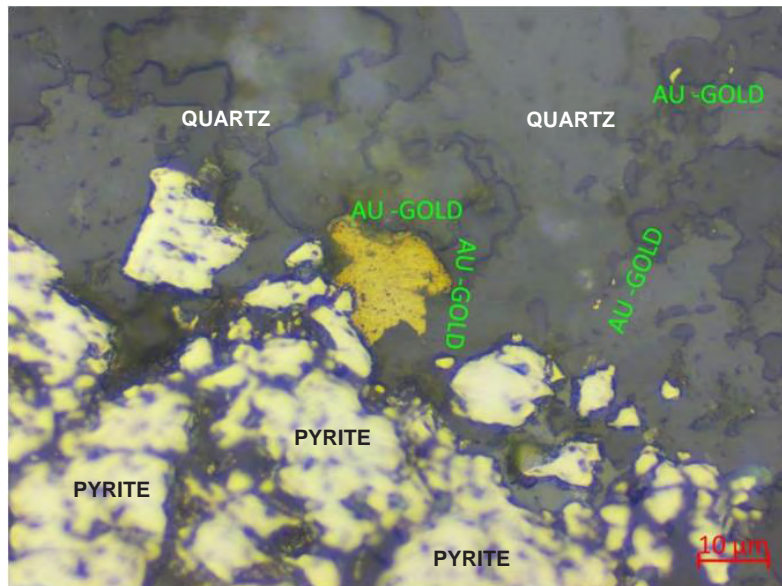


Fig.9 Photomicrograph of a drill core sample showing gold grain associated with Pyrite and quartz.

DESPL has so far completed 2480 metres of drilling in Ganajur SE prospect along with trenching, geochemical exploration. A mineralised zone of 600 metres has been delineated based on the above exploration. Mineralized zone exhibits pinch and swell structure and has similar characteristics as Ganajur Main prospect. Updated Geological map of Ganajur SE Prospect is shown in Fig.10.

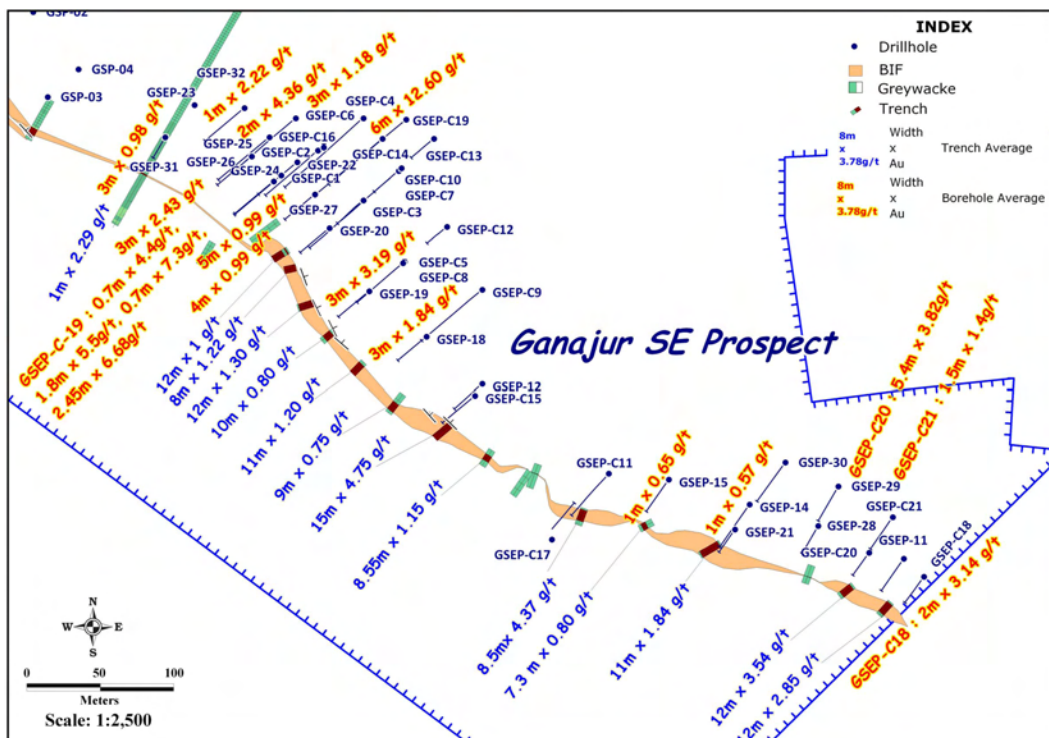


Fig.10. Geological Map of Ganajur SE Prospect with drill hole locations and trenches.



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DESPL 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).

The outcome of the preliminary exploration in Ganajur SE Prospect has confirmed our interpretation of finding additional gold Resources in the satellite prospects surrounding the Ganajur Main Gold Deposit.

Full scale Laboratory Metallurgical investigations involving Physical and Mineralogical Characterization of gold and its recovery test of Banded sulphidic chert core samples from Ganajur south East prospect has been undertaken at IBM, Regional Mineral Processing laboratory, Bangalore.

IBM has completed determination of Ball Mill work index and it was found to be 12.60 Kwh/short ton. Results received from IBM are summarized hereunder:

- About 82 Kg of gold ore core sample from Ganajur south east project Ganajur Haveri Taluk, Karnataka was given to, Karnataka at Regional Mineral Processing Laboratory, Indian Bureau of Mines, Bangalore.
- The IBM completed determination of Ball Mill work index on a gold ore samples from Ganajur SE prospect and it was found to be 12.60 Kwh/short ton.
- The head assay of sample assayed 3.55 ppm Au, 51.38% SiO<sub>2</sub>, 19.37 % Fe<sub>2</sub>O<sub>3</sub>, 6.28% Al<sub>2</sub>O<sub>3</sub>, 3.25% CaO, 3.16% MgO, 0.47% As, 1.18% S(T), 11.88 % LOI, 0.29% TiO<sub>2</sub>, 81.5 ppm Cu, 126 ppm Zn, 34 ppm Pb, 60 ppm Co, 124ppm Zn, Traces of Mn, and Ni
- Pre-concentration of gold values by froth flotation separation at minus 200 mesh size is found to be effective. The rougher float concentrates assayed 30.05 ppm Au with 93.1% Au recovery. Thus, by employing flotation technique at fine size it is possible to enrich gold values.
- Cyanidation on floatation concentrates at 200 mesh size yielded 24.65ppm Au with recovery of 76.4 % Au.

### (d) Karajgi Hut Prospect:

The Karajgi Hut prospect is located around 600m NE of Karajgi Main prospect (Fig-11). Geological mapping during PL indicated presence of two parallel BIF bands with a cumulative strike length of 530 meters. DESPL completed 816.80 m of diamond core drilling from 16 shallow drill holes and 351 metres of RC drilling.

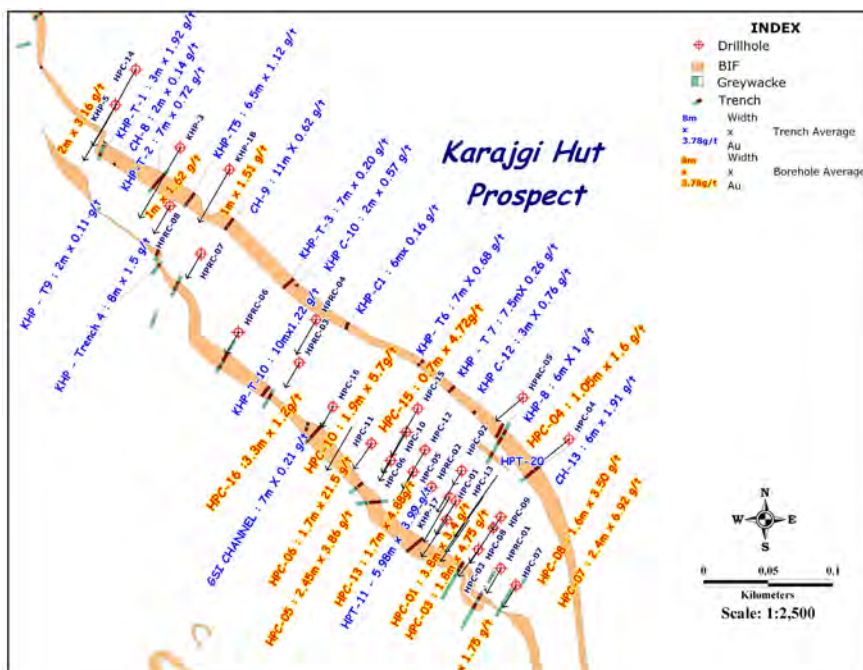


Fig-11, Geological Map of Karajgi Hut Prospect showing drill holes and Trench Locations.

Based on the drilling data a mineralized zone of 300 meters of strike length was delineated which is open along the strike and depth. The drill results of Karajgi Hut Prospect are very promising with high grade gold mineralization. The mineralized zone is narrow with a maximum width of 3.8 meters. The ore from this can act as sweetener for the Ganajur Main ore in the processing plant.

### (e) Karajgi Main Prospect

Karajgi Main is located 1 km South East of Ganajur Main Prospect (Fig 12). 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. Number of old workings is noticed all along these chert bands. The gold mineralization in the Karajgi Main Prospect is associated with a deformed iron formation.

The results from Karajgi Main Prospect have confirmed the existence of high grade gold bearing zones and distinct possibility of finding additional resources. Total drilling accomplished in Karajgi Main so far is 1638 metres.

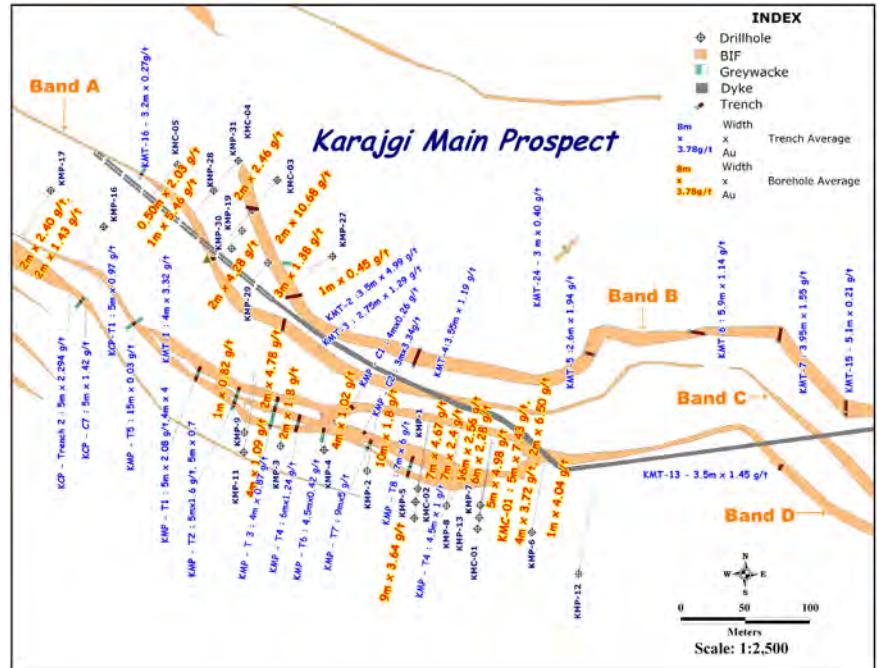


Fig-12, Geological map of Karajgi Main Prospect showing the drill hole locations.

A total of 3 auriferous zones were defined trending northwest and dipping towards northeast (Fig-13). 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 with a strike length of 140 metres is on the northern slope of the Karajgi Main hill that is correlated to Band-A.

Based on these data DESPL re-estimated a resource of 26800 ozs averaging 3.06 g/t Au under JORC Indicated and Inferred categories equivalent of UNFC 211 and 221 categories. 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.

### (f) Ganajur South Prospect

Ganajur South Prospect is located between Ganajur Main and Ganajur SE Prospect. Based on the preliminary mapping and sampling an area consisting of 850 meters strike was delineated as potential target for detailed exploration.

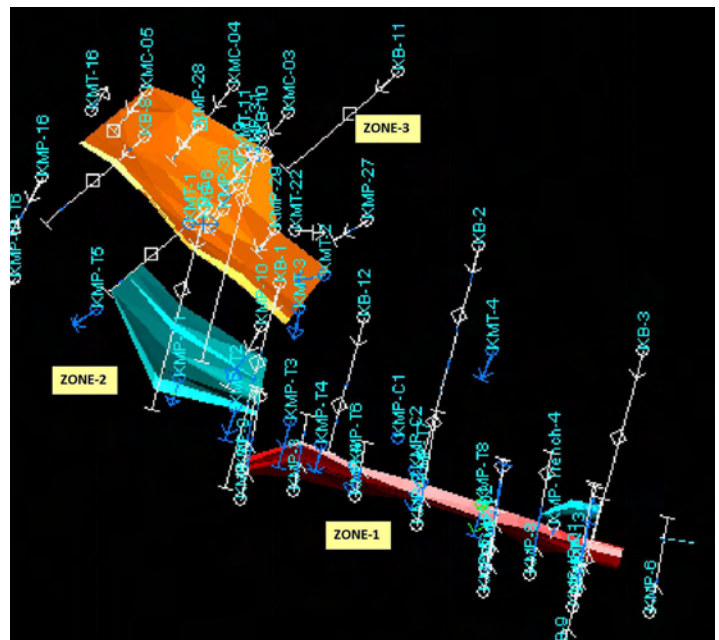


Fig-13, Plan View of the Karajgi Main Ore body

Ganajur Central Prospect is located north of Karajgi Main prospect and covers an area of 0.16sq.kms. Central Prospect comprises of several Parallel to sub-parallel BIF bands (Fig-14) which are considered as limbs of a larger folded structure. These limbs have been designated as E1, E2, F, G and H bands. Cumulative strike length of all the bands is 2.6 kms, DESPL has carried systematic exploration in this prospect that included Litho-structural mapping, trenching, channel sampling, bedrock geochemical sampling, R.C. and Diamond core drilling, ground geophysical survey etc.

The area between Ganajur Central and Ganajur Main Prospects is generally soil covered with limited outcrops. IP Geophysical survey has revealed a moderate chargeability anomaly in this gap area. DESPL has also completed 1626 metres of drilling and significant gold grades were intersected including 4m@ 18.31 g/t, 3.0m @ 6.33 g/t, 2m@ 3.92 g/t, 2.0m@ 3.90 g/t, 2.0m @4.48 g/t, 3.0m@ 7.9 g/t Au.





### (h) Geophysical IP Survey

The geophysical survey with a combination of Transient Electromagnetic Survey (TEM) and Induced Polarization (IP) survey was used to delineate conductive zones and also to locate geological structures favorable for hosting gold mineralization in the entire Ganajur –Karajgi Block. DESPL completed an initial 32.25 line kms of IP survey that defined a major resistive feature in the southern half of the survey area. The IP survey has also clearly brought out a 2.8 km long, strong linear Chargeability anomaly (Fig-15) with high resistivity background, which encloses the 900 metre long Ganajur Main Gold Deposit. The 2D Inversion model also indicates that the Ganajur Main ore body and its extension may continue beyond 150metre depth.

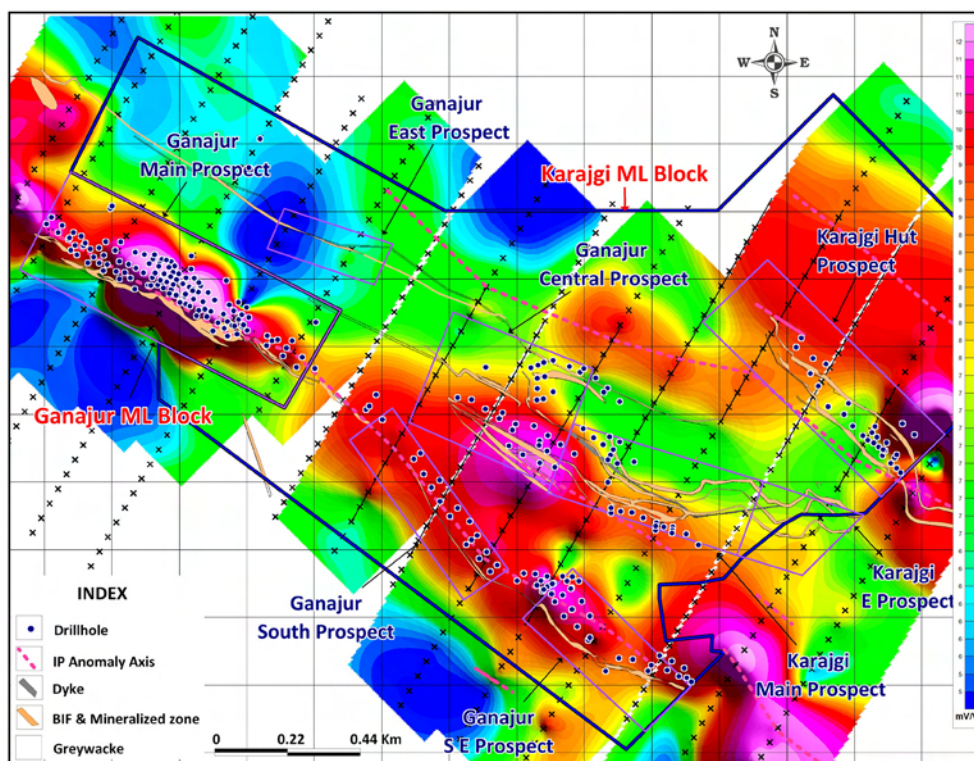


Figure-15. Geological map of Ganajur-Karajgi Cluster showing the IP anomalies and IP depth slice@50m-a50

## B. DHARWAR CLUSTER

### (1) Background Information

DESPL explored a total of 3450 sq.kms under Dharwar RP to identify gold bearing prospects. Mangalagatti and Bhavihal prospects are located 12 to 20 kms north of Dharwar city. They form part of the 'Dharwar Cluster' of gold bearing sulphidic chert bands (Fig-16). The Dharwar cluster comprises of Mangalagatti SE, Mangalagatti Main, East and Bhavihal, Kulavalli and Turkara-Sigehalli prospects. All these are considered as highly potential like the Ganajur-Karajgi cluster near Haveri.

### (2) Mangalagatti Prospect:

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 meters over a width of 30 meters were defined. An ancient working and adjacent pounding marks indicates ancient mining activity in the area.



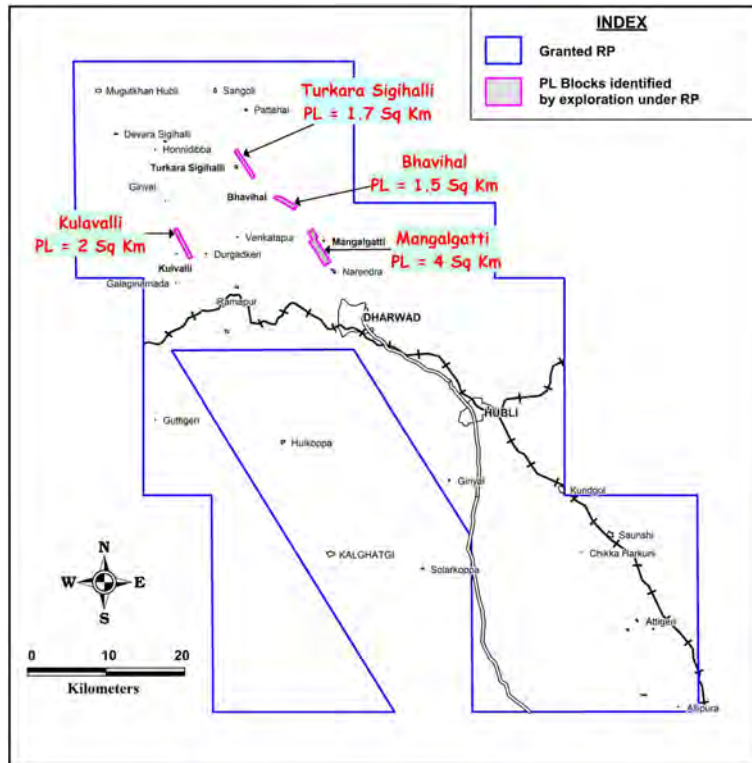


Fig-16, Map showing the Dharwar cluster of PL applications:

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 mineralized 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.

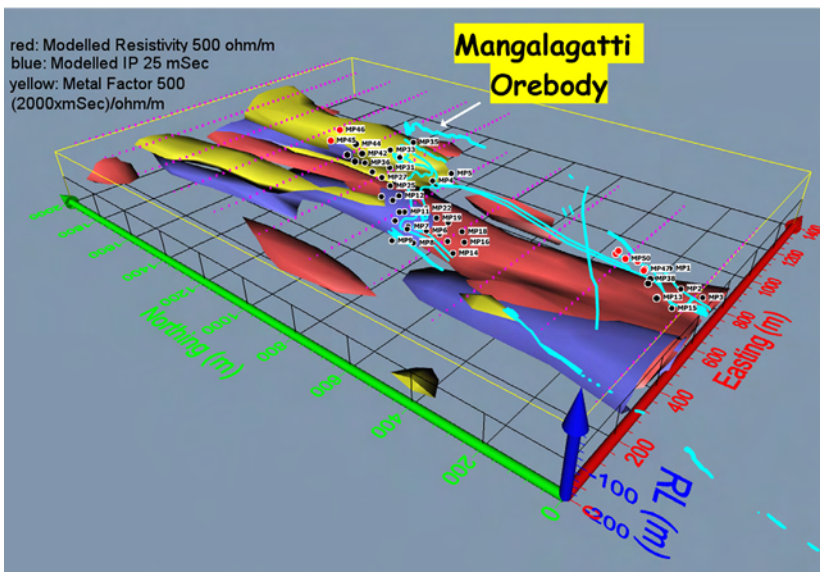


Fig-17, Mangalgatti 3D IP Geophysical Model

The results of the IP survey revealed a 300 to 400 meters 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-17).

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

DESPL undertook detailed geological mapping over this PL block with an objective to:

- Geologically map the Banded Ferruginous Chert (BFC) bands in the entire PL block.
- Ground check the IP and Ground magnetic anomalies
- Generate targets for reconnaissance and resource drilling.

DESPL had filed an application for PL for Gold and associated minerals over an area 4 sq. km covering the Mangalagatti Prospect in Dharwar District in November 2005.

The PL was subsequently approved by the MoM vide its letter No 4/33/2008-M.IV dated April 16, 2019. Based on the approval of the PL by the MoM, the C & I, Govt. of Karnataka issued the Notification granting the PL on October 11, 2012.

The PL block comes under Section 10A(2)(b) of the M&M (D&R) Act, 1957 as the applied area was first discovered & explored under a RP by DESPL.

Due to the delay from DMG execution of the PL could not be done. However due to OUR continuous follow up, the DMG has completed the Internal checklist procedure and will be taken up for approval before a 3 member committee meeting comprising of GSI, DMG and IBM.

Please refer to “Status of Applications” for an update on the Mangalagatti PL application.

### **(3) BHAVIHAL PROSPECT:**

It is located at a distance of 8 kms NW of Mangalagatti prospect. Preliminary channel sampling followed by RC drilling during the RP tenure had clearly brought out surface expression of a wide ore body hosted in cherty BIF. The limited RC drilling was also intended to examine open pit resource similar to Mangalagatti SE prospect. As a result of this preliminary investigation an area of 400 meters 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. Bhavihal is an exciting gold prospect and DESPL will explore it in detail after the grant of the PL.

Please refer to “Status of Applications” for an update on the Bhavihal PL application.

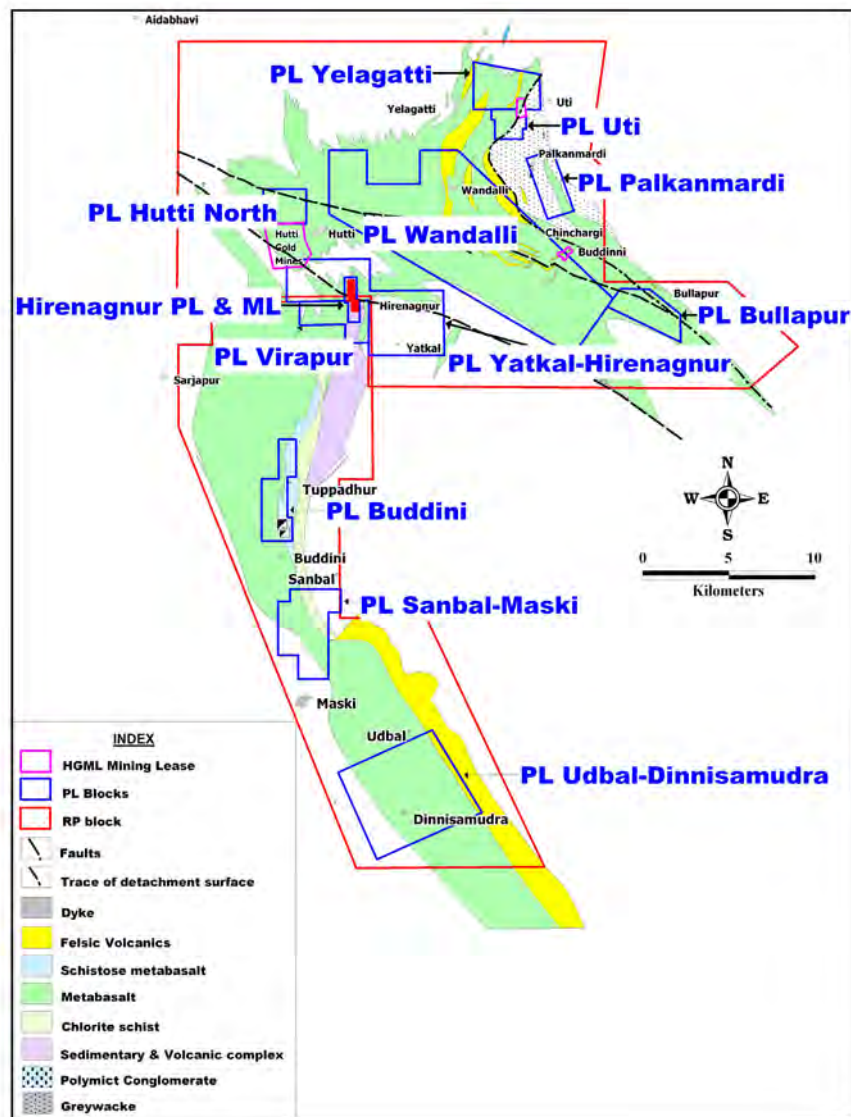
## **C. HUTTI-MASKI BELT PROJECTS**

### **(1) Background Information:**

HuttiMaski 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.18). The highlights of the key prospects which were explored by DESPL during its RP tenure are presented in Table-10 and status of mineral concession applications (Post MMDR amendment Act 2015) as on August 19, 2016 is presented in Table-11 and Table-12.

As Share holders are aware, after a prolonged legal battle a positive Supreme Court Verdict was received in May 2018 directing the State Government of Karnataka to process the Prospecting License (PL) applications of DESPL over the Hutti - Maski belt in accordance with Mines & Minerals (Development & Regulation) Act, - 1957.

In the light of the above Supreme Court verdict, the Revision Petition application lodged before the Tribunal, Ministry of Mines ( MOM ), Government of India by DESPL contesting the rejection of its North Hutti PL application by the State Government of Karnataka was also successfully concluded in favour of the Company.



**Fig-18: Geological map of Hutti-Maski Greenstone Belt showing DGML's key gold**

Despite the above favorable verdicts in our favour the State Government has not complied to the same and the applications are still under process in the DMG. We have met the DMG and the other concerned officials multiple times and have requested for processing of the said PL applications in the light of the Hon'ble Supreme Court Order.

It may be noted that since the pace of processing was slow, we filed an Interim Application last year requesting for directions to the Government of Karnataka to consider our PL applications within a definitive time frame of 2 months. It's yet to be heard by the Hon'ble Supreme Court and our Legal Counsel have intimated that they're coordinating with the Registry to get this matter listed on priority for hearing.

Due to delays in grant of PLs, we were 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 in Table-10:

Table-10- 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
	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	

## (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 at least 5 of these lodes into DGML's PL block north of the Hutti Gold mine (Fig-19). The best finding was extension of the New East Reef which has analysed up to 10.0 g/t gold and the extension of the Main Reef that has analysed up to 16.0 g/t Gold. Strike Reef was explored by DGML by limited drilling with positive results.

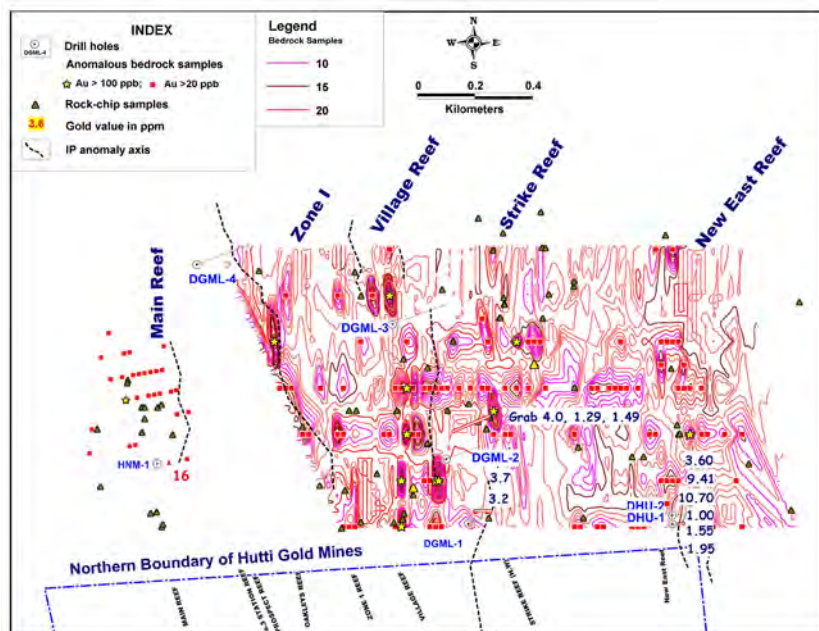


Fig-19-Hutti North Prospect showing the possible extensions of the gold Lodes



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DGML has applied for a Prospecting License 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.

### (3) 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 meters. Preliminary drilling indicates presence of 4 parallel mineralized zones of which the eastern most zone i.e. zone III has a strike length of 600 meters. The drill hole data was processed by using Data mine 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-20). 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 technique. Pre-treatment of the ore can result in 97% recovery. Detailed drilling will follow the grant of prospecting license 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 meters. Applications have been filed for both PL as well as a Mining Lease.

### (4) 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 Hutti Gold Mines Ltd. Bed rock sampling at 20m intervals along 9 profiles southwest of Uti mine

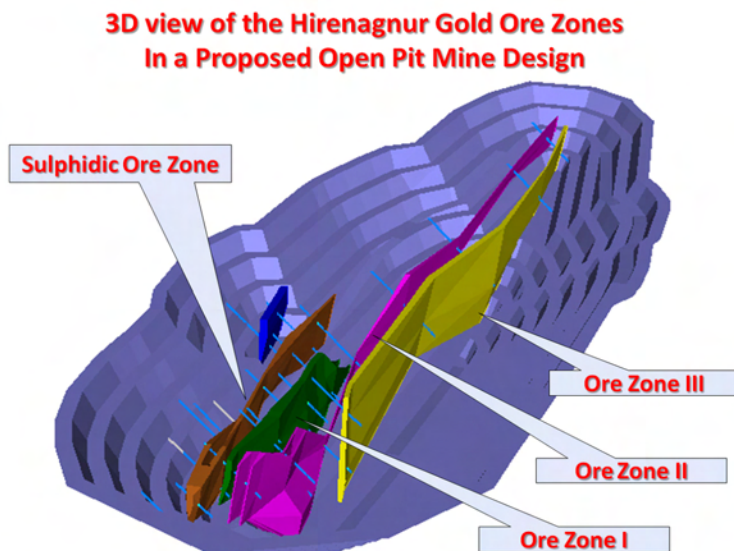


Fig-20: 3D view of the Hirenagnur Gold Ore Zones and Open Pit Mine Design.

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.

#### **(5) 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 Chincherggi- Amareshwara lineament between Chincherggi Prospect and Wandalli Prospect. Chincherggi prospect located some 15 km east of Hutti Gold Mine is an area of extensive ancient mining. The British undertook extensive U/G mining at Chincherggi.

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 Chincherggi mineralization, 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 Chincherggi Prospect.

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

#### **(6) BULLAPUR PROSPECT::**

In the course of geological traversing along the major structural discontinuity south east of Chincherggi 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 License.

#### **(7) 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. Mineralization 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 meter long NE-SW trending gold anomaly spread over 150 meters width. Most of the high gold values analyzed 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.

### **PROSPECTS IN SOUTH HUTTI BLOCK**

The South Hutti RP block originally covered 315 sq. km to the south of Hutti Gold Mines Limited.

During the RP tenure the following studies were carried out :

- Data compilation of all previous exploration and ancient mine sites
- Comprehensive stream geochemical sampling over the entire block.
- Auger sampling at Maski prospect.
- Bedrock geochemical sampling,



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- Channel sampling and analysis
- Geological mapping

As a result several significant prospects have been identified. 4 Prospecting licences were submitted including a PL application of 14.7 km<sup>2</sup> covering Maski, Sanbal & Ashoka P and PL application of 8 Km<sup>2</sup> covering Buddini & Tuppadhur P (Fig-21).

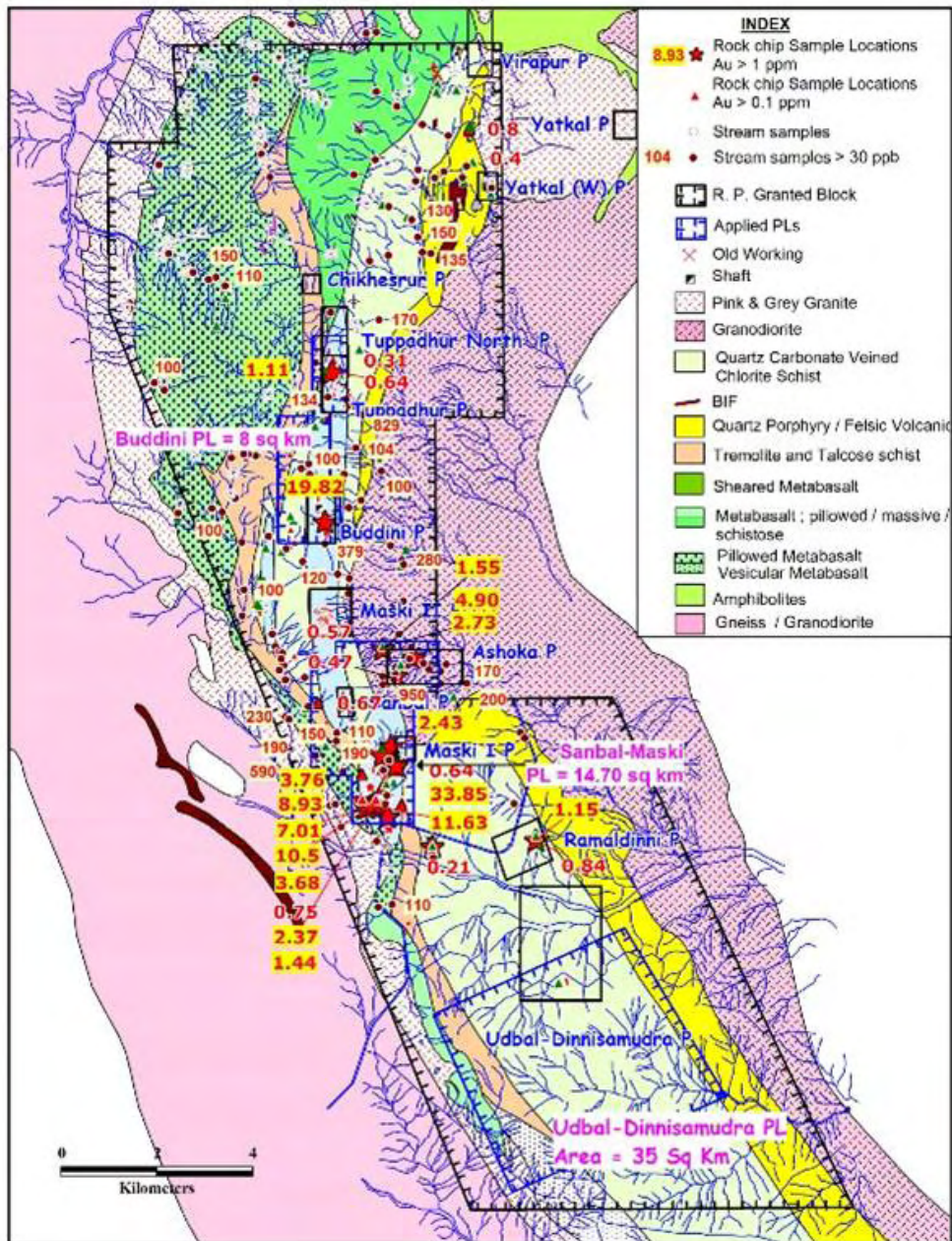


Fig-21, Geological Map of Hutti South Block showing the PL applications and prospects

**(8) SANBAL- MASKI PL BLOCK ( 14.7 SQ.KMS).**

This block includes important prospects like Maski gold fields, Sanbal prospect and Ashoka Prospect (Fig-22)

The Maski Goldfields at E and NE of Maski village, as described earlier, witnessed extensive ancient mining activity in the past. The ancient name of the present Maski village was SWARNA NAGARI meaning gold town. Thirteen old workings were reported in this prospect in the early 1900s by the Hyderabad Geological Survey. M/S John Taylor and Sons developed one of these workings with a 35 m deep shaft, drove levels north and south and mined the ore of an average grade of 30 g/t gold. All these old workings are presently buried under black cotton soil.

Most of samples collected from old Maski Prospect returned significant gold values such as 0.52, 0.21, 0.56, 1.30, 33.86, 0.3, 2.43, 0.64, 2.37, 3.76, 0.59, 0.68, 11.64, 10.5, 7.01. Coupled with these encouraging results and reported ancient mining activity in this area, it was decided that the Maski area is an excellent target for immediate exploration.

An auger-bedrock sampling programme was undertaken which revealed five broad gold anomalies. The Maski prospect has all the signs of an important goldfield. Four long trenches were exposed in the Maski block 1 area over a cumulative length of 460 metres and 283 channel samples were collected. It revealed old workings and shear zones with gold values.

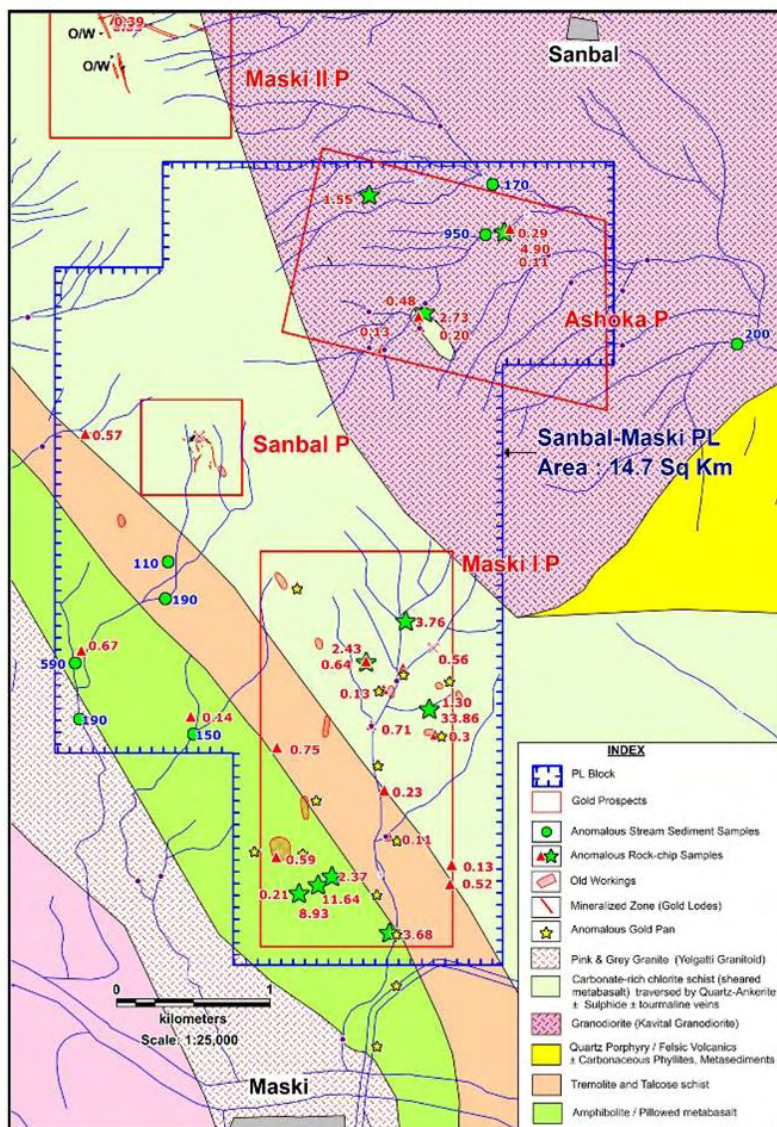


Fig-22, Map showing Sanbal-Maski PL area

**(9) Ashoka Prospect:**

The Ashoka Prospect (named after the great Indian emperor whose inscriptions are seen near Maski town) is a discovery of the Company. Several stream found to the east and South of Sanbal village showed anomalous Au values up to 950 ppb. Follow-up sampling and mapping was carried out to trace the source of this anomaly. Rock chip samples from the brecciated quartz-carbonate-hematite veins traversing fractured pink potassic granite analysed 1.5 to 4.9 g/t Au. A total of 18 samples were collected from this area.

Cu-Au mineralization was also noticed within pink granite, 4.0 kms SSW of Sanbal village. Samples from this zone analysed up to 0.5 g/t of Au and 0.63% Cu. A possible WNW trending Cu-Au mineralized system of 2.0 km is delineated.



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### (10) SANBAL MINE BLOCK:

Five sub-parallel zones of mineralisation have been identified in this prospect. Significant gold values were obtained from surface rock chip samples.

### (11) BUDDINI PL BLOCK(7.0 SQ.KMS)

Buddinni PL block comprises of the Buddinni mine prospect and Tuppadhur block(Fig-23)

The gap area of 2.5 kms between Tuppadhur P and Buddinni P were explored under RP. Stream geochemical sampling revealed significant gold anomalies up to 829 ppb between Tuppadhur and Buddinni.

Gold mineralization is confined to the central shear zone and is generally found in quartz-ankerite veins with the wall rock showing intense chlorite and carbonate alteration.

At Buddinni, four parallel lodes have been identified. Extensive British time old workings occur along two of them – the Main and Mopla Lodes. Samples from mine dumps assayed up to 19.3 g/t gold.

A total of 77 rock chip samples were collected out of which 17 samples have analysed gold values between 0.2 to 19.82 g/t. Geological mapping and sampling brought out 3 mineralised zones with quartz have 100 to 300 metres strike length south of Tuppadhur prospect.

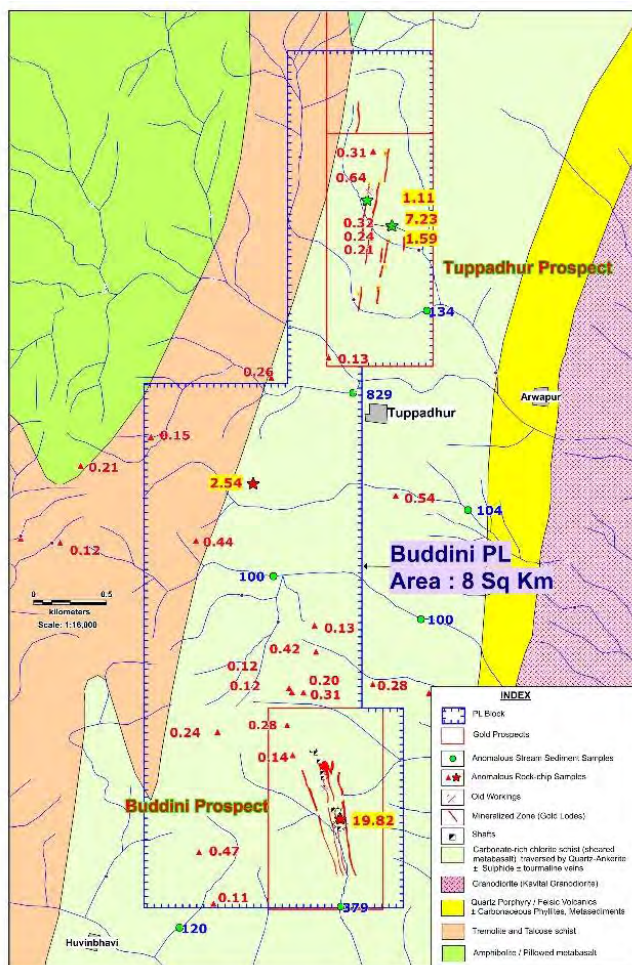


Fig-23, Map of Tuppadhur-Buddinni PL Block.

**(12) VIRAPUR PL BLOCK (7.0 SQ.KMS):**

This block is located south of the Hirenagnur prospect where significant gold mineralization was discovered by the company (Fig-18). We carried out detailed geological mapping in the Virapur block to trace the southern continuity of Hirenagnur mineralization. Rock chip samples were collected that returned values in the range of 0.23 to 2.05 g/t Au.

Ground magnetic survey was carried out covering an area of 9.0 sq.kms (400 line kms). Hirenagur mineralization is associated with magnetite and pyrrhotite and responds positively to ground magnetic survey and shows high magnetic anomaly. Magnetic survey in the Virapur block has been successful in locating such high mag zones for nearly 2.5 kms that is correlated to be extension of Hirenagnur mineralization.

An orientation bedrock geochemical sampling was carried out on profile 1787100 N covering the magnetic anomaly. A total of 17 samples were collected at 20 m interval. A subtle Au-As-Cu anomaly was noticed that is correlated to the Hirenagnur mineralisation.

**D. STATUS OF MINERAL CONCESSION APPLICATIONS:**

To know the status of mineral concession applications lodged by us, shareholders may kindly refer to 'Status of Mineral Concession Applications' forming part of this Annual Report.

Further, shareholders may also refer to the market updates made by the Company from time to time which can be accessed at **[www.deccangoldmines.com](http://www.deccangoldmines.com)**

**TABLE 11 : STATUS OF MINERAL CONCESSION APPLICATIONS**

**SAVED UNDER SECTION 10A(2)(B) OF MMDR ACT, 1957**

**(AS ON NOVEMBER 12, 2020)**

ML No	Block Name	District	Area in sq km	Date of Application	Reference	Status
DES.ML-2	Ganajuru	Haveri	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 CI 210 CMC 2016 CI/77/CMC/2019	<p>Shareholders may refer to the Market Updates issued by the Company from time to time on the Ganajur ML application which is under consideration by the Government of Karnataka for issue of Grant Notification Letter.</p> <p>It may be noted that there was a Judgment dated February 14, 2020 delivered by the Hon'ble Karnataka High Court in M/s. Kumar Enterprises (facts of which are similar to that of our Ganajur ML application).</p> <p>The key points laid down in the aforesaid Judgment are:</p> <p>(a) It is well settled that in the absence of any statutory provision which provides for review of an administrative order by an authority, the authorities are not entitled to review their own orders (therefore, it is now not open to the Government of Karnataka to review its recommendation with regard to Ganajur ML or the MoM to review its prior approval already accorded).</p> <p>(b) An order granting prior approval by the Government of India is not empty formality and the same is passed after application of mind and after consideration of the entire material on record (in the light of this, it should follow that Central Government cannot put its prior approval for Ganajur ML under abeyance in the first place)</p> <p>In keeping with our philosophy to simultaneously seek justice through the Courts whilst following up with Government of Karnataka and MoM for</p>



						<p>issue of Grant Notification Letter for our Ganajur ML application in the normal course, we have filed a Writ Petition on June 9, 2020 and have engaged the Senior Legal Counsel who represented M/s. Kumar Enterprises who advised for lodging a Writ Petition seeking directions to:</p> <p>(a) Ministry of Mines, Government of India (MoM) seeking quashing of the abeyance on its prior approval for the Ganajur ML; and</p> <p>(b) Government of Karnataka to issue the Grant Notification Letter for Ganajur Mining Lease followed by execution of the Mining Lease Deed in accordance with the prior approvals by the MoM in 2015 and 2017</p> <p>We are coordinating with our Legal Counsel for a hearing of our Writ Petition and are also simultaneously following with the Government Departments for a resolution in the normal course.</p>
DES.ML-5	Karajgi	Haveri	2.8	20.12.2012	No. DMG / R p - Sec/11 AML 2012-13 Dt.5.1.2013	<p>Department of Mines &amp; Geology, Government of Karnataka (DMG) is processing the pending Mining Lease (ML) files for compliance with their internal checklist that was notified through a Government Order. It may be noted that the checklist requires sign-off / certification from certain Divisions of DMG and Indian Bureau of Mines prior to forwarding the file to State Government. This file has been taken for processing and DMG has received the required certification from IBM.</p> <p>This ML application is protected under Section 10A(2)(b) of MMDR Act.</p>

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## Prospecting Licences

PL No.	Block Name	District	Area in sq km	Date of Application	Ref. No. & Date	Status
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 242 CMC 2015 dated 9.10.2015)	<ul style="list-style-type: none"> <li>Although Grant Notification was issued by the State Government of Karnataka way back on October 11, 2012 vide Order No. CI 61 MMM 2007, the same could not be executed since the time period for execution (within 3 months of grant notification) of PL Deed expired due to delay by the DMG. We have met the DMG multiple times and have requested for execution of the PL at the earliest.</li> <li>Rights under Section 10A(2)(b) of MMDR Amendment Act,1957 as amended in 2015.</li> </ul>
DES.PL-6	Kulavalli	Belgaum	2	15.10.2004	No.127APL 2004, Dt.24.11.2004 CI 112 MMM 07	<ul style="list-style-type: none"> <li>Rights under Section 10A(2)(b) of MMDR Amendment Act,1957 as amended in 2015.</li> <li>The Department of Mines &amp; Geology, State Government of Karnataka (DMG) has taken up the file for processing in terms of internal checklist / SOP for processing of files that fall under Section 10A(2) (b) of MMDR Act for progression from Reconnaissance Permit (RP) to Prospecting Licence (PL). A section of the SOP requiring sign-off from IBM has been received by the DMG.</li> </ul>
DES. PL-12	Lakkikoppa	Haveri	5	22.3.2005	No.85 APL 05, CI 64 MMM 2010	<ul style="list-style-type: none"> <li>Rights under Section 10A(2)(b) of MMDR Amendment Act,1957 as amended in 2015.</li> <li>The Department of Mines &amp; Geology, State Government of Karnataka (DMG) has taken up the file for processing in terms of internal checklist / SOP for processing of files that fall under Section 10A(2) (b) of MMDR Act for progression from Reconnaissance Permit (RP) to Prospecting Licence (PL). A section of the SOP requiring sign-off from IBM has been received by the DMG.</li> </ul>
DES-PL-8	Turkara-Sigihalli	Belgaum	1.7	31.12.2004	No.181 APL 04/14744, dt.3.1.2005	Same status as above

DES. PL-11	Ganajuru Extension	Haveri	8	12.1.2005	No.08 APL 2005, Dt.17.1.2005 CI 218 MMM 06	Same status as above
DES.PL-1	Hutti North	Raichur	4.9	1.8.2003	No.24 APL 03, Dt.18.8.2003  CI 155 MMM 2004	<p>The Revision Authority, Ministry of Mines, Government of India vide its Order dated August 29, 2018 set aside the rejection order of the State Government of Karnataka in respect of this Prospecting Licence (PL) application of Deccan Exploration Services Private Limited (DESPL) over the Hutti North PL Block covering an area of 4.9 sq kms. The Tribunal has further directed the State government of Karnataka to consider the Hutti North PL application of DESPL.</p> <p>The above favourable ruling is primarily in the light of the Judgment dated May 8, 2018 of the Hon'ble Supreme Court of India setting aside the proposal of the State Government of Karnataka to reserve the Hutti Belt areas in favour of its own undertaking viz., Hutti Gold Mines Limited by overlooking the PL applications (including this PL application) of DESPL over those areas. The Hon'ble Supreme Court directed the State Government of Karnataka to consider the PL applications of DESPL over the Hutti Belt.</p> <p>We have been informed that the Department of Mines &amp; Geology, State Government of Karnataka (DMG) has taken up the file for processing in terms of internal checklist / SOP for processing of files that fall under Section 10A(2)(b) of MMDR Act for progression from Reconnaissance Permit (RP) to Prospecting Licence (PL). But no progress is made in completion of the process.</p>
DES.PL-3	Uti	Raichur	2.9	14.1.2004	No. 06APL04 / 16815, Dt.16.1.2004	<p>Shareholders may refer to the Market Updates issued by the Company from time to time</p> <p>It may be noted that the Hon'ble Supreme Court had passed a Judgment dated May 8, 2018 with regard to DESPL's Hutti Block Prospecting Licence (PL) applications.</p>

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						<p>This Order was in our favour and the Court set aside the proposal of Government of Karnataka for reservation of the areas covered by our PL applications in favour of its own PSU (Hutti Gold Mines Limited) and directing them to consider our PL applications over the Hutti Belt areas.</p> <p>It may be noted that since the pace of processing was slow, we filed an Interim Application last year requesting for directions to the Government of Karnataka to consider our PL applications within a definitive time frame of 2 months. It's yet to be heard by the Hon'ble Supreme Court and our Legal Counsel have intimated that they're coordinating with the Registry to get this matter listed on priority for hearing.</p>
DES.PL-4	Yatkal-Hirenagnur	Raichur	21	1.10.2004	No.106 APL04/11544, Dt.18.10.2004	-do-
DES. PL-4A	Hirenagnur	Raichur	1.8	28.4.2006	No. 54 APL 06 Dt.5.5.2006	-do-
DES.PL-5	Wandalli	Raichur	90	21.10.2004	No. 11APL04/ 10976, Dt.28.10.2004	-do-
DES.PL-7	Yelagatti	Raichur	9	17.12.2004	No.162 APL04/13923, Dt.20.12.2004	-do-
DES. PL-13	Palkanmardi	Raichur	6	28.2.2006	No.39 APL 06/17, Dt.29.3.2006	-do-
DES. PL-14	Bullapur	Raichur	7	15.3.2006	No.36 APL 06/15624, Dt.25.3.2006	-do-
DGML. PL-11	Fatehpur- Hadanur	Yadgir	30	25.3.2013	No.DMG/RP- Sec/01-APL/2013, dt.3.4.2013	Rights under Section 10A(2)(b) of MMDR Amendment Act, 1957 as amended in 2015.
DGML. PL-12	Arakeri- Shakhpapur	Yadgir	60	25.3.2013	No.DMG/RP- Sec/02-APL/2013, dt.3.4.2013	Same status as above

DES = Deccan Exploration Services Private Limited (2 ML and 13 PL applications)

DGML = Deccan Gold Mines Limited (2 PL applications)

**TABLE 12 : STATUS OF MINERAL CONCESSION APPLICATIONS  
UNDER AGREEMENTS BETWEEN DGML &  
GEOMYSORE SERVICES (INDIA) PRIVATE LIMITED (GMSI)**

During 2003, DGML executed three agreements with GMSI for transfer of three RPs originally applied for by GMSI and the PLs arising out of such RPs. Details of the agreements entered into are as under:

Transferor	Transferee	Date of agreement	Asset mentioned in agreement	Area (sq. km.)	Consideration (Rs. in million)
GMSI	DGML	May 22, 2003	Hutti Maski: RP No. 4/2000 dated November 03, 2000	315	1.00
GMSI	DGML	May 22, 2003	Mangalur: RP No. 5/2000 dated November 03, 2000	125	0.10
GMSI	DGML	May 22, 2003	Ramagiri: RP No. 345/MI/ 2001 dated February 2, 2001	260	0.50

GMSI has made following PL applications arising out of the aforesaid three RPs:

Sr. No	Name of the entity	Reference No / Ack	Application Date	Block Name	District & State	Area in sq.km	Originated from which RP, PL (where applicable)	Present Status
1.	GMSI-PL-8	4 7 A P L 03/13967 d a t e d November 10, 2003	November 7, 2003	Jainapur	Gulbarga Karnataka	1.1	RP number 5 dated November 3, 2000 for Mangalur	<ul style="list-style-type: none"> <li>Approval of grant by MoM communicated to State Government vide letter no. 4/34/2008-M.IV dated September 16, 2009.</li> <li>Despite MoM approval, State Government has requested DMG for new NOC from District Commissioner.</li> <li>Since MoM has already granted the approval, DMG has not moved for obtaining a new NOC.</li> <li>Grant order awaited.</li> </ul>
2.	GMSI-PL-7	4 6 A P L 03/13966 d a t e d November 10, 2003	November 07, 2003	Mangalur	Gulbarga Karnataka	1.2	RP number 5 dated November 3, 2000 for Mangalur	<ul style="list-style-type: none"> <li>DMG has recommended for grant to State Government, but State Government has returned the file to DMG requesting it to obtain a new NOC from the District Commissioner.</li> <li>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.</li> <li>Currently application is pending at DMG, Bengaluru and DMG has not moved to obtain a new NOC as requested by State Government.</li> </ul>



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3.	GMSI-PL-4	32 APL 2003/11183 dated September 05, 2003	August 29, 2003	Sanbal- Maski	Raichur Karnataka	14.7	RP number 4 dated November 3, 2000 for Hutti- Maski	Same status as that of DES-PL-3
4.	GMSI-PL-5	31 APL 2003/11181 dated September 05, 2003	August 29, 2003	Buddini	Raichur Karnataka	8	RP number 4 dated November 3, 2000 for Hutti- Maski	Same status as that of DES-PL-3
5.	GMSI-PL-12	7 1 A P L 0 4 / 5 5 1 5 dated July 29, 2004	July 27, 2004	Udbal- Dinni samudra	R a i c h u r Karnataka	35	RP number 4 dated November 3, 2000 for Hutti- Maski	Same status as that of DES-PL-3
6.	GMSI-PL-3	2 0 9 5 / M 2 / 2 0 0 3 dated August 23, 2003	August 22, 2003	Ramagiri	Anantapur A n d h r a Pradesh	18.32	RP number 345/M1/2001 dated February 02, 2001 for Ramagiri	Under consideration by the AP State Government,
7.	GMSI-PL-14	1903/PL/04 dated August 26, 2004	August 26, 2004	Bok sampalle	Anantapur A n d h r a Pradesh	17	RP number 345/M1/2001 dated February 02, 2001 Ramagiri	Under consideration by the AP State Government,

1. Vide an agreement dated May 22, 2003 between DGML and GMSI, it has been agreed that RP number 5 dated November 3, 2000), and any PLs/MLs arising from such RPs shall be transferred to DGML. However no such transfer has been effected till date. Transfer, as and when it is done, will require prior permission under MMDR Act & Rules made there under.
2. Vide an agreement dated May 22, 2003 between DGML and GMSI, it has been agreed that RP number 4 dated November 3, 2000, and any PLs/MLs arising from such RPs shall be transferred to DGML. However no such transfer has been effected till date. Transfer, as and when it is done, will require prior permission under MMDR Act & Rules made there under.
3. Vide an agreement dated May 22, 2003 between DGML and GMSI, it has been agreed that RP number 345/M1/2001 dated February 02, 2001, and any PLs/MLs arising from such RPs shall be transferred to DGML. However no such transfer has been effected till date. Transfer, as and when it is done, will require prior permission under MMDR Act & Rules made there under.

## DIRECTORS' REPORT

To  
The Members,  
Deccan Gold Mines Limited

The Directors of Deccan Gold Mines Limited ('the Company') have pleasure in submitting their 36th Annual Report to the Members of the Company together with the Audited Standalone and Consolidated Statement of Accounts for the year ended March 31, 2020. The financial statements have been presented based on Ind AS requirements.

### 1. FINANCIAL STATEMENTS & RESULTS:

#### A. FINANCIAL RESULTS

Financial results for the year ended March 31, 2020 are as under:

(₹ in '000)

Particular	For the financial year ended March 31, 2020	For the financial year ended March 31, 2019
Other Income	7,958	2,465
Total Expenses	31,291	26,513
Profit / (Loss) before Exceptional and Extraordinary Items and Tax	(23,333)	(24,047)
Less: Exceptional and Extraordinary Items	-	-
Profit / (Loss) before tax	(23,333)	(24,047)
Less: Current Tax & Deferred Tax	-	-
Profit / (Loss) after tax	(23,333)	(24,047)
Other Comprehensive Income	(168)	(283)
Balance transferred to Balance Sheet	(23,501)	(24,330)

#### b. OPERATIONS:

Details on the operations of the Company during the year under review are given under the head "Details of the Key Gold Projects" and the segment titled "Status of mineral concession applications" and in "Management Discussion & Analysis" which forms part of this Annual Report.

More details about the Company's projects and operations as well as market announcements made from time to time can be accessed at ([www.deccangoldmines.com](http://www.deccangoldmines.com)).

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

#### c. REPORT ON PERFORMANCE OF SUBSIDIARY:

The Company holds 100% shares in Deccan Exploration Services Private Limited (DESPL) and in view of the provisions of the Companies Act, 2013 ('the Act'), DESPL is a wholly owned subsidiary company. Pursuant to the provisions of Section 129 of the Act, DESPL's accounts have been consolidated into the Company's accounts.

The performance and financial position of DESPL, subsidiary company for the year ended March 31, 2020 is attached as Annexure 1 (Form AOC-1) to this Report.

#### d. MATERIAL SUBSIDIARIES :

The Board has adopted a Policy for determining Material Subsidiaries in accordance with the requirements of Regulation 16(1)(c) of the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015. The Policy, as approved by the Board, is uploaded on the Company's website and the link for the same is <http://deccangoldmines.com/wp-content/uploads/2018/11/Policy-on-Material-Subsidiaries.pdf>. In terms of the criteria laid down in the Policy and as per the definition of material subsidiary provided in Regulation 16(1)(c) of the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015, the wholly owned subsidiary of the Company i.e. Deccan Exploration Services Private Limited has been identified as 'Material', based on the Company's Consolidated Financial Statements for financial year 2019-20.

## DECCAN GOLD MINES LIMITED

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Further, the Financial Statements along with the Director' Report of the material subsidiary i.e. Deccan Exploration Services Private Limited, for the financial year ended March 31, 2020 are available on the Company's website at [http://deccangoldmines.com/wp-content/uploads/2020/11/1605612906769\\_DESPL-Annual-Report-2020.pdf](http://deccangoldmines.com/wp-content/uploads/2020/11/1605612906769_DESPL-Annual-Report-2020.pdf)

### **e. COMPLIANCE WITH SECRETARIAL STANDARDS**

The applicable Secretarial Standards, i.e. SS-1 and SS-2, relating to 'Meetings of the Board of Directors' and 'General Meetings', respectively, have been duly complied by the Company.

### **f. DIVIDEND:**

In view of the fact that the Company is awaiting grant of its mineral concessions, it is yet to commence its mining operations. Therefore, your Directors express their inability to recommend dividend for the financial year under review.

### **g. TRANSFER TO RESERVES:**

In view of losses incurred during the year under review, the Board of Directors has not recommended transfer of any amount to reserves.

### **h. DECLARATION WITH REGARD TO FINANCIAL STATEMENTS:**

Financial Statements for the year ended March 31, 2020 are in accordance with the Indian Accounting Standards (IND-AS) notified by the Ministry of Corporate Affairs, Government of India which have already become applicable to the Company from the accounting period beginning on April 1, 2017.

The Company has not carried out any revision in its financial statements in any of the three preceding financial years as per the requirement under Section 131 of the Act.

### **i. 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 Chapter V of the Act is not applicable.

### **j. DISCLOSURES UNDER SECTION 134(3)(L) 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.

### **k. DISCLOSURE WITH REGARD TO INTERNAL FINANCIAL CONTROLS:**

The internal financial controls with reference to financial statements as designed and implemented by the Company are adequate considering the nature of its business and the scale of operations. During the year under review, no material or serious observation has been made by the Statutory Auditors and the Internal Auditors of the Company regarding inefficiency or inadequacy of such controls. Wherever suggested by the auditors, control measures have been further strengthened and implemented.

### **l. DISCLOSURE WITH REGARD TO ORDERS PASSED BY REGULATORS / COURTS / TRIBUNALS:**

No adverse orders have been passed by any Regulator or Court or Tribunal which can have impact on the Company's status as a Going Concern and on its future operations.

### **m. PARTICULARS OF CONTRACT OR ARRANGEMENT WITH RELATED PARTIES:**

All contracts / arrangements / transactions entered into by the Company during the financial year with its wholly owned subsidiary were in the ordinary course of business and at an arm's length basis. Accordingly, the disclosure of related party transactions, as required under Section 134(3)(h) of the Companies Act, 2013 in Form AOC-2 is annexed to the Directors' Report. The Policy on related party transactions as approved by the Board may be accessed on the Company's website [www.deccangoldmines.com](http://www.deccangoldmines.com).

Your Directors draw attention of the members to Note No. 20 of standalone financial statements which sets out disclosures on related parties and transactions entered into with the said parties during the financial year under review.

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**n. PARTICULARS OF LOANS, GUARANTEES, INVESTMENTS AND SECURITIES:**

During the year under review, the Company did not provide any loan or give any guarantees. The Company does not have any investments except 100% shareholding in DESPL, its wholly owned subsidiary company.

**o. 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 is required to be furnished in terms of provisions of Section 43(a)(ii) of the Act read with Rule 4(4) of the Companies (Share Capital and Debenture) Rules, 2014.

**p. 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 the provisions of Section 54(1)(d) of the Act read with Rule 8(13) of the Companies (Share Capital and Debenture) Rules, 2014 are not applicable.

**q. DISCLOSURE UNDER SECTION 62(1)(B) OF THE COMPANIES ACT, 2013:**

All the stock options issued under the DGML ESOP 2014 and DGML ESOP 2014 (Amended 2016) have since been exercised during the financial year 2017-18 and the Company did not have any Scheme of ESOP in force during the year under review and hence no disclosure is required to be furnished.

**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 Companies Act, 2013 read with Rule 16(4) of Companies (Share Capital and Debenture) Rules, 2014. Hence, disclosures pursuant to Section 67 (3) of the Companies Act, 2013 are not required to be furnished.

**2. OUTLOOK AND OPPORTUNITIES:**

Details on the industry outlook, opportunities, risks and concerns have been provided under 'Management Discussion and Analysis' forming part of this Annual Report.

**3. MATTERS RELATED TO DIRECTORS AND KEY MANAGERIAL PERSONNEL:****a) Board of Directors and Key Management Personnel:**

Ms Pratima Ram (DIN: 03518633), an Independent & Non-executive Director and Chairperson ceased to be a Director on the Board of the Company upon end of her tenure on March 29, 2020.

Mr. Govind Subhash Samant Director (DIN:07984886) retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for reappointment.

Further, Mrs. Revathi Thiruvengadam (DIN:01119311) was appointed as an Additional Director (Independent and Non-Executive) with effect from June 16, 2020 to hold office till the ensuing Annual General Meeting.

Necessary notices under Section 160 of the Act proposing the candidature of Mrs. Revathi Thiruvengadam as Director (Independent & Non-Executive) for a period of 2 years with effect from June 16, 2020 has been received from a shareholder. Resolutions for respective appointment of directors have been included in the Notice convening the ensuing 36th AGM and your Directors recommend their appointment.

The tenure of Mr. Sandeep Lakhwara (DIN: 01049978) as Managing Director of the Company ended on April 30, 2020. The Company's Board of Directors at their Meeting held on April 30, 2020 approved re-appointment of Mr. Sandeep Lakhwara for a period of one year from May 1, 2020 to April 30, 2021 subject to approval by the shareholders in the forthcoming AGM. Your Board of Directors recommend the re-appointment of Mr. Sandeep Lakhwara as Managing Director of the Company from May 1, 2020 to April 30, 2021.

**b) Declaration by Independent Directors:**

The Company has received declaration from all the Independent Directors under Section 149(6) of the Companies Act, 2013 as further amended by the Companies Amendment Act, 2017 and Regulation 16(1)(b) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 confirming their independence vis-à-vis the Company and its management. There was no change in the circumstances which affected their status as Independent Director (s) during the year under review.

## DECCAN GOLD MINES LIMITED

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The Independent Directors have also confirmed that they are not aware of any circumstances or situation which exist or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgment and without any external influence.

Further, declaration on compliance with Rule 6(3) of the Companies (Appointment and Qualification of Directors) Rules, 2014, as amended by Ministry of Corporate Affairs ("MCA") Notification dated October 22, 2019, regarding the requirement relating to enrollment in the Data Bank created by MCA for Independent Directors, have been received from all the Independent Directors.

### **c) Company's Policy on Directors' appointment and remuneration:**

The Board has, as per the recommendation of the Nomination and Remuneration Committee, framed a policy on selection and appointment of Directors and Senior Managerial personnel and their remuneration which was further amended by the Board vide their resolution dated March 31, 2019 in terms of the SEBI (Listing Obligations and Disclosure Requirements) Amendment Regulations, 2018. The details of said policy are given in the Corporate Governance Report which forms part of this Annual Report.

## **4. DISCLOSURES RELATED TO BOARD, COMMITTEES AND POLICIES:**

### **a) Board Meetings:**

The Board of Directors met five (5) times during the year ended March 31, 2020 in accordance with the provisions of the Companies Act, 2013 and rules made there under. Detailed information on the Board Meetings is provided in the Corporate Governance Report which forms part of this Annual Report.

### **b) Directors' 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 March 31, 2020 the Board of Directors hereby confirm that:

- a. in preparation of the annual accounts, the applicable accounting standards have 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 March 31, 2020 and of the loss of the Company for that year;
- c. proper and sufficient care was taken for 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 by the Company and that such internal financial controls are adequate and operating effectively;
- f. proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively;

### **c) Board Committees:**

There are three (3) Committees of the Board of Directors of the Company viz. Audit Committee, Nomination and Remuneration Committee and Stakeholders' Relationship Committee.

Detailed information on all the above Board Committees is provided in the Corporate Governance Report forming part of this Annual Report along with the details of extract from Nomination and Remuneration Policy of the Company with respect to remuneration of Executive Directors, Key Managerial Personnel and other senior employees of the Company.

Policies framed by the Committees / Board pursuant to the applicable provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are available on the Company's Website ([www.deccangoldmines.com](http://www.deccangoldmines.com)).

Disclosure in respect of composition, meetings held, attendance of members, terms of reference and other related matters in respect of the above Board Committees are furnished in the Corporate Governance Report forming part of this Annual Report.



**d) Policies and Procedures (Mechanism):****Vigil Mechanism Policy for Directors / Employees:**

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 a "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 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.

**Risk Management Policy:**

The Board of Directors of the Company has designed Risk Management Policy and Guidelines to avoid events, situations or circumstances which may lead to negative consequences on the Company's businesses, and define a structured approach to manage uncertainty and to make use of these in their decision making pertaining to all business divisions and corporate functions. Key business risks and their mitigation are considered in the annual/ strategic business plans and in periodic management reviews.

**Corporate Social Responsibility:**

The provisions of Section 135 of the Act read with Companies (Corporate Social Responsibility Policy) Rules, 2014 are not applicable to the Company.

**e) Annual Evaluation of Directors, Board Committees and Board:**

A statement indicating the manner for evaluation of performance of the Board and its Committees and individual Directors is attached to this Report as Annexure II.

**f) Internal control systems:**

Adequate internal control systems commensurate with the nature of the Company's business, 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 strategic goals, compliance with policies, procedure, applicable laws and regulations and that all assets and resources are acquired economically, used efficiently and adequately protected.

**g) Disclosure under Section 197(12) of the Companies Act, 2013 and other disclosures as per Rule 5 of Companies (Appointment & Remuneration) Rules, 2014:**

The information required pursuant to Section 197 read with Rules 5(1) and 5(2) of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 have been attached as Annexure III to this Report.

**h) Payment of remuneration / commission to managerial personnel from subsidiary company:**

The Managing Director of the Company is not in receipt of remuneration / commission from the subsidiary company. Apart from the Managing Director, the Company does not have any managerial personnel.

**i) Familiarization Programme for Independent Directors**

The Company proactively keeps its Directors informed of the activities of the Company its management and operations and provides an overall industry perspective as well as issues being faced by the industry. The Familiarization Programme for the Board and details of various familiarization programmes conducted during the year ended March 31, 2020 are available on the Company's website at <http://deccangoldmines.com/wp-content/uploads/2018/11/Independent-Directors-Familiarisation-Programme.pdf>.

**5. AUDITORS AND REPORTS:**

The matters related to Auditors and their Reports for the year ended March 31, 2020 are as under:

**a) Report of the Statutory Auditors on financial statements for the year ended March 31, 2020:**

The Report furnished by the Statutory Auditors on the financial statements of the Company for the year ended March 31, 2020 is free from any observations / qualifications.

## DECCAN GOLD MINES LIMITED

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### b) **Secretarial Audit Report:**

Provisions of Section 204 read with Section 134(3) of the Companies Act, 2013, mandates to obtain Secretarial Audit Report in Form MR-3 from a Practising Company Secretary. M/s. Rathi and Associates, Practising Company Secretaries, Mumbai had been appointed as Secretarial Auditors to issue Secretarial Audit Report for the financial year 2019-20.

The Secretarial Audit Report issued in Form MR-3 by M/s. Rathi Associates is attached and 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) **Annual Secretarial Compliance Report**

In compliance with the Regulation 24A of the Listing Regulations and the SEBI circular CIR/CFD/CMD1/27/2019 dated February 8, 2019, the Company has undertaken an audit for the Financial Year 2019-20 for all applicable compliances as per Securities and Exchange Board of India Regulations and Circulars/Guidelines issued thereunder. The Annual Secretarial Compliance Report duly issued by M/s. Rathi & Associates has been submitted to the Stock Exchanges within the prescribed timelines and is attached to and forms part of this report.

The Annual Secretarial Compliance Report does not contain any qualification, reservation or adverse remark or disclaimer or modified opinion.

### d) **Ratification of appointment of Statutory Auditors:**

Pursuant to the provisions of Section 139 of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, M/s P R Agarwal & Awasthi, Chartered Accountants, Mumbai (Firm Regn No. 117940W) were appointed as the Statutory Auditors of the Company for a consecutive term of five (5) years at the Annual General Meeting held on November 27, 2017 subject to ratification of their appointment by the Members at every Annual General Meeting.

However, the Ministry of Corporate Affairs vide Notification dated G.S.R. 432(E)-Part dated May 7, 2018 withdrawn the requirement of ratification of appointment of auditors. Accordingly, no approval of shareholders will be required for ratification of appointment of Statutory Auditors at the ensuing Annual General Meeting.

### e) **Cost Auditors:**

Presently, the Company is not engaged in any manufacturing activities and hence requirement of appointment of Cost Auditors pursuant to Section 148 of the Companies Act, 2013 is not applicable to the Company.

### f) **Fraud Reporting**

During the year under review, Statutory Auditors and Secretarial Auditors have not reported any instances of frauds committed in the Company by its Officers or Employees as specified under Section 143(12) of the Companies Act, 2013.

## 6. **DISCLOSURES UNDER SECTION 134 OF COMPANIES ACT, 2013:**

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 Annual Return in the prescribed format for the financial year ended March 31, 2020 is uploaded on the website of the Company and the link for the same is [http://deccangoldmines.com/wp-content/uploads/2020/11/DGML-Extract-of-Annual-Return\\_31-03-2020-merged.pdf](http://deccangoldmines.com/wp-content/uploads/2020/11/DGML-Extract-of-Annual-Return_31-03-2020-merged.pdf) Further, the Annual Return for the year ended March 31, 2019 in Schedule-V which was filed with the Registrar of the Companies is also uploaded on the website of the Company and the link for the same is [http://deccangoldmines.com/wp-content/uploads/2020/11/DGML\\_Form\\_MGT-7\\_Final\\_Signed-1.pdf](http://deccangoldmines.com/wp-content/uploads/2020/11/DGML_Form_MGT-7_Final_Signed-1.pdf)

### 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 have not been furnished considering the fact that the Company is yet to commence its manufacturing operations.

There were no foreign exchange earnings or outgo during the year under review.

**c) Remuneration payable by Companies having no profit or inadequate profit (in terms of Section II of Schedule V to the Companies Act, 2013):**

The Company is paying remuneration to its Managing Director as per the limits laid down in Section II of Schedule V to the Companies Act, 2013.

**d) Change in share capital:**

No equity shares were issued by the Company during the year under review and as such there was no change in capital structure of the Company.

**e) Disclosure under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:**

The Company has adopted a policy on prevention, prohibition and redressal of sexual harassment at workplace and has also established an Internal Complaints Committee, as stipulated by The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and Rules there under. During the year under review, no complaints in relation to such harassment at workplace have been reported.

**7. ACKNOWLEDGMENT 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.

**Kailasam Sundaram**

Chairman

DIN: 07197319

Date: November 12, 2020

Place: Bengaluru

CIN: L51900MH1984PLC034662

**REGISTERED OFFICE:**

Parinee Crescenzo, 803, 8th Floor, Opp. MCA,  
C38-C39, G Block, Bandra Kurla Complex, Bandra (East),  
Mumbai – 400 051

Tel .No.:022-33040797 Fax No.: 022-26532440

Email.: info@deccangoldmines.com

Website.: www.deccangoldmines.com

# DECCAN GOLD MINES LIMITED

## FORM NO. AOC -2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014.

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arms length transaction under third proviso thereto.

### 1. Details of contracts or arrangements or transactions not at Arm's length basis.

SL. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	Nil
b)	Nature of contracts/arrangements/transaction	Nil
c)	Duration of the contracts/arrangements/transaction	Nil
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	Nil
e)	Justification for entering into such contracts or arrangements or transactions'	Nil
f)	Date of approval by the Board	Nil
g)	Amount paid as advances, if any	Nil
h)	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	Nil

### 2. Details of contracts or arrangements or transactions at Arm's length basis.

SL. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	Deccan Exploration Services Private Limited (Wholly owned subsidiary Company)
b)	Nature of contracts/arrangements/transaction	Receipt of Exploration & Other expenses incurred on behalf of the wholly owned subsidiary company
c)	Duration of the contracts/arrangements/transaction	01.04.2019 to 31.03.2020
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	NIL
e)	Date of approval by the Board	12/04/2019
f)	Amount paid as advances, if any	NiL

For and on behalf of the Board

**Kailasam Sundaram**

Chairman

DIN: 07197319

Date: November 12, 2020

Place: Bengaluru



## ANNEXURE-1

## FORM AOC-1

## PERFORMANCE OF SUBSIDIARY COMPANY

[Pursuant to first proviso to sub-section (3) of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014]

(Information in respect of subsidiary )

Amount (in ₹ 000)

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.	Not applicable
4	Share capital	13,555 equity shares of Rs.10/- each
5	Other Equity	437093
6	Total Assets	442153
7	Total Liabilities	4924
8	Investments	Nil
9	Turnover	Nil
10	Profit before taxation	(3362)
11	Provision for taxation	Nil
12	Profit after taxation	(3362)
13	Proposed Dividend	Nil
14	% of shareholding	100%

The Company does not have any associate / joint venture companies in India.

For and on behalf of the Board

**Kailasam Sundaram**

Chairman

DIN: 07197319

Date: November 12, 2020

Place: Bengaluru

**ANNEXURE II**

**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 September 19, 2019. 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

**Kailasam Sundaram**

Chairman

DIN: 07197319

Date: November 12, 2020

Place: Bengaluru

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**ANNEXURE III****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**

Median remuneration for the financial year 2019-20 was Rs. 784,500 /- per annum. Mr. Sandeep Lakhwara, Managing Director is the only Director who draws remuneration of Rs. 8,400,000/- per annum. The ratio of the median remuneration to his remuneration is 1 : 11 (approx).

During the financial year, the %age increase in remuneration of Managing Director, Chief Financial Officer and Company Secretary was 'Nil'.

Mr. Sandeep Lakhwara, Managing Director was re-appointed for a term of one year with effect from May 1, 2019 at a monthly remuneration of Rs. 700,000/- with the approval of the shareholders at their AGM held on September 19, 2019.

The remuneration drawn by Mr. S. Subramaniam, Head-Legal & Company Secretary was Rs. 39.90/- lac per annum.

The remuneration drawn by Mr. K. Karunakaran, Chief Financial Officer was Rs. 31.50 lac per annum.

Details of remuneration of the Key Management Personnel are also furnished in the 'Extract of Annual Return' available on the website of the Company and the link for the same is [http://deccangoldmines.com/wp-content/uploads/2020/11/DGML-Extract-of-Annual-Return\\_31-03-2020-merged.pdf](http://deccangoldmines.com/wp-content/uploads/2020/11/DGML-Extract-of-Annual-Return_31-03-2020-merged.pdf)

The %age increase in the median remuneration of employees in the financial year is 'Nil'.

As at the end of the year, there were 16 permanent employees on the rolls of the Company.

Being a gold exploration company and considering the fact that the Company is yet to generate revenues, relationship between average increase in remuneration of employees / key managerial personnel and the Company's performance is not comparable. Further, there has been no salary increases during the year 2019-20.

The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year - Not applicable

It is affirmed that the remuneration is as per the remuneration policy of the Company.

For and on behalf of the Board

**Kailasam Sundaram**

Chairman

DIN: 07197319

Date: November 12, 2020

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 of Managerial Personnel) Rules, 2014]

### FOR THE FINANCIAL YEAR ENDED MARCH 31, 2020

To  
The Members  
**Deccan Gold Mines Limited**  
The Parinee Crescenzo, 803, 8th Flr, Opp. MCA Ground C38-C39,  
G Block, Bandra Kurla Complex, Bandra(E)  
Mumbai – 400051

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate governance practices by Deccan Gold Mines Limited (CIN: L51900MH1984PLC034662) (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 March 31, 2020, 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 thereporting made hereinafter:

1. We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company as given in Annexure I, for the financial year ended on March 31, 2020, according to the provisions of:
  - (i) The Companies Act, 2013 ('the Act') and the rules made thereunder;
  - (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, 2015;
    - ii. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; and
    - iii. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
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 (Issue of Capital and Disclosure Requirements) Regulations, 2018;
  - ii. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
  - iii. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;
  - iv. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993, regarding the Companies Act and dealing with client;
  - v. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; and
  - vi. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.



3. We further report that, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has complied with other Acts, Laws and Regulations applicable specifically to the Company, viz.
- i) The Mines and Minerals (Regulation and Development) Act, 1957
  - ii) The Mines Act, 1952
  - iii) The Mines Rules, 1955
  - iv) The Mineral Concession Rules, 1960
  - v) The Mineral Conservation and Development Rules, 1988
  - vi) Mines Rescue Rules, 1985
  - vii) The Forest (Conservation) Act, 1980
  - viii) The Forest (Conservation) Rules, 1981
  - ix) The Karnataka Shops and Commercial Establishments Act, 1961
  - x) The Karnataka Tax On Professions, Trades, Callings And Employment Act, 1976

We have also examined compliance with the applicable clauses of the Secretarial Standards issued by The Institute of Company Secretaries of India under the provisions of the Companies Act, 2013.

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 report were carried out in accordance with 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.

None of the members have communicated dissenting views, in the matters / agenda proposed from time to time for consideration of the Board and its Committees thereof, during the year under the report, hence were not required to be 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.

We further report that during the year under report, the Company has not undertaken any event / action having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

For **RATHI & ASSOCIATES**  
COMPANY SECRETARIES

JAYESH M. SHAH  
PARTNER  
FCS No. 5637  
COP No. 2535

Date: August 1, 2020  
Place: Mumbai

Note: This report should be read with our letter of even date which is annexed as Annexure-II and forms an integral part of this report.

## ANNEXURE - I

### LIST OF DOCUMENTS VERIFIED

1. Memorandum & Articles of Association of the Company;
2. Annual Report for the financial year ended March 31, 2019;
3. Minutes of the meetings of the Board of Directors, Audit Committee, Nomination & Remuneration Committee and Stakeholders' Relationship Committee of the Company along with the respective Attendance Registers for meetings held during the financial year under report;
4. Minutes of General Body Meeting held during the financial year under report;
5. Copies of Notice, Agenda and Notes to Agenda circulated to all the Directors / Members of the Committee Meetings.
6. Proof of circulation and delivery of notice, agenda and notes to agenda for Board and Committee meetings.
7. Proof of circulation of draft as well as certified signed Board & Committee meetings minutes as per Secretarial Standards.
8. Policies framed by the Company viz.:
  - Policy on Related Party Transactions;
  - Whistle Blower Policy;
  - Risk Management Policy;
  - Nomination & Remuneration Policy;
  - Code of Conduct for Independent Directors;
  - Policy for Determining Material Information; and
  - Document Retention and Archival Policy.
9. Statutory Registers viz.
  - Register of Directors & Key Managerial Personnel and their shareholding
  - Register of loans, guarantees and security and acquisition made by the Company (Form No. MBP-2),
  - Register of Contracts with related party and contracts and Bodies etc. in which directors are interested (Form No. MBP-4), and
10. Declarations received from the Directors of the Company pursuant to the provisions of Section 184(1), Section 164(2) and Section 149(7) of the Companies Act, 2013;
11. Intimations received from Directors and other insiders under the Prohibition of Insider Trading Code;
12. E-Forms filed by the Company, from time to time, under applicable provisions of the Companies Act, 2013 and attachments thereof during the financial year under report;
13. Intimations / documents / reports / returns filed with the Stock Exchanges pursuant to the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other SEBI Laws during the financial year under report;
14. E-mails evidencing dissemination of information related to closure of Trading window;
15. Internal Code of Conduct for prevention of Insider Trading by Employees / Directors / Designated Persons of the Company;
16. Compliance Certificate placed before the Board of Directors from time to time;
17. Details of Sitting Fees paid to all directors for attending the Board Meetings and Committee Meetings.

ANNEXURE - II

To,  
The Members  
**DECCAN GOLD MINES LIMITED**  
Mumbai – 400 051

Our report of even date is to be read along with this letter.

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **RATHI & ASSOCIATES**  
COMPANY SECRETARIES

JAYESH M. SHAH  
PARTNER  
FCS No. 5637  
COP No. 2535

Date: August 1, 2020  
Place: Mumbai

# DECCAN GOLD MINES LIMITED

## ANNUAL SECRETARIAL COMPLIANCE REPORT

(Pursuant to Regulation 24A of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015)

of

### Deccan Gold Mines Limited('the Company') for the year ended March 31, 2020

We have been appointed by the Company to submit the Annual Secretarial Compliance Report Pursuant to Regulation 24A of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the financial year ended March 31, 2020,

We have examined:

- (a) the documents and records made available to us and explanation provided by the Company and its officers;
- (b) the filings/ submissions made by the Company to the BSE Limited from time to time;
- (c) web-site of the Company; and
- (d) such other documents and filings made by the Company which has been relied upon to make this certification,

#### for the year ended March 31, 2020 ("ReviewPeriod") in respect of compliance with the provisions of:

- (a) the Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the Regulations, circulars, guidelines issued thereunder; and
- (b) the Securities Contracts (Regulation) Act, 1956 ("SCRA"), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India ("SEBI");

The specific Regulations, whose provisions and the circulars/ guidelines issued thereunder, have been examined, include:-

- (a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended;
- (b) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; and
- (c) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

and circulars/ guidelines issued thereunder by the concerned authority from time to time and based on the above examination, we hereby report that, during the ReviewPeriod:

- a) The Company has complied with the provisions of the above Regulations and circulars/ guidelines issued thereunder, except in respect of matters specified below:-

Sr. No.	Compliance Requirement (Regulations/ circulars / guidelines including specific clause)	Deviations	Observations
Nil			

- b) The listed entity has maintained proper records under the provisions of the above Regulations and circulars/ guidelines issued thereunder insofar as it appears from our examination of those records.
- c) The following are the details of actions taken against the Company/ its Promoters/ Directors/ material subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under the aforesaid Acts/ Regulations and circulars/ guidelines issued thereunder:

Sr. No.	Action taken by	Details of Violation	Details of action taken	Observations
Nil				



d) The listed entity has taken the following actions to comply with the observations made in previous reports:

Sr. No.	Observations of the Practicing Company Secretary in the previous reports	Observations made in the secretarial compliance report for the year ended... (The years are to be mentioned)	Actions taken by the listed entity, if any	Comments of the Practicing Company Secretary on the actions taken by the listed entity
Not applicable				

e) The listed entity has complied with the provisions of SEBI Circular CIR/CFD/CMD1/114/2019 dated October 18, 2019 in respect of appointment of Auditor, to the extent applicable.

For **RATHI & ASSOCIATES**  
COMPANY SECRETARIES

JAYESH M. SHAH  
PARTNER  
FCS No. 5637  
COP No. 2535  
UDIN:F005637B000483125

Date: July 21, 2020  
Place: Mumbai

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### INTRODUCTION

Deccan Gold Mines Limited (“DGML”) is the first and only gold exploration Company listed on the Bombay Stock Exchange Limited (BSE). It was established in the year 2003 by Australian promoters with deep roots in the mining and exploration sector. Since its inception, DGML and its wholly owned subsidiary Deccan Exploration Services Private Limited (DESPL) have actively pursued gold exploration activities through adoption of modern methods and latest technology in all of its exploration prospects.

With a portfolio of green-field and advanced stage gold projects, DGML has been accumulating and developing some of India’s finest gold prospects and despite all odds, is continuously working towards its long standing vision of bringing into production the first private sector gold mine in the State of Karnataka, South India.

The key project of DESPL is the Ganajur Gold Project situated in the State of Karnataka. Apart from this, DGML and DESPL have also got high potential pipeline of Projects that are at various stages of development like Mangalagatti, Bhavihal and Hirenagnur Projects in the State of Karnataka. Mineral concession applications over these Prospects are under consideration at the Government of Karnataka.

### INDUSTRY REVIEW

India is the second largest gold market (800-900 tonnes p.a. of domestic demand on average) and accounts for around 25% of World’s gold demand. Gold supply in India is primarily met through imports with less than 1% coming from local mining and about 10% from recycling.

The difference between consumption patterns in India and other countries is two-fold. First per-capital consumption of gold in most countries is channeled through financial products. Second, unlike other countries, every household in India buys gold and mostly in its physical form. The total gold stock in India with the domestic households and institutions is estimated at 23,000 – 24,000 tons.

The strong significance of household savings in gold is both due to deep rooted traditions and economic reasons. Gold has been a wealth preserving asset, as a hedge against inflation, in collateralizing lending and in ensuring credit access to rural households.

(Source : NITI Aayog Committee Report titled ‘ Transforming India’s Gold Market – February, 2018)

### 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 under the heading “Status of mineral concession applications”.

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

In the years 2012-2015, the Indian Government started promoting the auction regime for grant of mineral concessions. However, Section 10A(2)(b) was introduced in 2015 to protect the rights of mineral concession applicants who had invested time, effort and money to progress from Reconnaissance Permit to Prospecting Licence or Mining Lease as the case may be.

On May 16, 2020 the Hon’ble Finance Minister made an announcement under Atmanirbhar Bharat Scheme for enhancing private investments in the Mineral Sector and for bringing reforms in mineral sector. Pursuant to this, the Ministry of Mines, Government of India (Central Government) issued a Notice dated August 24, 2020 wherein it was stated that in order to implement the announcement made by the Hon’ble Finance Minister, legislative amendments to the MMDR Act, 1957 and Rules made there under were being considered. A note on the proposed reforms in the Mining Sector was enclosed to the Notice and comments / suggestions were invited from the general public, Government of States and Union Territories, Mining Industry, Stakeholders, Industry Associations and other persons / entities concerned on the proposed mining reforms. In the proposed reforms, under the heading titled

“Resolving legacy issues to move towards an auction only regime for allocation of mineral resources”, it was stated that ‘since continuing with the existing provisions of Section 10A(2)(b) will cause huge financial loss to the State exchequer, the Amendment Bill seeks to amend the existing provision of Section 10A(2)(b) and reallocation of such mineral blocks through transparent method of auction. It is also proposed for appointment of an authority to decide the value of expenditure incurred for exploration in such legacy cases whose rights will be terminated and to reimburse the exploration expenditure from funds under National Mineral Exploration Trust (NMET).’

In the above backdrop, the Company has shared its concerns and objections along with other industry players to the Government authorities. The same is summarized hereunder:

- The Company relied on the doctrine of Promissory Estoppel and Doctrine of Legitimate Expectation which has been upheld by the Indian Supreme Court in many cases. Amending / deleting the legislation post facto and applying it retrospectively will result in litigation and no development in these highly prospected areas and gold production will suffer as the matter could be tied up in Courts for years to come.
- In spite of many domestic and foreign companies choosing to leave India for ‘friendlier’ investment jurisdictions, the Company remained committed with the faith that its rights under Section 10A(2)(b) would be rightfully protected. The Company has followed all due processes and moved from Reconnaissance to Prospecting Licences and in some cases on to Mining Leases all the while submitting all the Company’s technical data to various Government Departments.
- This data has been generated after large investments of capital as well as time and technical expertise – without which these discoveries simply would not exist! The data submitted by the Company should not be used to auction areas prospected by the Company as such a step would be legally and morally wrong.
- India’s image as an investor friendly nation will be further dented internationally. Laws once established and relied upon by the industry cannot be altered and that too retrospectively. As it is, investment in the exploration and the mining sector has suffered enormously in India because of the lethargic regulatory regime in existence where mineral concession applications are held pending for years on one pretext or the other.

Gold exploration / prospecting is a high risk/reward business with a long gestation period. Exploration companies explore multiple areas and may be successful with only one area in terms of finding gold. Exploration companies undertaking the risks do so in the hope that one successful discovery from the many areas that are explored will return high rewards for its shareholders who have invested in the business for long periods of time. Reimbursing exploration expenditure incurred to these companies is no solution to the rewards the shareholders may otherwise have realised.

In our opinion, the quickest way to develop the gold mining industry in India is through approval of valid Section 10A(2)(b) cases as areas over which mining leases have been applied have already been prospected and mineable gold reserves identified with the execution of mining lease being the trigger to commence gold production. The Projects, when operational, will bring in the much needed investment and create thousands of direct / indirect employment opportunities coupled with economic development in such areas.

There are at least five gold exploration companies operational in India with Australian interests and are jointly sitting on gold reserves of several million ounces of gold that could be mined in the near term if their Section 10A(2)(b) applications are approved.

To sum up, if these rights are taken away from us through amendment / deletion of Section 10A(2)(b) and our technical data is then used to auction our discoveries to the highest bidder, we will have no other option other than to approach the Courts to seek justice. These discoveries would then remain undeveloped and tied up in litigation well into the future. Such a retrospective move would indefinitely delay domestic gold production, send a concerning message to the investment community and put an end to any further exploration, particularly for the much needed precious metals.

## **OUTLOOK AND OPPORTUNITIES**

India is among the highest consumers of gold in the World. With inadequate domestic supply, the demand is met through imports, adversely impacting upon the country’s Current Account Deficit. Over the years, policies around gold have targeted reduction in gold imports without necessarily taking into cognizance the size of the industry it

## DECCAN GOLD MINES LIMITED

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supports, the current and potential employment opportunities and scope for exports. There are significant new opportunities for development of the industry under the Make in India initiative. (Niti Aayog Committee Report on “Transforming India’s Gold Market – February, 2018)

The following excerpts from CII’s Report (December, 2019) titled “Towards a Globally Competitive Minerals and Mining Industry” are worth noting.

The minerals and mines industry is key to India’s growth ambition of a USD 5 trillion economy. Despite its obvious importance, the industry has remained fledgling, as evident from its declining contribution to GDP, foreign investment and employment. The industry’s share in India’s GDP (in real terms) is a low 2.6% in 2018-19 down from 3% in 2011-12. Whilst the industry has had a fairly liberalized investment policy for a while, this has not resulted in large volumes of foreign investment, primarily due to a weak enabling eco-system. Automatic FDI approval needs to be supplemented with predictability in the regulatory environment and policy stability.

Given India’s rich mineral reserves, clearly, there is significant potential for growth. Accordingly, it is imperative to urgently ensure expeditious development of the sector. The CII suggests the following vision for the sector: ‘contribute 3% of India’s GDP by 2024-25, in a socially, environmentally safe and commercially viable manner, taking cognizance of the country’s interest.’

The CII Report identifies twelve areas which must be addressed so as to develop and boost the Indian mining industry. One of this is ‘Exploration’ particularly for non-bulk minerals (eg gold) by the private sector. The Report observes that exploration for non-bulk minerals by the private sector has come to a near stand-still in the last few years on account of 3 major reasons – inadequate incentives, unavailability of financing and limited technology & skills for certain types of exploration.

Exploration for gold is an expensive and high-risk proposition with extremely low success rates. Currently, there is no seamless licensing regime from exploration to mining rendering the value of an exploration licence totally uncertain. Accordingly, most major international mining geographies have adopted the ‘first come’ route. Auctioning the license at each stage acts as a disincentive for exploration.

Key interventions suggested are:

- Introduce a seamless transition from exploration to mining license
- Permit sale of license at any stage, at the sole discretion of the concessionaire with a right to the Government to match the price accepted by the concessionaire within a prescribed time limit. This move is likely to encourage the emergence of junior explorers.
- Direct SEBI to examine providing special dispensation for prospecting companies.

To sum up, if a proper blend of strategy and policy is adopted, which is attractive, stable and long-term, India’s gold production could grow from its current low level and the Company will play a leading role in this direction.

## 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 resources base of the country in a way that enhances the well being of its people, the environment, and the investors and stakeholders of the Company.



**CAUTIONARY STATEMENT**

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

**REPORT ON CORPORATE GOVERNANCE****for the year ended and as on March 31, 2020**

Your Directors are pleased to present the Companies Report on Corporate Governance in compliance with the Corporate Governance provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI LODR Regulations 2015') and the Companies Act, 2013 as amended from time to time.

**1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE**

Corporate Governance is based on the principles of integrity, fairness, equity, transparency, accountability and commitment to good governance practices. The Company has an unwavering commitment to uphold sound corporate governance standards and disclosure practices in its operations.

Your Company confirms compliance to the Corporate Governance requirements as enshrined in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time.

**2. BOARD OF DIRECTORS**

- a) Composition and category of directors, number of other Board and Board Committees in which they are Chairperson / Member

The Company has a balanced Board with a combination of Executive and Non-Executive Directors. As on March 31, 2020, the Board comprised 5 Directors of which one is an Executive Director and the other 4 are Non-Executive Directors. Out of the 4 Non Executive Directors, 2 are Independent Directors and the other 2 Non-Independent Directors. The Chairman of the Board was a Non Executive Independent Director (whose term as an Independent Director ended on March 29, 2020) and one-third of the Board comprises of Independent Directors.

The Board is well-balanced with members from diverse backgrounds who have long experience and expertise in their respective fields.

The composition of the Board and other relevant details relating to Directors (as on March 31, 2020) are given below:

Name of the Director	Designation	Category of Directorship	No. of other Directorships	No. of other Committee Memberships #	
				Chairman	Member
Mr. K R Krishnamurthy*	Chairman	Independent, Non-Executive	1	Nil	Nil
Mr. Sandeep Lakhwara	Managing Director	Executive	Nil	Nil	Nil
Prof. V.K. Gaur*	Director	Non-Executive, Independent	Nil	Nil	Nil
Ms. Pratima Ram*	Chairman / Director	Non-Executive, Independent	10	Nil	3
Mr. Govind Subhash Samant	Director	Non-executive, Non-Independent	Nil	Nil	Nil
Dr Modali Hanuma Prasad	Director	Non-executive, Non-Independent	2	Nil	Nil
Mr. Kaushik Mukherjee*	Director	Non-executive, Non-Independent	Nil	Nil	Nil
Mr. Natesan Chinnappan**	Director	Non-executive, Independent	Nil	Nil	Nil
Mr. Kailasam Sundaram**	Director	Non-executive, Independent	Nil	Nil	Nil

\*

Mr K R Krishnamurthy ceased to be a Director / Chairman w.e.f. April 30, 2019 consequent upon his resignation; Ms Pratima Ram ceased to be a Director / Chairperson w.e.f. March 29, 2020 consequent upon end of her tenure;

Prof V K Gaur ceased to be a Director w.e.f. May 21, 2019 consequent upon his resignation;  
Mr. Kaushik Mukherjee ceased to be a Director w.e.f. July 1, 2019 consequent upon his resignation

\*\*

Mr. Natesan Chinnappan appointed w.e.f. April 12, 2019;  
Mr. Kailasam Sundaram appointed w.e.f. August 8, 2019

**# Notes:**

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

**b) Reappointment of Directors**

Detailed profile (s) of:

- Mr. Sandeep Lakhwara whose reappointment as Managing Director for a period of one year w.e.f. May 1, 2020 to April 30, 2021 and Mr. Govind Subhash Samant who retires by rotation and being eligible offers himself for reappointment are furnished along with the Notice convening the Annual General Meeting (AGM). Further, detailed profile of Mrs Revathi Thiruvengadam who was appointed as an Additional Director (Independent & Non-executive) is being proposed for appointment as Non-Executive and Independent Director for a period of 2 years from June 16, 2020 are furnished in the Notice convening the AGM.

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

Five Board Meetings were held during the financial year 2019-20. These meetings were held on April 12, 2019; May 21, 2019; August 8, 2019; November 4, 2019 & January 20, 2020.

**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 September 19, 2019 are as follows:

Name of the Director	No. of Board Meetings attended	Attendance at the last Annual General Meeting (Yes / No)
Mr. K.R. Krishnamurthy	1	Not applicable
Mr. Sandeep Lakhwara	5	Yes
Prof. V.K. Gaur	2	Not applicable
Ms. Pratima Ram	5	Yes
Mr. Govind Subhash Samant	5*	Yes
Dr Modali Hanuma Prasad	5	Yes
Mr. Kaushik Mukherjee	1	No
Mr. Natesan Chinnappan	5	Yes
Mr. Kailasam Sundaram	3	Yes

\*Mr Govind Subhash Samant attended all the Board Meetings through video call

**Independent Directors**

In the opinion of the Board all the Independent Directors of the Company fulfil the conditions specified in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, and are independent of the management.

Mr K R Krishnamurthy, Independent Director / Chairman resigned wef April 30, 2019 due to health reasons. Prof Vinod Kumar Gaur, Independent Director being over 75 years of age resigned wef May 21, 2019. The concerned

## DECCAN GOLD MINES LIMITED

Directors have confirmed that there are no other material reasons other than those provided above.

A separate meeting of Independent Directors was held on September 19, 2019.

### 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.

### Skills, Expertise and Competencies of Directors

The Board has identified the key skills, expertise and competencies required in the context of the Company's business for its effective functioning which are currently available with the Board.

The identified skills/expertise/competencies are mining, geology, management, domain expertise, banking, finance, general management, law and compliance.

Further, the details in terms of Para C(2)(h)(ii) of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are as follows:

Name of Director	Areas of Skills / Expertise / Competencies
Mr. K R Krishnamurthy*	Mining Engineering
Mr. Sandeep Lakhwara	Management, Business Strategy & Corporate Affairs
Prof. V.K. Gaur*	Geoscientist
Ms. Pratima Ram*	Banking & Finance
Mr. Govind Subhash Samant	Business & Finance
Dr. Modali Hanuma Prasad	Geology
Mr. Kaushik Mukherjee*	General Management
Mr. Natesan Chinnappan	Geology
Mr. Kailasam Sundaram	Finance & Compliance
Mrs Revathi Thiruvengadam	Law

- \* Mr K R Krishnamurthy ceased to be a Director / Chairman wef April 30, 2019 consequent upon resignation  
Ms Pratima Ram ceased to be a Director / Chairman wef March 29, 2020 consequent upon end of her tenure  
Prof V K Gaur ceased to be a Director wef May 21, 2019 consequent upon resignation  
Mr Kaushik Mukherjee ceased to be a Director wef July 1, 2019 consequent upon resignation

None of the directors of the Company are related to each other.

### 3. BOARD COMMITTEES

The Company has the following Committees of the Board of Directors:

- (a) Audit Committee
- (b) Nomination and Remuneration Committee
- (c) Stakeholders' Relationship Committee

### 4. AUDIT COMMITTEE

The Company's Board has constituted an Audit Committee pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI LODR).

#### a) Powers of the Audit Committee:

- i) To investigate any activity within the scope of this Charter or referred to it by the Board and for this purpose, shall have full access to information contained in the books of accounts and the Company's

facilities and personnel.

- ii) To seek information from and have direct access to any employee, key managerial personnel or director of the Company, to perform its duties effectively.
- iii) To secure assistance and attendance of outsiders with relevant knowledge/expertise in accounting, legal or other matters, if it considers necessary.
- iv) To engage independent counsel and other advisors as it deems appropriate to perform its duties and responsibilities.
- v) To engage a registered valuer taking into consideration such qualification and experience as may be considered appropriate in case of valuations required in respect of any property, stocks, shares, debentures, securities, goodwill, assets, liabilities or networth of a company.
- vi) To determine the provision of appropriate funding by the Company for compensation to the Statutory auditors, other advisors/experts that the Committee chooses to engage and other ordinary administrative expenses of the Committee.

**b) Role and responsibilities of the Audit Committee:**

- i) Review of the Company's accounting policies, internal accounting controls, financial and risk management policies and such other matters as the Audit Committee deems appropriate.
- ii) Overseeing of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible. Review and discuss the audited financial statements with management and the Independent Auditors and determine whether they are complete and consistent with the information known to committee members; assess whether the financial statements reflect appropriate accounting principles.
- iii) Recommend to the Board, the appointment, re-appointment, removal of the statutory auditors, fixation of audit fee and also approval for payment for any other services rendered by the Statutory Auditors.
- iv) Reviewing with management the quarterly / half-yearly and annual financial statements before submission to the Board of Directors, focusing primarily on:
  - Any change in accounting policies and practices
  - Major accounting entries based on exercise of judgment by management
  - Qualifications in draft audit report
  - Significant adjustments arising out of audit
  - The going concern assumption
  - Compliance with accounting standards applicable to the Company
  - Any related party transactions i.e. transactions of the company of material nature with Promoters or the management, their subsidiaries or relatives etc. that may have potential conflict with the interests of the Company at large.
  - Reviewing before release of the financial statements audited or otherwise, the Director's Report, and such other matters which form part of the Annual Report of the Company.
- v) Discussing with the management and the Independent Auditor the following;
  - Annual audited financial statements
  - Quarterly financial statements
  - Disclosures under "Management's Discussion and Analysis"
  - Results of Operations.
  - Financial statements/forms to be released or submitted to any legal or regulatory authority
- vi) Discuss and review with the management;
  - Earnings' press releases.
  - financial information provided to analysts
  - Earnings' guidance provided to analysts and rating agencies.



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- policies with respect to risk assessment and risk management.
- the major financial risk exposures and the steps management has taken to monitor and control such exposures

### vii) Reviewing;

- Major issues as to the adequacy of the company's internal controls and any special audit steps adopted in light of material control deficiencies
- Analyses prepared by the management and/or the independent auditor setting forth significant financial reporting issues and judgments made in connection with the preparation of the financial statements
- Analyses of the effects of alternative GAAP methods on the financial statements
- The effect of regulatory and accounting initiatives
- Off-balance sheet structures on the financial statements
- Management letters/ Letters of Internal Control weakness issued by statutory auditor
- Internal Audit reports relating to internal control weakness
- The appointment, removal and terms of remuneration of the Chief Internal Auditor

The Committee's Charter and Policy are available on our website on the following link:

[http://deccangoldmines.com/wp-content/uploads/2019/04/DGML\\_Audit-Committee-Charter\\_2019.pdf](http://deccangoldmines.com/wp-content/uploads/2019/04/DGML_Audit-Committee-Charter_2019.pdf)

### c) Composition of Audit Committee

As of March 31, 2020 the Committee comprised of 3 Non Executive Directors out of which 2 are Independent Directors (including the Chairman of the Committee). 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
Ms. Pratima Ram	Chairperson (till March 29, 2020)
Mr. K.R. Krishnamurthy	Member (till April 30, 2019)
Prof Vinod Kumar Gaur	Member (till May 21, 2019)
Mr Natesan Chinnappan	Member (w.e.f. May 1, 2019)
Dr Modali Hanuma Prasad	Member (w.e.f. May 21, 2019 till August 8, 2019)
Mr. Kailasam Sundaram	Chairperson / Member (w.e.f. August 9, 2019)

### d) Meetings and attendance during the year

Four meetings of the Audit Committee were held during the financial year 2019-20. These meetings were held on May 21, 2019; August 8, 2019; November 4, 2019; and January 20, 2020.

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

Name of Member	No. of Meetings Attended during tenure
Ms Pratima Ram	4
Mr. K.R. Krishnamurthy	N.A.
Prof V.K. Gaur	1
Mr. Natesan Chinnappan	4
Dr Modali Hanuma Prasad	1
Mr Kailasam Sundaram	2

- e) 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.
- f) The Chairperson of the Audit Committee was present at the last Annual General Meeting held on September 19, 2019.

#### 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 Committee 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 purpose of the Committee is:

- To assist the Board in discharging its responsibilities relating to compensation of the Company's directors and key managerial personnel;
- To evaluate and approve the adequacy of the compensation plans, policies, programs and succession plans for Company's executive directors and senior management (including recommending to the Board the appointment and removal of senior management);
- To formulate the criteria for determining qualifications, positive attributes and independence of a director and for performance evaluation of independent directors on the Board;
- To oversee the Company's nomination process for the top level management and identify, screen and review individuals qualified to serve as executive directors, nonexecutive directors, independent directors and senior management consistent with criteria approved by the Board;
- To recommend appointment and removal of directors to the Board, for approval at the annual meeting of shareholders;
- To carry out evaluation of the performance of the Board;
- To develop leadership;
- To develop and maintain corporate governance policies applicable to the Company;
- To recommend to the Board a policy, relating to the remuneration of the Company's directors, key managerial personnel and other employees;
- To devise a policy on Board diversity.

##### b) Composition, name of members and Chairperson

As on March 31, 2020, the Committee comprised of Non Executive Independent Directors and details are as under:

Name of member	Designation
Prof Vinod Kumar Gaur	Chairman (till May 21, 2019)
Mr Natesan Chinnapan	Chairman (w.e.f. May 21, 2019)
Mr K R Krishnamurthy	Member (till April 30, 2019)
Dr Modali Hanuma Prasad	Member (w.e.f. May 1, 2019)
Ms Pratima Ram	Member (till March 29, 2020)
Mr Kailasam Sundaram	Member (w.e.f. March 30, 2020)

## DECCAN GOLD MINES LIMITED

### c) Attendance during the year

The Nomination & Remuneration Committee met two times during the year on April 12, 2019 and August 8, 2019 and the attendance details are as under:

Name of Member	No. of Meetings Attended
Prof Vinod Kumar Gaur	1
Mr K.R. Krishnamurthy	1
Ms Pratima Ram	2
Mr Natesan Chinnappan	1
Dr Modali Hanuma Prasad	1

### 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 & Audit 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 2019-20 is as under:

Name of the Director / Member	Sitting Fees paid for attending meetings of (In Rs.)	
	Board	Audit Committee
Ms Pratima Ram	100000	20000
Mr K.R. Krishnamurthy	20000	-
Prof Vinod Kumar Gaur	40000	5000
Dr Modali Hanuma Prasad	100000	5000
Mr Kaushik Mukherjee	20000	-
Mr Natesan Chinnapan	100000	20000
Mr Kailasam Sundaram	60000	10000
Total	440000	60000

Apart from sitting fees for attending the Committee Meetings and Board Meetings, Non- executive directors had neither any other pecuniary relationship nor any transactions with the Company.

#### iii) Executive Directors

Mr. Sandeep Lakhwara is the only Executive Director of the Company. The aggregate of the salary paid in the financial year 2019-20 to Mr. Sandeep Lakhwara, Managing Director is Rs. 84,00,000/-. The said remuneration was paid as per the approval of shareholders of the Company. Apart from the managerial remuneration, the Managing Director had not received any other monetary benefits from the Company.

Apart from the remuneration, the Managing Director has not been paid:

- benefits, bonuses, stock options, pension etc;
- performance linked incentives;

The Managing Director shall not be entitled to severance fees;

The Committee's Charter and Policy are available on our website on the following link:

[http://deccangoldmines.com/wp-content/uploads/2019/04/DGML\\_Nomination-and-Remuneration-Committee-Charter\\_2019.pdf](http://deccangoldmines.com/wp-content/uploads/2019/04/DGML_Nomination-and-Remuneration-Committee-Charter_2019.pdf)

## 5. STAKEHOLDERS RELATIONSHIP COMMITTEE

### a) Chairman of the Committee

Presently, Dr Modali Hanuma Prasad, a Non Executive Director heads the Committee.

### b) Objectives

The primary objectives of this Committee are as under:

- Formulation of policies and procedures in line with the statutory guidelines to ensure speedy disposal of various requests received from security holders from time to time;
- The main objective of the Committee is to consider and resolve the grievances and various aspects of interest of the security holders of the Company;
- To approve, register, refuse to register transfer / transmission of shares and other securities;
- To monitor and review any investor complaints received by the Company or through SEBI and SCORES and ensure its timely and speedy resolution, in consultation with the Company Secretary and Compliance officer and RTA of the Company.

### c) Composition, meetings and attendance:

The Committee has a Non-executive director as its Chairman.

The Committee met four times during the financial year 2019-20. These meetings were held on May 21, 2019; August 8, 2019; November 4, 2019 and January 20, 2020.

Details of attendance in meetings of the Committee held during the year are as under:

Name of Director	Designation	No. of Meetings Attended
*Prof. Vinod Kumar Gaur	Chairman (till May 21, 2019)	1
Dr Modali Hanuma Prasad	Member / Chairman (w.e.f May 21, 2019)	4
Mr Sandeep Lakhwara	Member	4
Mr Natesan Chinnappan	Member (w.e.f May 21, 2019)	3

\*ceased to be a Member w.e.f. May 21, 2019

### b) Compliance Officer

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

### c) Shareholder Complaints

During the financial year 2019 – 20, the Company did not receive any investor complaints related to non receipt of annual report. There were no pending complaints as on March 31, 2020. Apart from this, the Company promptly replies to the queries of shareholders on the operations of the Company and requests for list of shareholders that are received frequently through email to [info@deccangoldmines.com](mailto:info@deccangoldmines.com) / [subbu@deccangoldmines.com](mailto:subbu@deccangoldmines.com).

The Committee's Charter and Policy are available on our website on the following link:

[http://deccangoldmines.com/wp-content/uploads/2019/04/DGML\\_Stakeholders-Relationship-Committee-Charter\\_2019.pdf](http://deccangoldmines.com/wp-content/uploads/2019/04/DGML_Stakeholders-Relationship-Committee-Charter_2019.pdf)

## DECCAN GOLD MINES LIMITED

### 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
2016-17	27/11/2017	3.00 pm	Boundary Hall, 1st Floor, Mumbai Cricket Association Recreation Centre, RG-2, G Block, Bandra-Kurla Complex, Bandra (East), Mumbai 400 051
2017-18	20/12/2018	2.30 pm	Boundary Hall, 1st Floor, Mumbai Cricket Association Recreation Centre, RG-2, G Block, Bandra-Kurla Complex, Bandra (East), Mumbai 400 051
2018-19	19/09/2019	2.30 pm	Banquet Hall, Sher-e-Punjab Gymkhana & Health Club Association, 368/72, Sher-E-Punjab Society, Off Mahakali Caves Road, Andheri (East), Mumbai 400093

ii) Special Resolutions during previous three Annual General Meetings:

Date of AGM	Particulars of Special Resolutions Passed
November 27, 2017	No Special resolution passed
December 20, 2018	Reappointment of Mr Sandeep Lakhwara as Managing Director for a period of 1 year with effect from May 1, 2018
September 19, 2019	Reappointment of Mr Sandeep Lakhwara as Managing Director for a period of 1 year with effect from May 1, 2019

(iii) During the financial year 2019-20, no resolutions were passed through Postal Ballot.

(iv) During the reporting period, no Extra-Ordinary General Meeting was convened.

### 7. DISCLOSURES

- a) 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, 2020.
- 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 Regulation 17 to 27 and Regulation 46 (2) (b) to (i) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- d) There is no non compliance with any requirement of Corporate Governance Report.
- e) Disclosures with respect to discretionary requirements - the Company has not implemented the non-mandatory/ discretionary requirements as prescribed pursuant to Regulation 27 (1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- f) The policy for determining 'material' subsidiaries is available at <http://deccangoldmines.com/wp-content/uploads/2018/11/Policy-on-Material-Subsidiaries.pdf>
- g) The policy on dealing with related party transactions is available at [http://deccangoldmines.com/wp-content/uploads/2017/07/DGML\\_Related-Parties-Transaction-Policy.pdf](http://deccangoldmines.com/wp-content/uploads/2017/07/DGML_Related-Parties-Transaction-Policy.pdf)
- h) The Company has not carried out any activities related to trading in commodities and has not used any commodities in its operations during the financial year review. Hence, there were no commodities hedging activities. Further, the Company has not carried out hedging of foreign currency transactions.
- i) M/s. Rathi & Associates, Company Secretaries, have certified that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors, by the SEBI / Ministry of Corporate Affairs or any such other statutory authority. The Certificate issued by M/s. Rathi & Associates, Company Secretaries, forms part of this report.



- j) The Company has not raised any funds through preferential allotment or qualified institutions placement as specified under Regulation 32(7A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, during the year under review.
- k) All recommendations by the Committees of the Board during the financial year 2019-20 were accepted by the Board.
- l) Total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part is Rs. 165,000/-.
- m) During the period under review there were no complaints filed, disposed and pending in terms of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

## 8. MEANS OF COMMUNICATION

- i. The quarterly results are published in English and Marathi newspapers generally in Free Press Journal and Navshakti. Further, they are also submitted to the BSE Limited upon their approval by the Board of Directors and are available on the website of BSE Limited ([www.bseindia.com](http://www.bseindia.com)).
- ii. The website of the Company ([www.deccangoldmines.com](http://www.deccangoldmines.com)) also displays official news releases issued on behalf of the Company.
- iii. No Investors' / Analysts' Meet was held during the year under review.

## 9. GENERAL SHAREHOLDER INFORMATION

- i. 36th Annual General Meeting:

Day / Date	Tuesday, December 22, 2020
Time	11.00 A.M.
Venue	Not applicable since AGM is to be held through Video Conferencing / Other Audio Visual Means (VC / OAVM)

- 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, 2020 has been published by the Company upon approval of the Audit Committee and Board of Directors of the Company at their meeting (s) held on May 18, 2020.

The financial calendar would be as under:

Unaudited financial results for quarter/ year ending	Reporting Date (tentative)
June 30, 2020	July 29, 2020
September 30, 2020	November 12, 2020
December 31, 2020	By February 14, 2021
March 31, 2021	By May 30, 2021
Annual General Meeting for the year ending March 31, 2021	By September 30, 2021

## iii. Date of Book Closure

December 14, 2020 (Monday) to December 22, 2020 (Tuesday) - both days inclusive

## iv. Dividend Payment Date

Not applicable

## v. Listing on Stock Exchanges

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

## vi. Stock Code

512068 (BSE)

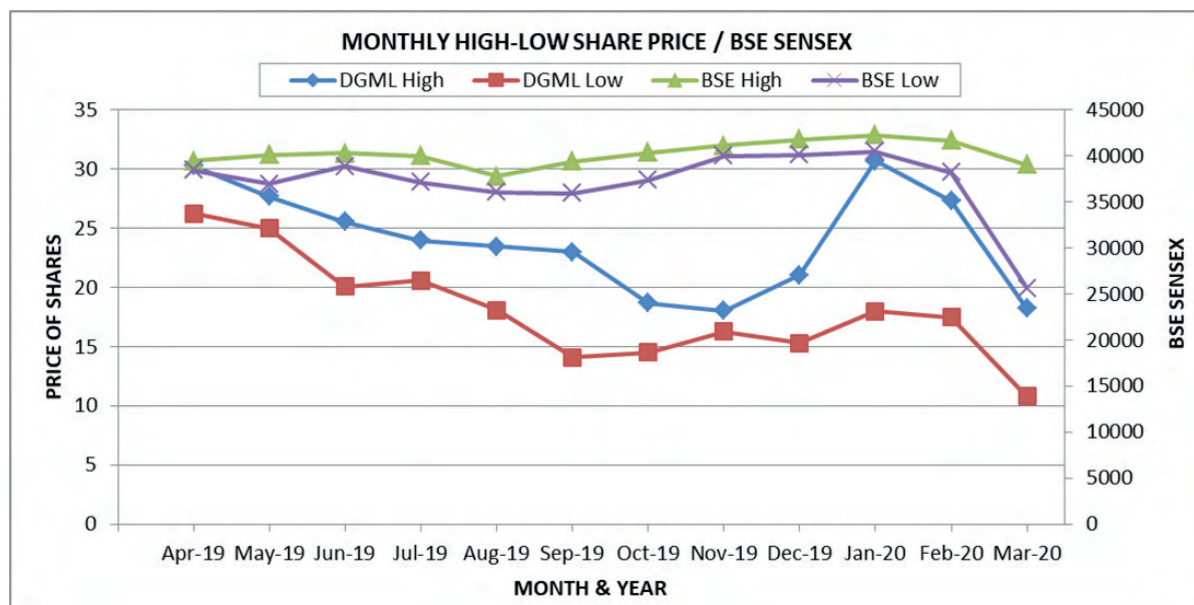
## DECCAN GOLD MINES LIMITED

### 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 & Year	Share Price of Deccan Gold Mines Limited on BSE				BSE Sensex	
	Month's High (Rs.)	Month's Low (Rs.)	Month's Closing Price (Rs.)	Volume of shares traded (In no.)	Month's High (Index point)	Month's Low (Index point)
Apr-2019	30.30	26.25	27.05	794495	39487.45	38460.25
May-2019	27.70	25.00	25.30	707965	40124.96	36956.10
Jun-2019	25.55	20.10	21.55	793894	40312.07	38870.96
Jul-2019	24.00	20.60	21.05	1003611	40032.41	37128.26
Aug-2019	23.45	18.10	22.75	795063	37807.55	36102.35
Sep-2019	23.00	14.10	18.45	1300759	39441.12	35987.80
Oct-2019	18.70	14.50	17.00	702178	40392.22	37415.83
Nov-2019	18.05	16.30	16.80	431757	41163.79	40014.23
Dec-2019	21.05	15.30	18.50	918339	41809.96	40135.37
Jan-2020	30.70	18.00	26.35	2373346	42273.87	40476.55
Feb-2020	27.30	17.50	17.50	813463	41709.30	38219.97
Mar-2020	18.25	10.80	11.60	1423308	39083.17	25638.90

### viii. Performance in relation to broad based indices of BSE Sensex



### ix. Registrar and Transfer Agents

Link Intime India Private Limited  
C 101, 247 Park, LBS Marg, Vikhroli West,  
Mumbai – 400 083  
Tel : 91-22-49186000  
Fax : 91-22-49186060  
Email: [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@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 March 31, 2020) –

Sr. No.	Category	No. of Shares held	%
1	Promoter Group	24849127	26.63
2	Foreign Portfolio Investors (Corporate)	4267986	4.57
3	Foreign Nationals	87694	0.09
4	Bodies Corporate	4436988	4.75
5	NBFCs registered with RBI	28100	0.03
6	Non-nationalised banks	2939	0.00
7	Public	44772680	47.97
8	Non Resident Indians (Repatriable)	1871337	2.01
9	Non Resident Indians (Non-Repatriable)	6203694	6.65
10	Hindu Undivided Family	2176769	2.33
11	Clearing Members	66849	0.07
12	Directors / Relatives	4563212	4.89
	<b>Total</b>	<b>93327375</b>	<b>100.00</b>

**(b) Distribution of Shareholding (as at March 31, 2020)**

Shareholding of Nominal Value (Rs.)	No. of Shareholders	% of Total	Shares	% of Total
1 - 500	13748	67.34	2530096	2.71
501 - 1000	2543	12.46	2165861	2.32
1001 - 2000	1550	7.59	2431206	2.61
2001 - 3000	674	3.30	1729620	1.85
3001 - 4000	308	1.51	1111837	1.19
4001 - 5000	272	1.33	1294047	1.39
5001 - 10000	591	2.90	4473699	4.79
10001 and above	728	3.57	77591009	83.14
<b>TOTAL</b>	<b>20414</b>	<b>100.00</b>	<b>93327375</b>	<b>100.00</b>

**xii. Dematerialisation of Shares and Liquidity**

About 99.86% of the shares have been dematerialized as on March 31, 2020. The equity shares of the Company are traded at BSE Ltd. (BSE).

## DECCAN GOLD MINES LIMITED

### xiii. Details of Shares held by Non-Executive Directors as on March 31, 2020

Sr. No.	Name of the Non-Executive Director	No. of Shares held
1	Mr. K.R. Krishnamurthy	Nil
2	Prof Vinod Kumar Gaur	Nil
3	Ms Pratima Ram	Nil
4	Mr Govind Subhash Samant	3,247,157
5	Dr Modali Hanuma Prasad	183,555
6	Mr Kaushik Mukherjee	Nil
7	Mr Natesan Chinnappan	Nil
8	Mr Kailasam Sundaram	Nil

Note:

Mr K R Krishnamurthy ceased to be a Director / Chairman wef April 30, 2019 consequent upon resignation

Prof V K Gaur ceased to be a Director wef May 21, 2019 consequent upon resignation

Mr Kaushik Mukherjee ceased to be a Director wef July 1, 2019 consequent upon resignation

Ms Pratima Ram ceased to be a Director / Chairman wef March 29, 2020 consequent upon end of her tenure

### 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, 2020.

### xv. Credit Rating:

The Company has not obtained any credit ratings for its equity shares and has no outstanding debt instruments.

### xv. Plant locations

NIL

### 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  
C 101, 247 Park,  
LBS Marg, Vikhroli West,  
Mumbai – 400 083  
Tel : 91-22-49186000  
Fax : 91-22-49186060  
Email: [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@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](mailto:info@deccangoldmines.com)

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

Disclosures with respect to demat suspense account/ unclaimed suspense account - Nil

**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. Reporting of Internal Auditor**

The Internal Auditor reports directly to the Audit Committee

**11) OTHER DISCLOSURES:****Whistle Blower / Vigil Mechanism Policy**

The Company has implemented the whistle blower policy and none of the personnel of the Company have been denied access to the Audit Committee.

**Performance Evaluation:**

Details are furnished in Annexure II to the Director's Report

**Familiarization Programme for Independent Directors**

The Independent Directors are provided with all the requisite information and updates with regard to the gold exploration and mining industry and other regulatory updates from time to time particularly during Audit Committee and Board Meetings. The same can be accessed from the website of the Company and the link is as under:

<http://deccangoldmines.com/wp-content/uploads/2018/11/Independent-Directors-Familiarisation-Programme.pdf>

**Material Subsidiaries:**

As per the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, Deccan Exploration Services Private Limited is a material subsidiary.

Further, the material subsidiary has obtained a Secretarial Audit Report for the financial year ended March 31, 2020, from M/s Rathi & Associates, Company Secretaries, in terms of Regulation 24A of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.



**CODE OF CONDUCT DECLARATION**

Pursuant to Para D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, 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: August 1, 2020

**Sandeep Lakhwara**  
Managing Director

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**CERTIFICATE ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE**

(Pursuant to Schedule V read with Regulation 34(3) of SEBI  
(Listing Obligations and Disclosure Requirements) Regulations, 2015)

To  
The Members  
Deccan Gold Mines Limited

We have examined the compliance of all the conditions of Corporate Governance by Deccan Gold Mines Limited (CIN: L51900MH1984PLC034662) ("the Company") for the Financial Year ended March 31, 2020 having its registered office situated at The Parinee Crescenzo, 803, 8th Floor, Opp. MCA Ground, C38-C39, G Block, Bandra Kurla Complex, Bandra (East) Mumbai – 400051, as stipulated in Chapter IV of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The compliance of conditions of Corporate Governance is the responsibility of the Management of the Company. Our examinations have been limited to the review of 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 and representations made by the management of the Company, we certify that the Company has complied with the conditions of Corporate Governance for the year ended March 31, 2020 as stipulated under Chapter IV of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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 **RATHI & ASSOCIATES**  
COMPANY SECRETARIES

Place : Mumbai  
Date : August 1, 2020

**JAYESH M. SHAH**  
PARTNER  
M. NO.: FCS 5637  
COP NO.: 2535  
UDIN: F005637B000541711

## INDEPENDENT AUDITOR'S REPORT

To,  
The Members of Deccan Gold Mines Limited

### Report on the Standalone Financial Statements

**1. Opinion**

We have audited the accompanying standalone Ind AS financial statements of **Deccan Gold Mines Limited** ("the Company"), which comprise the Balance Sheet as at 31 March 2020, and the Statement of Profit and Loss (including other comprehensive income), the statement of Cash Flows and the statement of changes in equity for the year then ended, and notes to the financial statement including a summary of significant accounting policies and other explanatory information (herein after referred to as "**standalone Ind AS financial statements**")

2. In our opinion and to the best of our information and according to the explanation given to us, the aforesaid Ind AS 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 including the Ind AS, of the state of affairs of the Company as at 31 March 2020, and its financial performance including comprehensive income, its cash flows and the change in equity for the year ended on that.

**3. Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**4. Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. There matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

**5. Management's Responsibility for the Standalone Ind AS 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 Ind AS financial statements, that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind As) specified under Section 133 of the Act, read with relevant rules issued thereunder. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act; for safeguarding the assets of the Company; for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of 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 standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

**6. Auditors Responsibility**

Our objective are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

**Report on Other Legal and Regulatory Requirements**

7. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section 11 of section 143 of the Companies Act 2013, we give in the Annexure I a statement on the matters specified in paragraphs 3 and 4 of the Order to the extent applicable..
8. As required by Section 143(3) of the Act, we report that:
- 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;
  - 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.
  - The Balance sheet, the statement of profit and loss including other comprehensive income, the statement of cash flow and the statement of changes in equity dealt with by this report are in agreement with the books of account.
  - In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with relevant rule issued thereunder.
  - On the basis of the written representations received from the directors as on 31 March, 2020 and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2020 from being appointed as a director in terms of Section 164(2) of the Act;
  - We have also audited the internal financial controls over financial reporting (IFCoFR) of the Company as of 31 March 2020 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date and our report dated 18th May 2020 as per Annexure II expressed.
  - With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:  
In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
  - 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 as amended, in our opinion and to the best of our information and according to the explanations given to us:
    - The Company does not have any pending litigations which may impact its standalone Ind AS financial statements;
    - The company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the company.

For **P R Agarwal & Awasthi**  
Chartered Accountants  
Firm Registration No 117940W

CA Pawan KR Agarwal  
Partner  
M No-034147  
UDIN: 20034147AAAABG2815

Place: Mumbai  
Date: 18th May 2020

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## DECCAN GOLD MINES LIMITED

### ANNEXURE I 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 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.
  - c) The Company does not have any immovable properties.
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 neither purchased/sold goods during the year nor is there any opening stocks, therefore, 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. The Company has complied with the provisions of Section 185 and 186 of the Companies Act 2013 for investments made. The Company has not granted any loans, provided any guarantees or security during the year.
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 31.03.2020 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
8. As per the information and explanations given to us the company has not obtained any loan from any financial institutions or banks and issued debentures.
9. According to the records of the Company, the Company has not raised any money raised by way of right issue during the year.
10. 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.
11. According to the records of the Company, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act 2013.



12. In our opinion, and to the best of our information and according to the explanations provided by the management, we are of the opinion that the company is not a Nidhi Company. Hence, in our opinion, the requirements of para3 (xii) of the Order do not apply to the company.
13. According to the information and explanations given to us, the Company in respect to transactions with related parties has complied provisions of sections 177 and 188 of Companies Act, 2013 and has disclosed all particulars in Financial Statements.
14. The company has not made any preferential allotment or private placement of shares during the year, therefore comments under this clause are not called for.
15. In our opinion, and to the best of our information and according to the explanations provided by the management, we are of the opinion that the company has not entered into any non-cash transaction with directors or persons connected with him and no provisions of section 192 have been contravened.
16. In our opinion, and to the best of our information and according to the explanations provided by the management, we are of the opinion that the company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **P R Agarwal & Awasthi**  
Chartered Accountants  
Firm Registration No 117940W

CA Pawan KR Agarwal  
Partner  
M No-034147  
UDIN: 20034147AAAABG2815

Place: Mumbai  
Date: 18th May 2020

## ANNEXURE II

### **Independent Auditor's report on the Internal Financial Controls with reference to financial statements and its operative effectiveness under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

1. In conjunction with our audit of the standalone financial statements of Deccan Gold Mines Limited ("the Company") as of and for the year ended 31st March, 2020, we have audited the internal financial controls over financial reporting (IFCoFR) of the company of as of that date.

### **Management's Responsibility for Internal Financial Controls**

2. The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the criteria being specified by management. These responsibilities include the design, implementation and maintenance of adequate internal financial controls with reference to financial statements, that were operating effectively for ensuring the orderly and efficient conduct of the company's business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

### **Auditors' Responsibility**

3. Our responsibility is to express an opinion on the Company's IFCoFR based on our audit. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India (ICAI) and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of IFCoFR, and the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate IFCoFR were established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the IFCoFR and their operating effectiveness. Our audit of IFCoFR included obtaining an understanding of IFCoFR, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's IFCoFR.

### **Meaning of Internal Financial Controls over Financial Reporting**

6. A company's IFCoFR is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles including the Accounting Standards. A company's IFCoFR includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles including Accounting Standards, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

7. Because of the inherent limitations of IFCoFR, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the IFCoFR to future periods are subject to the risk that IFCoFR may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

8. In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2020, based on the criteria being specified by management.

For **P R Agarwal & Awasthi**  
Chartered Accountants  
Firm Registration No 117940W

CA Pawan KR Agarwal  
Partner  
M No-034147  
UDIN: 20034147AAAABG2815

Place: Mumbai  
Date : 18th May 2020

# DECCAN GOLD MINES LIMITED

## DECCAN GOLD MINES LIMITED

CIN: L51900MH1984PLC034662

### BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2020

(Amount in '000)

PARTICULARS	Note	31 <sup>st</sup> March, 2020	31 <sup>st</sup> March, 2019
<b>ASSETS</b>			
<b>Non-current assets</b>			
a) Property, Plant & Equipment	2 A	68	76
b) Intangible Assets	2 B	16	28
c) Intangible Assets under development	2 C	27,950	20,564
d) Financial Assets			
(i) Investments	3	4,41,467	4,41,467
(ii) Loans	4	1,767	6,817
		<b>4,71,267</b>	<b>4,68,951</b>
<b>Current assets</b>			
a) Financial Assets			
(i) Trade receivables	5	4,232	-
(ii) Cash and cash equivalents	6	3,133	30,408
b) Current Tax Asset	7	1,913	1,682
c) Other current assets	8	10,198	10,854
		<b>19,477</b>	<b>42,944</b>
<b>TOTAL ASSETS</b>		<b>4,90,744</b>	<b>5,11,895</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
a) Share Capital	9	93,327	93,327
b) Other Equity	10	3,90,079	4,13,580
		<b>4,83,406</b>	<b>5,06,907</b>
<b>Share application money pending allotment</b>			
<b>LIABILITIES</b>			
<b>1) Non-current liabilities</b>			
Deferred tax liabilities (Net)			
Other Long term liabilities			
a) Provisions	11	2,386	3,597
		<b>2,386</b>	<b>3,597</b>
<b>2) Current liabilities</b>			
a) Financial Liabilities			
(i) Other Financial Liabilities	12	2,301	465
b) Other Current Liabilities	13	522	835
c) Provisions	14	2,130	91
		<b>4,953</b>	<b>1,391</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>4,90,744</b>	<b>5,11,895</b>
Significant accounting policies	1		
Notes are integral part of the balance sheet & profit & loss account			

As per our report of even date

For **P.R. Agarwal & Awasthi**

Chartered Accountants

Firm Reg No.:117940W

**C.A.P.R. Agarwal**

Partner

Membership Number- 34147

UDIN: 20034147AAAABG2815

Place : Mumbai

Date : 18th May 2020

For and on behalf of Board of Directors

**Natesan Chinnapan**

Director

**Sandeep Lakhwara**

Managing Director

**K.Karunakaran**

Chief Financial Officer

**S.Subramaniam**

Company Secretary

Place : Bengaluru

Date : 18th May 2020

## DECCAN GOLD MINES LIMITED

CIN: L51900MH1984PLC034662

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020

(Amount in '000)

Particulars	Note No.	For the year ended 31-03-2020	For the year ended 31-03-2019
<b>INCOME :</b>			
Other income	15	7,958	2,465
<b>Total Revenue</b>		<b>7,958</b>	<b>2,465</b>
<b>EXPENDITURE :</b>			
Employee benefits expenses	16	14,264	9,785
Finance costs	17	12	28
Depreciation and amortization expenses	18	19	47
Other expenses	19	16,995	16,653
<b>Total Expenditures</b>		<b>31,291</b>	<b>26,513</b>
<b>Profit before exceptional and extraordinary items and tax</b>		<b>(23,333)</b>	<b>(24,047)</b>
Exceptional items		-	-
<b>Profit before extraordinary items and tax</b>		<b>(23,333)</b>	<b>(24,047)</b>
<b>Extraordinary Items :</b>			
Prior year adjustments		-	-
<b>Profit before tax</b>		<b>(23,333)</b>	<b>(24,047)</b>
<b>Tax expenses :</b>			
Current tax (Wealth Tax)		-	-
Current Tax	-	-	-
Deferred tax	-	-	-
Short/(Excess) Provision of Tax		-	-
Mat Credit Entitlement		-	-
<b>Profit (Loss) for the period from continuing operations</b>		<b>(23,333)</b>	<b>(24,047)</b>
Profit/(Loss) from discontinuing operations		-	-
Tax expenses of discontinuing operations		-	-
<b>Profit/(Loss) from discontinuing operations (after tax)</b>		<b>-</b>	<b>-</b>
<b>Profit (Loss) for the year</b>		<b>(23,333)</b>	<b>(24,047)</b>
<b>Other Comprehensive Income</b>			
Items that will not be reclassified to profit or loss:			
Defined benefit plan actuarial gains (loss)	20	(168)	(283)
<b>Total Comprehensive Income of the year</b>		<b>(23,501)</b>	<b>(24,330)</b>
Earnings per equity share: Basic (in Rs.)		(0.25)	(0.26)
Earnings per equity share: Diluted (in Rs.)		(0.25)	(0.26)
Significant accounting policies	1		
Notes are integral part of the Balance Sheet and Profit & Loss Account			

As per our report of even date

For **P.R. Agarwal & Awasthi**

Chartered Accountants

Firm Reg No.:117940W

**C.A.P.R. Agarwal**

Partner

Membership Number- 34147

UDIN: 20034147AAAABG2815

Place : Mumbai

Date : 18th May 2020

For and on behalf of Board of Directors

**Natesan Chinnapan**

Director

**K.Karunakaran**

Chief Financial Officer

**Sandeep Lakhwara**

Managing Director

**S.Subramaniam**

Company Secretary

Place : Bengaluru

Date : 18th May 2020



# DECCAN GOLD MINES LIMITED

## DECCAN GOLD MINES LIMITED

### Cash Flow Statement for the year ended 31st March, 2020

(₹ in '000)

PARTICULARS	31 <sup>st</sup> March, 2020	31 <sup>st</sup> March, 2019
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit / (Loss) before Tax and after Extraordinary items	(23,333)	(24,047)
Adjustment For :		
Depreciation	19	47
Provisions for gratuity	660	521
Interest & Finance charges	12	28
Interest received	(928)	(2,465)
Expenses on Employee Stock Option	-	-
<b>Operative Profit before Working Capital Changes</b>	<b>(23,570)</b>	<b>(25,916)</b>
Adjustment For :		
Trade Receivables	(4,232)	-
Other Receivables, Loans & Advances	656	(626)
Trade & Other payable	1,522	193
<b>Cash Generation from Operations</b>	<b>(25,623)</b>	<b>(26,349)</b>
Direct Taxes	(231)	(372)
<b>Net Cash Flow from operating activities</b>	<b>(25,854)</b>	<b>(26,721)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets and Advances	5,050	-
Increase in Intangible Assets under development	(7,386)	(5,454)
Purchase/Sale of Investment (Net)	-	-
Dividend received	-	-
Interest Received	928	2,465
<b>Net Cash used in investing activities</b>	<b>(1,408)</b>	<b>(2,989)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Share Issue	-	-
Share Application Money Received	-	-
Finance charges & Others	(12)	(28)
<b>Net Cash used in financing activities</b>	<b>(12)</b>	<b>(28)</b>
<b>D. Net Change In Cash And Cash Equivalents (A+B+C)</b>	<b>(27,274)</b>	<b>(29,737)</b>
Cash and Cash Equivalents (Opening)	30,408	60,145
Cash and Cash Equivalents (Closing)	<b>3,133</b>	<b>30,408</b>

As per our report of even date  
For **P.R. Agarwal & Awasthi**  
Chartered Accountants  
Firm Reg No.:117940W

**C.A.P.R. Agarwal**  
Partner  
Membership Number- 34147  
UDIN: 20034147AAAABG2815

Place : Mumbai  
Date : 18th May 2020

For and on behalf of Board of Directors

**Natesan Chinnapan**  
Director

**K.Karunakaran**  
Chief Financial Officer

Place : Bengaluru  
Date : 18th May 2020

**Sandeep Lakhwara**  
Managing Director

**S.Subramaniam**  
Company Secretary

## DECCAN GOLD MINES LIMITED

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31st MARCH, 2020

## A. Equity share capital

	Number	Amount ('000)
<b>Balance as at 31 March 2018</b>	<b>9,33,27,375</b>	<b>93,327</b>
Changes in equity share capital during 2018-19	-	-
<b>Balance as at 31 March 2019</b>	<b>9,33,27,375</b>	<b>93,327</b>
Balance as at 1 April 2019	9,33,27,375	93,327
Changes in equity share capital during 2019-20	-	-
<b>Balance as at 31 March 2020</b>	<b>9,33,27,375</b>	<b>93,327</b>

## B. Other equity

(Rs. In '000)

	Share Application Money Pending Allotment	Securities premium	Reserves and surplus Retained earnings	Capital Reserves	Employee Stock Option Outstanding	Total other Equity
<b>Balance as at 1 April 2018</b>	-	<b>7,37,095</b>	<b>(3,15,911)</b>	<b>16,726</b>	-	<b>4,37,910</b>
Received Further	-	-	-	-	-	-
Further Granted	-	-	-	-	-	-
Shares Issued	-	-	-	-	-	-
Profit for the year	-	-	(24,047)	-	-	(24,047)
Other comprehensive income	-	-	(283)	-	-	(283)
Total comprehensive income for the year	-	-	(24,330)	-	-	(24,330)
<b>Balance as at 31 March 2019</b>	-	<b>7,37,095</b>	<b>(3,40,241)</b>	<b>16,726</b>	-	<b>4,13,580</b>
<b>Balance as at 1 April 2019</b>	-	<b>7,37,095</b>	<b>(3,40,241)</b>	<b>16,726</b>	-	<b>4,13,580</b>
Received Further	-	-	-	-	-	-
Further Granted	-	-	-	-	-	-
Shares Issued	-	-	-	-	-	-
Profit for the year	-	-	(23,333)	-	-	(23,333)
Other comprehensive income	-	-	(168)	-	-	(168)
Total comprehensive income for the year	-	-	(23,501)	-	-	(23,501)
<b>Balance as at 31st March 2020</b>	-	<b>7,37,095</b>	<b>(3,63,742)</b>	<b>16,726</b>	-	<b>3,90,079</b>

As per our report of even date  
For **P.R. Agarwal & Awasthi**  
Chartered Accountants  
Firm Reg No.:117940W

**C.A.P.R. Agarwal**  
Partner  
Membership Number- 34147  
UDIN: 20034147AAAABG2815  
Place : Mumbai  
Date : 18th May 2020

For and on behalf of Board of Directors

**Natesan Chinnapan**  
Director

**K.Karunakaran**  
Chief Financial Officer

Place : Bengaluru  
Date : 18th May 2020

**Sandeep Lakhwara**  
Managing Director

**S.Subramaniam**  
Company Secretary

# DECCAN GOLD MINES LIMITED

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## DECCAN GOLD MINES LIMITED

### NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2020.

#### Note-1: SIGNIFICANT ACCOUNTING POLICIES FOR THE YEAR ENDED 31.03.2020

##### A. Basis of preparation of financial Statements

The standalone Ind AS financial statements of the company have been prepared in accordance with Indian Accounting Standards (Ind AS) under the historical cost convention on the accrual basis, the provisions of the Companies Act, 2013 (to the extent notified) and guideline issued by Securities and Exchange Board of India (SEBI). The Ind AS are prescribed under section 133 of the Act read with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment rules, 2016.

The accounting policies adopted in the preparation of standalone Ind AS financial statement are consistent with those of previous year.

##### B. Use Of Estimates

The preparation of the financial statements in conformity with Ind AS requires management to make estimates, judgements and assumptions. These estimates, judgements and assumptions effect the application of the accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenue and expenditure during the period. Application of accounting policies that require critical accounting estimates involving complex and subjective judgements and the use of assumptions in these financial statements have been disclosed below. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding these estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements. .

##### C. 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.

##### D. Property, plant and equipment:

Fixed assets are stated at cost of acquisition less accumulated depreciation if any. Costs directly attributable to acquisition are capitalized until the property, plant and equipment are ready to use, as intended by management. The company depreciates property, plant and equipment over their estimated useful lives using the straight-line method. The estimated useful lives are as follows:

Vehicles	8 Years
Computers	3 Years
Furniture	10 Years
Office Equipment	10 Years
Plant & Machinery	10 Years
Software	3 Years

Depreciation methods, useful lives and residual value are reviewed periodically, including at each financial year end.

“Based on technical evaluation, the management believes that the useful lives as given above best represent the period over which management expects to use the assets. Hence the useful lives for these assets are different from the useful lives as prescribed under Part C of Schedule II of the Companies Act 2013”.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets and the cost of assets not put to use before such date are disclosed under ‘Capital work – in - progress’ .Subsequent expenditures relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the company and the cost of the

**DECCAN GOLD MINES LIMITED****NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2020.**

item can be measured reliably. Repairs and maintenance costs are recognized in net profit in the Statement of Profit and Loss when incurred. The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognized in the Statement of Profit and Loss. Assets to be disposed off are reported at the lower of the carrying value or the fair value less cost to sell.

**E. Exploration and Evaluation Assets**

Exploration and evaluation assets comprise capitalised costs which are attributable to the search for gold and related resources, pending the determination of technical feasibility and the assessment of commercial viability of an identified resource which comprises inter alia the following:

- researching and analysing historical exploration data;
- gathering exploration data through topographical, geo chemical and geo physical studies;
- exploratory drilling, trenching and sampling;
- determining and examining the volume and grade of the resource;
- surveying transportation and infrastructure requirements;

The above includes employee remuneration, cost of materials and fuel used, payments to contractors etc. As the intangible component represents an insignificant/indistinguishable portion of the overall expected tangible costs to be incurred and recouped from future exploitation, these costs along with other capitalised exploration costs are recorded as exploration and evaluation asset.

Exploration and evaluation costs are capitalised on a project by project basis pending determination of technical feasibility and commercial viability of the project and disclosed as a separate line item under non-current assets. They are subsequently measured at cost less accumulated impairment/provision. Once proved reserves are determined, exploration and evaluation assets are transferred to “Development” under capital work in progress. However, if proved reserves are not determined, the exploration and evaluation asset is derecognised.

**F. Development Expenditure**

When proved reserves are determined, capitalised exploration and evaluation cost is recognised as assets under construction and disclosed as a component of capital work in progress under the head “Development”. All subsequent development expenditure is also capitalised.

**G. Intangible assets:**

Intangible assets are stated at cost less accumulated amortization and impairment. Intangible assets are amortized over the irrespective individual estimated useful lives on a straight – line basis, from the date that they are available for use. The estimated useful life of an identifiable intangible asset is based on a number of factors including the effects of obsolescence, demand, competition, and other economic factors (such as the stability of the industry, and known technological advances), and the level of maintenance expenditures required to obtain the expected future cash flows from the asset. Amortization methods and useful lives are reviewed periodically including at each financial year end.

**H. Impairment of Assets**

An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value. An impairment loss is charged to the profit & loss account as and when an asset is identified as impaired. The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

**I. Investments**

1. Financial instruments
  - I. Financial assets
  - II. Initial recognition and measurement

All financial assets and liabilities are initially recognized at fair value. Transaction cost that are directly attributable to the acquisition or issue of financial assets and financial liabilities which are not at fair value through profit or loss, are adjusted to the fair value on initial recognition. Purchase and sale of financial assets are recognized using trade date accounting.

# DECCAN GOLD MINES LIMITED

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## DECCAN GOLD MINES LIMITED

### NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2020.

#### 2. Subsequent measurement

##### a. Financial assets carried at amortised costs: (AC)

Financial assets are subsequently measured at amortised costs if it is held within a business model and whose objective is to hold the asset in order to collect the contractual cash flows and contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal interest on the principal amount outstanding.

##### b. Financial assets at fair value through other comprehensive income: (FVTOCI)

A financial assets is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal interest on the principal amount outstanding.

##### c. Financial assets at fair value through profit and loss (FVTPL)

Financial assets which are not classified in any of the above categories are subsequently fair valued through profit or loss.

#### 3. Equity instruments

All equity investments are measured at fair value, with value changes recognised in the statement of profit and loss, except for those equity investments for which the company has elected to present the value changes in 'other comprehensive income'.

#### 4. Investment in Subsidiaries and Associates and Joint Venture :

The company has accounted for its investments in Subsidiaries and Associates and Joint Venture at cost and at amortised cost.

#### J. Foreign Currency

Functional Currency

The functional currency of the company is the Indian Rupee. The financial statements are presented in Indian Rupees(Rounded off to Thousands).

#### Transactions and translations

Foreign-currency denominated monetary assets and liabilities are translated into the relevant functional currency at exchange rates in effect at the balance sheet date. The gains or losses resulting from such translations are included in net profit in the Statement of Profit and Loss. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at fair value are translated at the exchange rate prevalent at the date when the fair value was determined. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of the transaction.

Transaction gains or losses realized upon settlement of foreign currency transactions are included in determining net profit for the period in which the transaction is settled. Revenue, expense and cashflow items denominated in foreign currencies are translated into the relevant functional currencies using the exchange rate in effect on the date of the transaction.

#### K. Employee Benefits

- Short Term Employee Benefits are recognized as an expense at the undiscounted amount in the profit and loss account of the year in which the related service is rendered.
- Post employment benefits are recognized as an expense in the Profit and Loss account for the year in which the employee has rendered services. The defined benefit obligation is provided for on the basis of an actuarial valuation on projected unit cost method.
- Long Term employee benefits are recognized as an expense in the Profit and Loss account for the year in which the employee has rendered services.

#### L. Taxation

- 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.

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**DECCAN GOLD MINES LIMITED****NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2020.**

- 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 Indian Accounting Standard 12 “Income Taxes” issued by The Institute of Chartered Accountants of India.

**M. Borrowing Cost:**

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to revenue.

**N. Provisions, Contingent Liabilities and Contingent Assets:**

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognised but are disclosed in the notes to the accounts. Contingent Assets are neither recognised nor disclosed in the financial statements.

**O. Segmental 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 & Exploration.



# DECCAN GOLD MINES LIMITED

## DECCAN GOLD MINES LIMITED

### NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2020.

#### NOTE - 2 : A) PROPERTY, PLANT AND EQUIPMENT - I

Details of the property, plant and equipment and their carrying amounts are as follows: (Rs in '000)

Particulars	Plant & Equipment	Furniture & Fixtures	Vehicles	Office Equipment	Computer	TOTAL
<b>Gross carrying amount</b>						
Balance as at 1 April 2018	1,161	563	502	554	274	3,054
Additions	-	-	-	-	-	-
Acquisition through business combination	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
Revaluation increase	-	-	-	-	-	-
Net exchange differences	-	-	-	-	-	-
<b>Balance as at 31 March 2019</b>	<b>1,161</b>	<b>563</b>	<b>502</b>	<b>554</b>	<b>274</b>	<b>3,054</b>
<b>Depreciation and impairment</b>						
Balance as at 1 April 2018	1,089	563	502	516	273	2,943
Disposal	-	-	-	-	-	-
Net exchange differences	-	-	-	-	-	-
Depreciation	7	-	-	28	1	35
<b>Balance as at 31 March 2019</b>	<b>1,096</b>	<b>563</b>	<b>502</b>	<b>544</b>	<b>274</b>	<b>2,978</b>
<b>Carrying amount as at 31 March 2019</b>	<b>65</b>	<b>-</b>	<b>-</b>	<b>10</b>	<b>0</b>	<b>76</b>

#### NOTE - 2 : A) PROPERTY, PLANT AND EQUIPMENT - II

Details of the property, plant and equipment and their carrying amounts are as follows:

Particulars	Plant & Equipment	Furniture & Fixtures	Vehicles	Office Equipment	Computer	TOTAL
<b>Gross carrying amount</b>						
Balance as at 1 April 2019	1,161	563	502	554	274	3,054
Additions	-	-	-	-	-	-
Acquisition through business combination	-	-	-	-	-	-
Held for sale or included in disposal group	-	-	-	-	-	-
Net exchange differences	-	-	-	-	-	-
<b>Balance as at 31 March 2020</b>	<b>1,161</b>	<b>563</b>	<b>502</b>	<b>554</b>	<b>274</b>	<b>3,054</b>
<b>Depreciation and impairment</b>						
Balance as at 1 April 2019	1,096	563	502	544	274	2,978
Net exchange differences	-	-	-	-	-	-
Held for sale or included in disposal group	-	-	-	-	-	-
Depreciation	7	-	-	1	-	7
<b>Balance as at 31 March 2020</b>	<b>1,103</b>	<b>563</b>	<b>502</b>	<b>544</b>	<b>274</b>	<b>2,986</b>
<b>Carrying amount as at 31 March 2020</b>	<b>58</b>	<b>-</b>	<b>-</b>	<b>10</b>	<b>0</b>	<b>68</b>

#### Note - 2 : B) Intangible Assets

Details of the Intangible Assets and their carrying amounts are as follows:

	Computer Software
Gross carrying amount	
<b>Balance as at 1 April 2018</b>	<b>409</b>
Additions	-
Acquisition through business combination	-
Disposals	-
Revaluation increase	-
Net exchange differences	-
<b>Balance as at 31 March 2019</b>	<b>409</b>

## DECCAN GOLD MINES LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2020.

(Rs in '000)

<b>Depreciation and impairment</b>	
Balance as at 1 April 2018	369
Disposal	-
Net exchange differences	-
Depreciation	12
<b>Balance as at 31 March 2019</b>	<b>381</b>
<b>Carrying amount as at 31 March 2019</b>	<b>28</b>

Gross carrying amount	
<b>Balance as at 1 April 2019</b>	<b>409</b>
Additions	-
Acquisition through business combination	-
Held for sale or included in disposal group	-
Net exchange differences	-
<b>Balance as at 31 March 2020</b>	<b>409</b>
<b>Depreciation and impairment</b>	
Balance as at 1 April 2019	381
Net exchange differences	-
Held for sale or included in disposal group	-
Depreciation	12
<b>Balance as at 31 March 2020</b>	<b>393</b>
<b>Carrying amount as at 31 March 2020</b>	<b>16</b>

**Note - 2 : C) Intangible Assets under Development**

Details of the Intangible Assets under development and their carrying amounts are as follows:

**Exploration and Evaluation Assets**

Balance as at 1 April 2018	15,110
Additions	5,454
Balance as at 31 March 2019	<b>20,564</b>
<b>Carrying amount as at 31 March 2019</b>	<b>20,564</b>
<b>Gross carrying amount</b>	
Balance as at 1 April 2019	20,564
Additions	7,386
Balance as at 31 March 2020	<b>27,950</b>
<b>Carrying amount as at 31 March 2020</b>	<b>27,950</b>

	31st March, 2020	31st March, 2019
<b>Note - 3 : Non-current investments</b>		
<b>Investment in Equity instruments :</b>		
In Subsidiaries		
Unquoted : (Fully paid up)		
Equity Shares of Rs. 10/- each of		
Deccan Exploration Services Pvt.Ltd.	4,41,467	4,41,467
<b>Total</b>	<b>4,41,467</b>	<b>4,41,467</b>
Aggregate Value of Quoted Investment	-	-
Market Value of Quoted Investment	-	-
<b>Aggregate Value of Unquoted Investment</b>	<b>4,41,467</b>	<b>4,41,467</b>

# DECCAN GOLD MINES LIMITED

## DECCAN GOLD MINES LIMITED

### NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2020.

(Rs in '000)

	31st March, 2020	31st March, 2019
<b>Note - 4 : Loans</b>		
<b>Security Deposits</b>		
Unsecured, considered good	1,767	6,817
<b>Total</b>	<b>1,767</b>	<b>6,817</b>
<b>Loans and advances to Holding Company</b>		
Secured, considered good	-	-
Unsecured, considered good	-	-
Doubtful	-	-
Less: Provision for doubtful loans and advances	-	-
<b>Total</b>	<b>1,767</b>	<b>6,817</b>
<b>Note - 5 : Trade Receivables</b>		
Unsecured, Considered Good		
Due from Subsidiary Co.	4,232	-
<b>Total</b>	<b>4,232</b>	<b>-</b>
<b>Note - 6 : Cash and cash equivalents</b>		
<b>Balances with banks</b>		
a. Balance with Banks	3,123	30,384
Bank deposits with more than 12 months maturity		
b. Cheques, drafts on hand	-	-
c. Cash on hand	10	24
d. Others	-	-
<b>Total</b>	<b>3,133</b>	<b>30,408</b>
<b>Note - 7 : Current Tax Assets</b>		
Balance with Income Tax Authorities	1,913	1,682
<b>Total</b>	<b>1,913</b>	<b>1,682</b>
<b>Note - 8 : Other current assets</b>		
Advances other than Capital Advances		
- To Subsidiary Company		
- To Others	6,411	6,442
Balance with Government authorities:		
- Other than Income Tax	3,529	3,840
Prepaid Expenses	258	274
Interest Receivable	-	298
<b>Total</b>	<b>10,198</b>	<b>10,854</b>

## DECCAN GOLD MINES LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2020.

## Note - 9 : Share Capital

	Equity Share		Preference Shares	
	Number	Amount ('000)	Number	Amount ('000)
A Authorised Share Capital				
Beginning of the year at 1 April 2018	25,00,00,000	2,50,000	-	-
Increase/(decrease) during the year	-	-	-	-
<b>Total shares authorised as at 31 March 2019</b>	<b>25,00,00,000</b>	<b>2,50,000</b>	-	-
Total shares authorised as at 1 April 2019	25,00,00,000	2,50,000	-	-
Increase/(decrease) during the year	-	-	-	-
<b>Total authorised share capital as at 31 March 2020</b>	<b>25,00,00,000</b>	<b>2,50,000</b>	-	-

**Terms/rights attached to equity shares**

The company has only one class of equity shares having par value of INR 1 per share.

	Equity Share		Preference Shares	
	Number	Amount ('000)	Number	Amount ('000)
B Issued, Subscribed & fully Paid Up				
Balance as at 1 April 2018	9,33,27,375	93,327	-	-
Changes during the period	-	-	-	-
<b>Balance as at 31 March 2019</b>	<b>9,33,27,375</b>	<b>93,327</b>	-	-
Balance as at 1 April 2019	9,33,27,375	93,327	-	-
Changes during the period	-	-	-	-
<b>Shares issued and fully paid as at 31 March 2020</b>	<b>9,33,27,375</b>	<b>93,327</b>	-	-

C Shares held by holding/ultimate holding company including shares held by subsidiaries or associates of the holding company/ultimate holding company	31st March, 2020	31st March, 2019
	-	-

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

Name of the shareholder	31st March, 2020		31st March, 2019	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Rama Mines (Mauritius) Limited	2,48,49,127	26.63%	2,50,97,868	26.89%

**E Disclosure pursuant to Part I of Schedule III to the Companies Act, 2013**

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

# DECCAN GOLD MINES LIMITED

## DECCAN GOLD MINES LIMITED

### NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2020.

#### Note 10 - Other Equity:

(Rs in '000)

	As at 31 March 2020	As at 31 March 2019
<b>Share Application Money Pending Allotment</b>		
Opening Balance	-	-
(+) Further received	-	-
(-) Transfer Pursuant to Allotment	-	-
Closing Balance	-	-
<b>Employee Stock Option Outstanding</b>		
Opening Balance	-	-
(+) Further Granted	-	-
(-) Transfer Pursuant to Allotment	-	-
Closing Balance	-	-
<b>Capital Reserves</b>		
Opening Balance	16,726	16,726
(+)/(-) Transfer	-	-
Closing Balance	16,726	16,726
<b>Securities Premium Account</b>		
Opening Balance	7,37,095	7,37,095
(+)/(-) Transfer	-	-
Closing Balance	7,37,095	7,37,095
<b>Retained Earnings</b>		
Opening balance	(3,40,241)	(3,15,911)
(+) Net Profit / (Net Loss) for the current year	(23,333)	(24,047)
Defined benefit plan actuarial gains (loss)	(168)	(283)
Closing Balance	(3,63,742)	(3,40,241)
<b>Total</b>	<b>3,90,079</b>	<b>4,13,580</b>
<b>Note - 11 : Provisions</b>		
<b>For Employee Benefits:</b>		
Gratuity	2,386	3,597
<b>Total</b>	<b>2,386</b>	<b>3,597</b>
<b>Note - 12 : Other Financial Liabilities</b>		
Outstanding Expenses	2,301	465
<b>Total</b>	<b>2,301</b>	<b>465</b>
<b>Note - 13 : Other Current Liabilities</b>		
Statutory dues	522	835
<b>Total</b>	<b>522</b>	<b>835</b>
<b>Note - 14 : Provisions</b>		
Provision for employee benefits :		
Gratuity	2,130	91
<b>Total</b>	<b>2,130</b>	<b>91</b>

**DECCAN GOLD MINES LIMITED****NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2020.****(Rs in '000)**

	As at 31 March 2020	As at 31 March 2019
<b>Note - 15 : Other income</b>		
Interest Income	928	2,465
Other Income	110	-
Exploration Contract Income *	4,350	-
Reimbursement of Valuation Expenses	2,570	-
<b>Total</b>	<b>7,958</b>	<b>2,465</b>
<b>Note - 16 : Employee benefit expenses</b>		
Salaries & wages *	13,072	8,712
Contributions to Gratuity	660	521
Expenses on Employee Stock Option Scheme	-	-
Staff welfare expenses	533	551
<b>Total</b>	<b>14,264</b>	<b>9,785</b>
* Gross Salaries & Wages figure of current year (Rs. 13,072) is inclusive of Exploration Contract Income (Rs. 4,350) representing the costs related to Geologists working on projects). After netting off the same will be Rs. 8,722 for current year (Rs. 13,072 minus Rs. 4,350) and is comparable with the last year's net figure of Rs. 8,712/-.		
<b>Note - 17 : Finance costs</b>		
Interest expense	-	-
Bank Charges	12	28
<b>Total</b>	<b>12</b>	<b>28</b>
<b>Note - 18 : Depreciation &amp; Amortization Expenses</b>		
Depreciation on Tangible Assets	7	35
Depreciation on Intangible Assets	12	12
<b>Total</b>	<b>19</b>	<b>47</b>
<b>Note - 19 : Other expenses</b>		
Electricity Expenses	126	334
Listing Fees	533	500
Rent	1,985	1,897
Rates and taxes	142	20
Repair and maintenance	30	44
Managing Director Remuneration	8,400	8,400
Advertising and business promotion	82	243
Traveling and conveyance	343	288
Communication Expenses	338	385
Legal and professional fees	829	2,258
Business Valuation Expenses Incurred	2,570	-
Office maintenance expenses	74	-
Director Sitting Fees	500	455
Auditor's remuneration	130	130
Membership & Subscription	40	72
Vehicle Insurance	12	-
Miscellaneous expenses	861	1,628
<b>Total</b>	<b>16,995</b>	<b>16,653</b>



# DECCAN GOLD MINES LIMITED

## DECCAN GOLD MINES LIMITED

### NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2020.

(Rs in '000)

#### Payments to auditor

For Audit Fee	130	130
For Certification & Others	-	-
<b>Total</b>	<b>130</b>	<b>130</b>

#### Note - 20: Employee Benefits

As per Indian Accounting Standard 19 "Employee Benefits", the disclosure of Employee benefits as defined in the Indian Accounting Standard are given below:

#### Defined Benefit Plan:

##### Gratuity

#### 1) Reconciliation of opening and closing balances of Defined Benefit Obligation (Rs. in '000)

Particulars	Gratuity	
	2019-20	2018-19
Defined Benefit Obligation at the beginning of the year	3,688	2,884
Current Service Cost	392	307
Interest Cost	268	214
Past Service Cost	-	-
Actuarial (Gain)/Loss	168	283
<b>Defined Benefit Obligation at the end of the year</b>	<b>4,516</b>	<b>3,688</b>

#### 2) Reconciliation of opening and closing balances of fair value of Plan Assets

Particulars	Gratuity	
	2019-20	2018-19
Fair Value of Plan Assets at the beginning of the year	-	-
Expected Return of Plan Assets	-	-
Actuarial (Gain)/Loss	-	-
Employer Contribution	-	-
Benefits Paid	-	-
Fair Value of Plan Assets at the end of the year	-	-
Actual Return of Plan Assets	-	-

#### 3) Reconciliation of Fair Value of Assets and Obligations

Particulars	Gratuity	
	2019-20	2018-19
Fair Value of Plan Assets	-	-
Present Value of Obligation	4,156	3,688
<b>Amount recognised in Balance Sheet (Surplus/(Deficit))</b>	<b>4,156</b>	<b>3,688</b>

#### 4) Expenses recognised during the year

Particulars	Gratuity	
	2019-20	2018-19
<b>In Income Statement</b>		
Current Service Cost	392	307

## DECCAN GOLD MINES LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2020.

(Rs in '000)

Interest Cost	268	214
Return on Plan Assets	-	-
Past Service Cost	-	-
<b>Net Cost</b>	<b>660</b>	<b>521</b>
In Other Comprehensive Income	-	-
Acturial (Gain)/Loss	168	283
<b>Net(Income)/Expense for the period Recognised in OCI</b>	<b>828</b>	<b>804</b>

## 5) Acturial Assumptions

Particulars	Gratuity	
	2019-20	2018-19
Discount Rate(per annum)	6.45%	7.35%
Rate of Escalation in Salary(per annum)	6.00%	6.00%

## 6) Sensitivity Analysis

Significant Acturial Assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and employee turnover. The sensitivity analysis below, have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The result of Sensitivity analysis is given :

Particulars	As at 31st March, 2020		As at 31st March, 2019	
	Decrease	Increase	Decrease	Increase
Change in discounting rate(delta effect of +/-0.5%)	4,658	4,383	3,806	3,577
Change in rate of Salary increase(delta effect of +/-0.5%)	4,442	4,612	3,641	3,722

These plans typically expose the Company to actuarial risks such as: investment risk, interest risk, longevity risk and salary risk.

- Investment risk:** The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds.
- Interest risk:** A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan debt investments.
- Longevity risk:** The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
- Salary risk:** The present value of the defined plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

## Note 21- Related party disclosure

- 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	K.R. Krishnamurthy	Director & Chairman (Resigned on 30th April, 2019)
4	V.K. Gaur	Director (Resigned on 21st May, 2019)
5	Pratima Ram	Chairman (End of Tenure -29th March, 2020)
6	Govind Samant	Director
7	Dr. Modali Hanuma Prasad	Director
8	Kaushik Mukherjee	Director (Resigned on 1st July 2019)

# DECCAN GOLD MINES LIMITED

## DECCAN GOLD MINES LIMITED

### NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2020.

9	Natesan Chinnapan	Independent Director (Appointed on 12th April 2019)
10	Kailasam Sundaram	Independent Director (Appointed on 8th August,2019)
11	K. Karunakaran	Chief Financial Officer
12	S. Subramaniam	Company Secretary

#### b) Transactions with related parties:-

(Rs in '000)

Sr.No.	Nature	Year ended 31st March 2020	Year ended 31st March 2019
1	Reimbursement of Exploration Expenses Received from Subsidiary (Excluding Taxes)	6,920	6,282
2	Managerial Remuneration paid to Managing Director	8,400	8,400
3	Directors Sitting Fees & Audit Committee fees	500	455
4	Remuneration paid to CFO	3,150	3,150
5	Remuneration paid to CS	3,990	3,990

#### Note -22 Expenditure and Earnings in Foreign Currency:

Earnings:

Sr. No.	Nature	Year ended 31st March 2020	Year ended 31st March 2019
1.	Exports	NIL	NIL

Expenditure:

Sr. No.	Nature	Year ended 31st March 2020	Year ended 31st March 2019
1	Import of Materials	-	-
2	Professional Fees	2,570	-
3	Analysis Charges	-	-
4	Travelling & Other Expenses	-	-
	<b>Total</b>	<b>2,570</b>	<b>-</b>

#### Note – 23 Contingent Liabilities not provided for:

Sr. No.	Particulars	March 31, 2020	March 31, 2019
a)	Capital Commitments	NIL	NIL
b)	Claims against company not acknowledged as debts	NIL	NIL
c)	Contingent Liabilities	NIL	NIL

#### Note- 24 Earning Per Share

	Particulars	March 31, 2020	March 31, 2019
a)	Net Profit available for Equity Shareholders (Rs in '000)	(23,370)	(24,330)
b)	Weighted Average (Number of Shares)	9,33,27,375	9,33,27,375
c)	Basic Earning Per Share (in Rs.)	(0.25)	(0.26)
d)	Diluted Earning Per Share (in Rs.)	(0.25)	(0.26)

## DECCAN GOLD MINES LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2020.**Note 25:****Acquiring significant stake in Geomysore Services (India) Private Limited (GMSI) primarily through takeover of Australian Indian Resources Limited, Australia (AIR):**

At their meeting held on February 5, 2019, the Board of Directors of the Company authorised the management to initiate the process of obtaining valuations for GMSI and the Company and come back to it with a firm proposal for its consideration. Whilst on the subject, the Board noted that GMSI had approached the Company in the past and the Company had indicated its openness to consider the proposal on merits as it believed that the proposed takeover of GMSI would result in consolidation benefits in terms of creating the largest portfolio of gold assets held by one Company within India.

The Board of Directors had also recalled that as stated in the Company's 2018 Annual Report, the takeover of GMSI was sought to be achieved through a takeover of AIR which is a key shareholder of GMSI and a 'buy-out' of other interested GMSI shareholders. Further, the proposal was to be put to the Board of the Company and GMSI for their final approval as regards the terms and conditions of the transaction including but not limited to relevant valuation of shares and share exchange ratio at the appropriate time following which applicable shareholder and regulatory approvals will be sought.

By way of background, GMSI is a multi-metal exploration company based in Bangalore, India and has got a portfolio of mineral prospects which include mineral concession applications over the Kolar Gold Belt and the key Jonnagiri Gold Project in Andhra Pradesh over which it holds a granted and executed Mining Lease (ML) and has obtained all statutory permits and licenses for the Project.

**Note 26: Note on Right Issue**

During the financial year 2015-16 the company raised Rs.50.34 crores through Right Issues of equity shares. The shares were issued at issue price of Rs.17 per share (inclusive of premium of Rs.16 per share). The shares were issued at the ratio of 1:2 to the shareholders.

The paid up capital of the company prior to this Right issue stood at 5,92,18,250 equity shares of Re.1 each. Accordingly 2,96,09,125 equity shares were offered on Right Issue basis and the Issue was kept open from 14th October 2015 to 30th October, 2015.

The Rights Issue was subscribed 1.3 times of the issue size & the process of allotment was completed by November, 2015.

The shares so issued were admitted for listing/trading on the Bombay Stock Exchange (BSE) with effect from 11th November, 2015. The Right Issue fund raising was made by the Company for the following objects:

- Investment in Subsidiary Company
- General Corporate Purpose ; and
- Expenses for the Issue

Post the allotment of the shares under the Right Issue as discussed above, the promoters i.e. Rama Mines, Mauritius Limited, Mauritius held approximately 29% stake in the Company with the balance 71% being widely held with a significant participation by FIIs and Non-resident investors.

Utilization of proceeds of rights issue by the Company for the year ended 31st March, 2020 is as under:

(Amount in Rs.)

Proceeds from Rights Issue	Year ended 31st March, 2020		Year ended 31st March, 2019	
Opening balance		Nil		2,78,92,514
<b>Amount Utilized:</b>				
Expenses for the issue				
Rights Issue expenses				
<b>General Corporate Purposes:</b>				
Staff cost and other administration Expenses	Nil		2,24,38,688	
Exploration expenses and other expenses	Nil		54,53,826	
<b>Total:</b>	<b>Nil</b>		<b>2,78,92,514</b>	
Closing balance of Rights Issue proceeds		<b>NIL</b>		<b>NIL</b>

# DECCAN GOLD MINES LIMITED

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## DECCAN GOLD MINES LIMITED

### NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2020.

#### **Note 27: Fair Value measurement**

Financial Instrument by category and hierarchy

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

1. Fair value of cash and short-term deposits, trade and other short-term receivables, trade payables, other current liabilities, short term loans from banks and other financial institutions approximate their carrying amounts largely due to short term maturities of these instruments.
2. Financial instruments with fixed and variable interest rates are evaluated by the Company based on parameters such as interest rates and individual credit worthiness of the counterparty. Based on this evaluation, allowances are taken to account for expected losses of these receivables. Accordingly, fair value of such instruments is not materially different from their carrying amounts.

The fair values for loans, security deposits and investment in preference shares were calculated based on cash flows discounted using a current lending rate. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counter party credit risk.

The fair values of non-current borrowings are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy due to the use of unobservable inputs, including own credit risk. For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

#### **Note 28: Financial Risk Management**

Financial risk management objectives and policies

The Company's financial risk management is an integral part of how to plan and execute its business strategies. The Company's financial risk management policy is set by the Managing Board.

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, equity prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments and deposits, foreign currency receivables, payables and loans and borrowings.

The Company manages market risk through the managing board, which evaluates and exercises independent control over the entire process of market risk management. The managing board recommend risk management objectives and policies, which are approved by Senior Management.

#### **Market Risk- Interest rate risk**

Interest rate risk is the risk that the fair value of future cash flows of the financial instruments will fluctuate because of changes in market interest rates. In order to optimize the Company's position with regards to interest income and interest expenses and to manage the interest rate risk, treasury performs a comprehensive corporate interest rate risk management by balancing the proportion of fixed rate and floating rate financial instruments in its total portfolio.

#### **Note 29: Capital risk management**

The Company aim to manage its capital efficiently so as to safeguard its ability to continue as a going concern and to optimise returns to our shareholders.

The capital structure of the Company is based on management's judgement of the appropriate balance of key elements in order to meet its strategic and day-to-day needs. We consider the amount of capital in proportion to risk and manage the capital structure in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

The Company's policy is to maintain a stable and strong capital structure with a focus on total equity so as to maintain investor, creditors and market confidence and to sustain future development and growth of its business. The Company

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**DECCAN GOLD MINES LIMITED**
**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2020.**

will take appropriate steps in order to maintain, or if necessary, adjust, its capital structure.

**Note 30:** The outbreak of Coronavirus (COVID-19) pandemic globally and in India is causing significant disturbance and slowdown of economic activity. In many countries, businesses are being forced to cease or limit their operations for long or indefinite period of time. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services have triggered significant disruptions to businesses worldwide, resulting in an economic slowdown.

As the company is yet to commence mining operations there has been no impact of COVID-19 on the company's day to day operations. However, the recent COVID-19 lockdown coupled with the inordinate delay in grant of mineral concessions has had a significant impact on the Company's fund raising efforts and development of its Projects.

**Note 31:** Previous year figures have been re-grouped/reclassified wherever/necessary to make them comparable with current year.

As per our report of even date  
For **P.R. Agarwal & Awasthi**  
Chartered Accountants  
Firm Reg No.:117940W

**C.A.P.R. Agarwal**  
Partner  
Membership Number- 34147  
UDIN: 20034147AAAABG2815

Place : Mumbai  
Date : 18th May 2020

For and on behalf of Board of Directors

**Natesan Chinnapan**  
Director

**K.Karunakaran**  
Chief Financial Officer

Place : Bengaluru  
Date : 18th May 2020

**Sandeep Lakhwara**  
Managing Director

**S.Subramaniam**  
Company Secretary



# DECCAN GOLD MINES LIMITED

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## CONSOLIDATED FINANCIAL STATEMENTS

### INDEPENDENT AUDITOR'S REPORT

To the Members of  
**Deccan Gold Mines Limited,**

#### **Report on the Consolidated Financial Statements**

We have audited the accompanying consolidated Ind AS financial statements of **Deccan Gold Mines Limited** (herein referred to as "the Holding Company") and its subsidiary (the holding company and its subsidiary together referred to as "the Group"), comprising of the consolidated Balance Sheet as at March 31, 2020, the consolidated Statement of Profit and Loss (including other comprehensive income), the consolidated Cash Flow Statement and the consolidated statement of changes in equity for the year then ended, and a summary of significant accounting policies and other explanatory information (herein referred to as the consolidated Ind AS financial statements).

#### **Management's Responsibility for the Consolidated Financial Statements**

The Holding Company's Board of Directors is responsible for the preparation of these Ind AS 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 including other comprehensive income and consolidated cash flows and changes in equity 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 Ind AS consolidated financial statements by the Board of directors of the holding company, as aforesaid.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on these consolidated Ind AS 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 consolidated Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS 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 Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. 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 Ind AS 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 Ind AS financial statements.

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**CONSOLIDATED FINANCIAL STATEMENTS**

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**Opinion**

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors, referred to in the other matters paragraph below, the aforesaid consolidated Ind AS 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 including Ind AS, of the consolidated state of affairs of the group as at 31st March, 2020 and their consolidated loss and their consolidated cash flows and the consolidated changes in equity 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.4,42,153 thousand as at 31st March, 2020, total revenues of Rs.340 thousand and net cash out flows amounting to Rs.13,074 thousand for the year ended on that date, as considered in the consolidated Ind AS 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 Ind AS 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 Ind AS 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 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 Ind AS financial statements;
- b) In our opinion proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS 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 (including other comprehensive income ), and the Consolidated Cash Flow Statement and the consolidated statement of changes in equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements;
- d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards specified under section 133 of the Act, read with rule 7 of the Companies (Accounts) rules, 2014 as amended;
- e) On the basis of written representations received from the directors of the Holding Company as on March 31, 2020, 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, 2020, from being appointed as a director in terms of section 164(2) of the Act;
- f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our report dated 18th May 2020 in "Annexure I", which is based on the auditor's report of the subsidiary companies incorporated in India.
- g) 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) Amendment Rules, 2014 as amended, in our opinion and to the best of our information and according to the explanations given to us;

## DECCAN GOLD MINES LIMITED

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### CONSOLIDATED FINANCIAL STATEMENTS

- 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 **P R Agarwal & Awasthi**  
Chartered Accountants  
Firm Registration No 117940W

**CA Pawan K. Agarwal**  
Partner  
M No-034147  
UDIN: 20034147AAAABH4237

Place: Mumbai  
Date: 18th May 2020

## Annexure I

### Independent Auditor's report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

1. In conjunction with our audit of the consolidated Ind AS financial statements of **Deccan Gold Mines Limited** ("the Holding Company") and its Subsidiary companies (the holding company and its subsidiaries together referred to as "the Group"), as of and for the year ended 31 March 2020, we have audited the internal financial controls over financial reporting (IFCoFR) of the holding company and its one subsidiary incorporated in India as of that date.
2. **Management Responsibility for Internal Financial Controls**  
The respective Board of Directors of the Holding Company and its subsidiary companies, which are the companies incorporated in India are responsible for establishing and maintaining internal financial controls based on the criteria being specified by management. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the company's business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.
3. **Auditor's Responsibility**  
Our responsibility is to express an opinion on the Group's IFCoFR based on our audit. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India (ICAI) and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of IFCoFR, and the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate IFCoFR were established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the IFCoFR and their operating effectiveness. Our audit of IFCoFR included obtaining an understanding of IFCoFR, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Group's IFCoFR.
6. **Meaning of Internal Financial Controls over Financial Reporting**  
A company's IFCoFR is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone Ind AS financial statements for external purposes in accordance with generally accepted accounting principles including the Ind AS. A company's IFCoFR includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone Ind AS financial statements in accordance with generally accepted accounting principles including Ind AS, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the standalone Ind AS financial statements.
7. **Inherent Limitations of Internal Financial Controls over Financial Reporting**  
Because of the inherent limitations of IFCoFR, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also,

## DECCAN GOLD MINES LIMITED

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projections of any evaluation of the IFCoFR to future periods are subject to the risk that IFCoFR may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### 8. **Opinion**

In our opinion, the Holding Company has, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2020, based on the criteria being specified by management.

For **P R Agarwal & Awasthi**  
Chartered Accountants  
Firm Registration No 117940W

**CA Pawan K. Agarwal**  
Partner  
M No-034147  
UDIN: 20034147AAAABH4237

Place: Mumbai  
Date: 18th May 2020

## DECCAN GOLD MINES LIMITED

CIN: L51900MH1984PLC034662

CONSOLIDATED BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2020

(Amount in '000)

Particulars	Note No.	31st March, 2020	31st March, 2019
<b>ASSETS</b>			
<b>Non-current assets</b>			
a) Property, Plant & Equipment	2A	1,579	1,985
b) Capital Work In Progress	2B	3,29,798	3,16,243
c) Intangible Assets	2C	410	1,165
d) Intangible Assets under development	2D	37,926	30,540
e) Financial Assets			
(i) Loans	3	2,659	7,709
f) Other Non-current Assets	4	68,204	68,204
		<b>4,40,575</b>	<b>4,25,846</b>
<b>Current assets</b>			
a) Financial Assets			
(i) Trade receivables	5	156	156
(ii) Cash and cash equivalents	6	4,895	45,244
b) Current Tax Assets	7	2,957	2,692
c) Other current assets	8	38,616	38,302
		<b>46,624</b>	<b>86,393</b>
<b>TOTAL ASSETS</b>		<b>4,87,199</b>	<b>5,12,239</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
a) Share Capital	9	93,327	93,327
b) Other Equity	10	3,85,841	4,12,702
		<b>4,79,168</b>	<b>5,06,028</b>
<b>LIABILITIES</b>			
<b>1) Non-current liabilities</b>			
a) Employee Benefit obligation	11	2,530	3,692
b) Deferred Tax Liability	12	-	-
		<b>2,530</b>	<b>3,692</b>
<b>2) Current liabilities</b>			
a) Financial Liabilities			
(i) Trade payables	13	-	896
(ii) Other Financial Liabilities	14	2,735	465
b) Other Current Liabilities	15	635	1,066
c) Provisions	16	2,131	92
		<b>5,501</b>	<b>2,518</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>4,87,199</b>	<b>5,12,239</b>

Significant Accounting Policies

1

Notes are integral part of the balance sheet &amp; profit &amp; loss account

As per our report of even date

For **P.R. Agarwal & Awasthi**

Chartered Accountants

Firm Reg No.:117940W

**C.A.P.R. Agarwal**

Partner

Membership Number- 34147

UDIN: 20034147AAAABG2815

Place : Mumbai

Date : 18th May 2020

For and on behalf of Board of Directors

**Natesan Chinnapan**  
Director**Sandeep Lakhwara**  
Managing Director**K.Karunakaran**  
Chief Financial Officer**S.Subramaniam**  
Company Secretary

Place : Bengaluru

Date : 18th May 2020



# DECCAN GOLD MINES LIMITED

## CONSOLIDATED FINANCIAL STATEMENTS

### DECCAN GOLD MINES LIMITED

CIN: L51900MH1984PLC034662

## CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020

(Amount in '000)

Particulars	Note No.	For the year ended 31-03-2020	For the year ended 31-03-2019
<b>INCOME :</b>			
Other income	17	1,378	4,054
<b>Total Revenue</b>		<b>1,378</b>	<b>4,054</b>
<b>EXPENDITURE :</b>			
Employee benefits expenses	18	10,673	11,639
Finance costs	19	21	47
Depreciation and amortization expenses	20	1,161	2,548
Other expenses	21	16,214	18,819
<b>Total Expenditures</b>		<b>28,070</b>	<b>33,053</b>
<b>Profit before exceptional and extraordinary items and tax</b>		<b>(26,692)</b>	<b>(28,999)</b>
Exceptional items		-	-
<b>Profit before extraordinary items and tax</b>		<b>(26,692)</b>	<b>(28,999)</b>
<b>Extraordinary Items :</b>			
Exceptional/Prior Period Items		-	-
<b>Profit before tax</b>		<b>(26,692)</b>	<b>(28,999)</b>
<b>Tax expenses :</b>			
Current tax (Wealth Tax)		-	-
Deferred tax		-	(207)
<b>Profit (Loss) for the period from continuing operations</b>		<b>(26,692)</b>	<b>(28,792)</b>
Profit/(Loss) from discontinuing operations		-	-
Tax expenses of discontinuing operations		-	-
<b>Profit/(Loss) from discontinuing operations (after tax)</b>		<b>-</b>	<b>-</b>
<b>Profit (Loss) for the year</b>		<b>(26,692)</b>	<b>(28,792)</b>
Other Comprehensive Income		-	-
Defined benefit plan actuarial gains (loss)	22	(171)	(202)
<b>Total Comprehensive Income of the year</b>		<b>(26,863)</b>	<b>(28,994)</b>
Earnings per equity share: Basic (in Rs.)		(0.29)	(0.31)
Earnings per equity share: Diluted (in Rs.)		(0.29)	(0.31)
Significant Accounting Policies	1		
Notes are integral part of the balance sheet & profit & loss account			

AAs per our report of even date

For **P.R. Agarwal & Awasthi**

Chartered Accountants

Firm Reg No.:117940W

**C.A.P.R. Agarwal**

Partner

Membership Number- 34147

UDIN: 20034147AAAABG2815

Place : Mumbai

Date : 18th May 2020

For and on behalf of Board of Directors

**Natesan Chinnapan**  
Director

**K.Karunakaran**  
Chief Financial Officer

Place : Bengaluru  
Date : 18th May 2020

**Sandeep Lakhwara**  
Managing Director

**S.Subramaniam**  
Company Secretary

## DECCAN GOLD MINES LIMITED

## Consolidated Cash Flow Statement For the year ended 31st March, 2020

(Amount in '000)

PARTICULARS	31st March, 2020	31st March, 2019
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit / (Loss) before Tax and after Extraordinary items	(26,692)	(28,998)
Adjustment For :		
Depreciation	1,161	2,548
Provision for Gratuity	706	591
Interest & Finance charges	21	46
Interest received	(1,268)	(4,054)
Expenses on Employee Stock Option	-	-
<b>Operative Profit before Working Capital Changes</b>	<b>(26,071)</b>	<b>(29,867)</b>
Adjustment For :		
Trade Receivables	-	-
Other Receivables, Loans & Advances	4,737	(2,071)
Trade & Other payable	946	(737)
<b>Cash Generation from Operations</b>	<b>(20,388)</b>	<b>(32,675)</b>
Direct Taxes	(265)	135
<b>Net Cash Flow from operating activities</b>	<b>(20,654)</b>	<b>(32,540)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets and Advances	-	70
Increase in Intangible Assets under development	(7,386)	(5,454)
Increase in Capital Work in Progress	(13,555)	(21,638)
Purchase/Sale of Investment (Net)	-	-
Capital Advances Given	-	(68,204)
Interest Received	1,268	4,054
<b>Net Cash used in investing activities</b>	<b>(19,673)</b>	<b>(91,172)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Share Issue	-	-
Share Application Money Received	-	-
Finance charges & Others	(21)	(46)
<b>Net Cash used in financing activities</b>	<b>(21)</b>	<b>(46)</b>
<b>D. Net Change In Cash And Cash Equivalents (A+B+C)</b>	<b>(40,348)</b>	<b>(1,23,758)</b>
Cash and Cash Equivalents (Opening)	45,244	1,69,002
<b>Cash and Cash Equivalents (Closing)</b>	<b>4,895</b>	<b>45,244</b>

As per our report of even date  
For **P.R. Agarwal & Awasthi**  
Chartered Accountants  
Firm Reg No.:117940W

**C.A.P.R. Agarwal**  
Partner  
Membership Number- 34147  
UDIN: 20034147AAAABG2815  
Place : Mumbai  
Date : 18th May 2020

For and on behalf of Board of Directors

**Natesan Chinnapan**  
Director

**K.Karunakaran**  
Chief Financial Officer

Place : Bengaluru  
Date : 18th May 2020

**Sandeep Lakhwara**  
Managing Director

**S.Subramaniam**  
Company Secretary

# DECCAN GOLD MINES LIMITED

## DECCAN GOLD MINES LIMITED

### CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31<sup>ST</sup> MARCH,2020

#### A. Equity share capital

	Number	Amount ('000)
<b>Balance as at 1 April 2018</b>	<b>9,33,27,375</b>	<b>93,327</b>
Changes in equity share capital during 2018-19	-	-
<b>Balance as at 31 March 2019</b>	<b>9,33,27,375</b>	<b>93,327</b>
<b>Balance as at 1 April 2019</b>	<b>9,33,27,375</b>	<b>93,327</b>
Changes in equity share capital during 2019-20	-	-
<b>Balance as at 31 March 2020</b>	<b>9,33,27,375</b>	<b>93,327</b>

B. Other equity (Rs. In '000)						
	Reserves and surplus					
	Share Application Money Pending Allotment	Securities premium	Retained earnings	Capital Reserves	Employee Stock Option Outstanding	Total other Equity
<b>Balance as at 1 April 2018</b>	-	<b>7,37,095</b>	<b>(3,12,126)</b>	<b>16,726</b>	-	<b>4,41,695</b>
Received Further	-	-	-	-	-	-
Further Granted	-	-	-	-	-	-
Shares Issued	-	-	-	-	-	-
Profit for the year	-	-	(28,792)	-	-	(28,792)
Other comprehensive income	-	-	(202)	-	-	(202)
Total comprehensive income for the year	-	-	(28,994)	-	-	(28,994)
<b>Balance as at 31 March 2019</b>	-	<b>7,37,095</b>	<b>(3,41,119)</b>	<b>16,726</b>	-	<b>4,12,702</b>
<b>Balance as at 1 April 2019</b>	-	<b>7,37,095</b>	<b>(3,41,119)</b>	<b>16,726</b>	-	<b>4,12,702</b>
Received Further	-	-	-	-	-	-
Further Granted	-	-	-	-	-	-
Shares Issued	-	-	-	-	-	-
Profit for the year	-	-	(26,692)	-	-	(26,692)
Other comprehensive income	-	-	(171)	-	-	(171)
Total comprehensive income for the year	-	-	(26,863)	-	-	(26,863)
<b>Balance as at 31 March 2019</b>	-	<b>7,37,095</b>	<b>(3,67,983)</b>	<b>16,726</b>	-	<b>3,85,840</b>

As per our report of even date

For **P.R. Agarwal & Awasthi**

Chartered Accountants

Firm Reg No.:117940W

**C.A.P.R. Agarwal**

Partner

Membership Number- 34147

UDIN: 20034147AAAABG2815

Place : Mumbai

Date : 18th May 2020

For and on behalf of Board of Directors

**Natesan Chinnapan**

Director

**Sandeep Lakhwara**

Managing Director

**K.Karunakaran**

Chief Financial Officer

**S.Subramaniam**

Company Secretary

Place : Bengaluru

Date : 18th May 2020

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**NOTES TO CONSOLIDATED IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2020.**

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**1. SIGNIFICANT ACCOUNTING POLICIES FOR THE YEAR ENDED 31.03.2020****A. PRINCIPLES OF CONSOLIDATION**

The Consolidated Ind AS financial statements relate to Deccan Gold Mines Limited. ("the company") and its Subsidiary.

**A. Basis of preparation of financial statements**

These consolidated financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values, the provisions of the Companies Act, 2013 ('Act') (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

As the quarter and year-to-date figures are taken from the source and rounded to the nearest digits, the quarter figures in these financial statements added up to the figures reported for the previous quarters might not always add up to the year-to-date figures reported in these financial statements.

**B. Basis of consolidation**

Deccan Gold Mines Limited consolidates entities which it owns or controls. The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as disclosed in Note:31. Control exists when the parent has power over the entity, is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns by using its power over the entity. Power is demonstrated through existing rights that give the ability to direct relevant activities, those which significantly affect the entity's returns. Subsidiaries are consolidated from the date control commences until the date control ceases.

The financial statements of the Group companies are consolidated on a line-by-line basis and intra-group balances and transactions including unrealized gain / loss from such transactions are eliminated upon consolidation. These financial statements are prepared by applying uniform accounting policies in use at the Group. Non-controlling interests which represent part of the net profit or loss and net assets of subsidiaries that are not, directly or indirectly, owned or controlled by the company, are excluded.

Associates are entities over which the Group has significant influence but not control. Investments in associates are accounted for using the equity method of accounting. The investment is initially recognized at cost, and the carrying amount is increased or decreased to recognize the investor's share of the profit or loss of the investee after the acquisition date. The Group's investment in associates includes goodwill identified on acquisition.

**C. Use of estimates**

The preparation of the financial statements in conformity with Ind AS requires management to make estimates, judgements and assumptions. These estimates, judgements and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Application of accounting policies that require critical accounting estimates involving complex and subjective judgements and the use of assumptions in these financial statements have been disclosed in the notes. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the consolidated financial statements.

**B. SIGNIFICANT ACCOUNTING POLICIES****A. 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.

# DECCAN GOLD MINES LIMITED

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## NOTES TO CONSOLIDATED IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2020

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### B. Property, plant and equipment:

Fixed assets are stated at cost of acquisition less accumulated depreciation if any. Costs directly attributable to acquisition are capitalized until the property, plant and equipment are ready to use, as intended by management. The company depreciates property, plant and equipment over their estimated useful lives using the straight-line method. The estimated useful lives are as follows:

Vehicles	8 Years
Computers	3 Years
Furniture	10 Years
Office Equipment	10 Years
Plant & Machinery	10 Years
Software	3 Years

Depreciation methods, useful lives and residual value are reviewed periodically, including at each financial year end.

“Based on technical evaluation, the management believes that the useful lives as given above best represent the period over which management expects to use the assets. Hence the useful lives for these assets are different from the useful lives as prescribed under Part C of Schedule II of the Companies Act 2013”.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets and the cost of assets not put to use before such date are disclosed under 'Capital work – in - progress'. Subsequent expenditures relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the company and the cost of the item can be measured reliably. Repairs and maintenance costs are recognized in net profit in the Statement of Profit and Loss when incurred. The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognized in the Statement of Profit and Loss. Assets to be disposed off are reported at the lower of the carrying value or the fair value less cost to sell.

### C. Exploration and Evaluation Assets

Exploration and evaluation assets comprise capitalised costs which are attributable to the search for gold and related resources, pending the determination of technical feasibility and the assessment of commercial viability of an identified resource which comprises inter alia the following:

- researching and analysing historical exploration data;
- gathering exploration data through topographical, geo chemical and geo physical studies; exploratory drilling, trenching and sampling;
- determining and examining the volume and grade of the resource;
- surveying transportation and infrastructure requirements;

The above includes employee remuneration, cost of materials and fuel used, payments to contractors etc. As the intangible component represents an insignificant/indistinguishable portion of the overall expected tangible costs to be incurred and recouped from future exploitation, these costs along with other capitalised exploration costs are recorded as exploration and evaluation asset.

Exploration and evaluation costs are capitalised on a project by project basis pending determination of technical feasibility and commercial viability of the project and disclosed as a separate line item under non-current assets. They are subsequently measured at cost less accumulated impairment/provision. Once proved reserves are determined, exploration and evaluation assets are transferred to “Development” under capital work in progress. However, if proved reserves are not determined, the exploration and evaluation asset is derecognised.

### D. Development Expenditure

When proved reserves are determined, capitalised exploration and evaluation cost is recognised as assets under construction and disclosed as a component of capital work in progress under the head “Development”. All subsequent development expenditure is also capitalised.

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**NOTES TO CONSOLIDATED IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2020.**


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**E. Intangible assets:**

Intangible assets are stated at cost less accumulated amortization and impairment. Intangible assets are amortized over the irrespective individual estimated useful lives on a straight – line basis, from the date that they are available for use. The estimated useful life of an identifiable intangible asset is based on a number of factors including the effects of obsolescence, demand, competition and other economic factors (such as the stability of the industry and known technological advances) and the level of maintenance expenditures required to obtain the expected future cash flows from the asset. Amortization methods and useful lives are reviewed periodically including at each financial year end.

**F. Impairment of Assets**

An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value. An impairment loss is charged to the profit & loss account as and when an asset is identified as impaired. The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

**G. Investments****1. Financial instruments**

- i. Financial assets
- ii. Initial recognition and measurement

All financial assets and liabilities are initially recognized at fair value. Transaction cost that are directly attributable to the acquisition or issue of financial assets and financial liabilities which are not at fair value through profit or loss, are adjusted to the fair value on initial recognition. Purchase and sale of financial assets are recognized using trade date accounting.

**2. Subsequent measurement****a. Financial assets carried at amortised costs: (AC)**

Financial assets are subsequently measured at amortised costs if it is held within a business model and whose objective is to hold the asset in order to collect the contractual cash flows and contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal interest on the principal amount outstanding.

**b. Financial assets at fair value through other comprehensive income: (FVTOCI)**

A financial assets is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal interest on the principal amount outstanding.

**c. Financial assets at fair value through profit and loss (FVTPL)**

Financial assets which are not classified in any of the above categories are subsequently fair valued through profit or loss.

**3. Equity instruments**

All equity investments are measured at fair value, with value changes recognised in the statement of profit and loss, except for those equity investments for which the company has elected to present the value changes in 'other comprehensive income'.

**4. Investment in Subsidiaries and Associates and Joint Venture :**

The company has accounted for its investments in Subsidiaries and Associates and Joint Venture at cost and at amortised cost.

**H. Foreign Currency****Functional Currency**

The functional currency of the company is the Indian Rupee. The financial statements are presented in Indian Rupees(Rounded off to Thousands).

**Functional Currency**

Transactions and translations.

Foreign-currency denominated monetary assets and liabilities are translated into the relevant functional currency at exchange rates in effect at the balance sheet date. The gains or losses resulting from such translations are included in net profit in the Statement of Profit and Loss. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at fair value are translated at the exchange rate prevalent at the date when the fair value



# DECCAN GOLD MINES LIMITED

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## NOTES TO CONSOLIDATED IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2020.

was determined. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of the transaction.

Transaction gains or losses realized upon settlement of foreign currency transactions are included in determining net profit for the period in which the transaction is settled. Revenue, expense and cash flow items denominated in foreign currencies are translated into the relevant functional currencies using the exchange rate in effect on the date of the transaction.

### **I. Employee Benefits**

- a. Short Term Employee Benefits are recognized as an expense at the undiscounted amount in the profit and loss account of the year in which the related service is rendered.
- b. Post employment benefits are recognized as an expense in the Profit and Loss account for the year in which the employee has rendered services. The defined benefit obligation is provided for on the basis of an actuarial valuation on projected unit cost method.
- c. Long Term employee benefits are recognized as an expense in the Profit and Loss account for the year in which the employee has rendered services. The liabilities on account of leave encashment have been provided on basis of an actuarial valuation on projected unit cost method.

### **J. Taxation**

- a. 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.
- 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 Indian Accounting Standard 12 "Income Taxes" issued by The Institute of Chartered Accountants of India.

### **K. Borrowing Cost:**

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to revenue.

### **L. Provisions, Contingent Liabilities and Contingent Assets:**

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognised but are disclosed in the notes to the accounts. Contingent Assets are neither recognised nor disclosed in the financial statements.

### **M. Segmental 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 & Exploration.

NOTES TO CONSOLIDATED IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2020.

## NOTE - 2 : A) PROPERTY, PLANT AND EQUIPMENT

Details of the property, plant and equipment and their carrying amounts are as follows: (Rs. in '000)

Particulars	Plant & Equipment	Furniture & Fixtures	Vehicles	Office Equipment	Computer	TOTAL
<b>Balance as at 1 April 2018</b>	<b>1,161</b>	<b>868</b>	<b>3,673</b>	<b>721</b>	<b>1,728</b>	<b>8,151</b>
Additions	-	37	-	18	-	55
Acquisition through business combination	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
Revaluation increase	-	-	-	-	-	-
Net exchange differences	-	-	-	-	-	-
<b>Balance as at 31 March 2019</b>	<b>1,161</b>	<b>905</b>	<b>3,673</b>	<b>739</b>	<b>1,728</b>	<b>8,206</b>
Depreciation and impairment						
<b>Balance as at 1 April 2018</b>	<b>1,089</b>	<b>624</b>	<b>1,928</b>	<b>592</b>	<b>1,261</b>	<b>5,494</b>
Disposal	-	-	-	-	-	-
Net exchange differences	-	-	-	-	-	-
Depreciation	7	32	286	65	338	726
Balance as at 31 March 2019	1,096	656	2,214	657	1,599	6,221
<b>Carrying amount as at 31 March 2019</b>	<b>65</b>	<b>249</b>	<b>1,459</b>	<b>82</b>	<b>129</b>	<b>1,985</b>

Particulars	Plant & Equipment	Furniture & Fixtures	Vehicles	Office Equipment	Computer	TOTAL
<b>Gross carrying amount</b>						
<b>Balance as at 1 April 2019</b>	<b>1,161</b>	<b>905</b>	<b>3,673</b>	<b>739</b>	<b>1,728</b>	<b>8,206</b>
Additions	-	-	-	-	-	-
Acquisition through business combination	-	-	-	-	-	-
Held for sale or included in disposal group	-	-	-	-	-	-
Net exchange differences	-	-	-	-	-	-
<b>Balance as at 31 March 2020</b>	<b>1,161</b>	<b>905</b>	<b>3,673</b>	<b>739</b>	<b>1,728</b>	<b>8,206</b>
Depreciation and impairment						
<b>Balance as at 1 April 2019</b>	<b>1,096</b>	<b>656</b>	<b>2,214</b>	<b>657</b>	<b>1,599</b>	<b>6,220</b>
Net exchange differences	-	-	-	-	-	-
Held for sale or included in disposal group	-	-	-	-	-	-
Depreciation	7	33	287	19	62	407
<b>Balance as at 31 March 2020</b>	<b>1,103</b>	<b>688</b>	<b>2,500</b>	<b>676</b>	<b>1,660</b>	<b>6,627</b>
<b>Carrying amount as at 31 March 2020</b>	<b>58</b>	<b>217</b>	<b>1,173</b>	<b>63</b>	<b>68</b>	<b>1,579</b>

## Note - 2 :

## B) Capital Work In Progress

Particulars	(Amount in Rs. In '000)
Development of Ganajur Gold Mines	
Opening Balance as on 01/04/2018	2,94,605
Expenditure during the year	21,638
Less: Adjustment during the year	-
Closing balance as on 31/03/2019	3,16,243
Opening Balance as on 01/04/2019	3,16,243
Expenditure during the year	13,555
Less: Adjustment during the year	-
Closing balance as on 31/03/2020	3,29,798

# DECCAN GOLD MINES LIMITED

## NOTES TO CONSOLIDATED IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2020.

### Note - 2 :

(Rs. in '000)

#### C) Intangible Assets

Details of the Intangible Assets and their carrying amounts are as follows:

	Computer Software
<b>Gross carrying amount</b>	
Balance as at 1 April 2018	5,843
Additions	-
Acquisition through business combination	-
Disposals	-
Revaluation increase	-
Net exchange differences	-
<b>Balance as at 31 March 2019</b>	<b>5,843</b>
<b>Depreciation and impairment</b>	
Balance as at 1 April 2018	2,856
Disposal	-
Net exchange differences	-
Depreciation	1,822
<b>Balance as at 31 March 2019</b>	<b>4,678</b>
<b>Carrying amount as at 31 March 2019</b>	<b>1,165</b>
<b>Gross carrying amount</b>	
Balance as at 1 April 2019	5,843
Additions	-
Acquisition through business combination	-
Held for sale or included in disposal group	-
Net exchange differences	-
<b>Balance as at 31 March 2019</b>	<b>5,843</b>
<b>Depreciation and impairment</b>	
Balance as at 1 April 2019	4,678
Net exchange differences	-
Held for sale or included in disposal group	-
Depreciation	755
<b>Balance as at 31 March 2020</b>	<b>5,433</b>
<b>Carrying amount as at 31 March 2020</b>	<b>410</b>

#### Note - 2 : D) Intangible Assets under Development

Details of the Intangible Assets under development and their carrying amounts are as follows:

#### Exploration and Evaluation Assets

<b>Gross carrying amount</b>	
Balance as at 1 April 2018	25,086
Additions	5,454
<b>Balance as at 31 March 2019</b>	<b>30,540</b>
<b>Carrying amount as at 31 March 2019</b>	<b>30,540</b>
<b>Gross carrying amount</b>	
Balance as at 1 April 2019	30,540
Additions	7,386
<b>Balance as at 31 March 2020</b>	<b>37,926</b>
<b>Carrying amount as at 31 March 2020</b>	<b>37,926</b>

NOTES TO CONSOLIDATED IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2020.

(Rs. in '000)

	31st March, 2020	31st March, 2019
<b>Note - 3 : Loans</b>		
Security Deposits	2,659	7,709
<b>Total</b>	<b>2,659</b>	<b>7,709</b>
<b>Loans and advances to Holding Company</b>		
Secured, considered good		
Unsecured, considered good		
Doubtful		
Less: Provision for doubtful loans and advances		
<b>Total</b>	<b>2,659</b>	<b>7,709</b>
<b>Note - 4 : Other Non-Current Assets</b>		
Capital Advances	68,204	68,204
Preliminary Expenses	-	-
<b>Total</b>	<b>68,204</b>	<b>68,204</b>
<b>Note - 5 : Trade Receivables</b>		
Unsecured, Considered Good	156	156
Due from Subsidiary Co.	-	-
<b>Total</b>	<b>156</b>	<b>156</b>
<b>Note - 6 : Cash and cash equivalents</b>		
<b>Balances with banks</b>		
Balance with Banks	4,874	35,007
Bank deposits not having maturity more than 12 months	-	10,161
b. Cheques, drafts on hand		
Bank deposits not having maturity more than 12 months		
Cash on hand	21	75
<b>Total</b>	<b>4,895</b>	<b>45,244</b>
<b>Note - 7 : Current Tax Assets</b>		
Balance with Income Tax Authorities	2,957	2,692
<b>Total</b>	<b>2,957</b>	<b>2,692</b>
<b>Note - 8 : Other current assets</b>		
<b>Advances other than Capital Advances</b>		
-To Others	6,700	6,743
Balance with Government authorities:		
-Other than Income Tax	31,627	30,902
Prepaid Expenses	287	274
Interest Receivable	2	383
<b>Total</b>	<b>38,616</b>	<b>38,302</b>

# DECCAN GOLD MINES LIMITED

## NOTES TO CONSOLIDATED IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2020.

### Note 9: Share Capital

A	Authorised Share Capital	Equity Share	
		Number	Amount ('000)
	Beginning of the year at 1 April 2018	25,00,00,000	2,50,000
	Increase/(decrease) during the year	-	-
	<b>Total shares authorised as at 31 March 2019</b>	<b>25,00,00,000</b>	<b>2,50,000</b>
	Total shares authorised as at 1 April 2019	25,00,00,000	2,50,000
	Increase/(decrease) during the year	-	-
	<b>Total authorised share capital as at 31 March 2020</b>	<b>25,00,00,000</b>	<b>2,50,000</b>

#### Terms/rights attached to equity shares

The company has only one class of equity shares having par value of INR 1 per share.

B	Issued, Subscribed & fully Paid Up	Equity Share	
		Number	Amount ('000)
	Balance as at 1 April 2018	9,33,27,375	93,327
	Changes during the period	-	-
	<b>Balance as at 31 March 2019</b>	<b>9,33,27,375</b>	<b>93,327</b>
	Balance as at 1 April 2019	9,33,27,375	93,327
	Changes during the period	-	-
	<b>Shares issued and fully paid as at 31 March 2020</b>	<b>9,33,27,375</b>	<b>93,327</b>

### C. Shares held by holding/ultimate holding company including shares held by subsidiaries or associates of the holding company/ultimate holding company

31st March, 2020	31st March, 2019
-	-

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

Name of the shareholder	31st March, 2020		31st March, 2019	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Rama Mines (Mauritius) Limited	2,48,49,127	26.63%	2,50,97,868	26.89%

### E. Disclosure pursuant to Part I of Schedule 3 to the Companies Act :

Particulars	Aggregate No. of Shares (for last 5 Financial Years)
<b>Equity Shares :</b>	
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

NOTES TO CONSOLIDATED IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2020.

(Rs.in '000)

**Note 10 - Other Equity:**

	As at 31 March 2020	As at 31 March 2019
<b>Share Application Money Pending Allotment</b>		
Opening Balance	-	-
(+) Further received	-	-
(-) Transfer Pursuant to Allotment	-	-
Closing Balance	-	-
<b>Employee Stock Option Outstanding</b>		
Opening Balance	-	72,720
(+) Further Granted	-	-
(-) Transfer Pursuant to Allotment	-	(72,720)
Closing Balance	-	-
<b>Capital Reserves</b>		
Opening Balance	16,726	16,726
(+)/(-) Transfer	-	-
Closing Balance	16,726	16,726
<b>Securities Premium Account</b>		
Opening Balance	7,37,095	6,48,475
(+)/(-) Transfer	-	88,620
Closing Balance	7,37,095	7,37,095
<b>Retained Earnings</b>		
Opening balance	(3,41,119)	(3,12,126)
(+) Net Profit / (Net Loss) for the current year	(26,692)	(28,791)
Defined benefit plan actuarial gains (losses)	(171)	(202)
Closing Balance	(3,67,982)	(3,41,119)
<b>Total</b>	<b>3,85,841</b>	<b>4,12,702</b>
<b>Note - 11 : Employee Benefits</b>		
Gratuity	2,530	3,692
<b>Total</b>	<b>2,530</b>	<b>3,692</b>
<b>Note - 12 : Deferred tax Liability (Net)</b>		
<b>Deferred tax liability (A)</b>		
Net Block as per Companies Act	-	3,047
Net Block as per Income Tax Act	-	3,349
Difference	-	302
<b>Deferred tax liability</b>	<b>-</b>	<b>(79)</b>
<b>Deferred tax assets (B)</b>		
Disallowances u/s 40(a) & 43B	-	96
<b>Deferred tax assets (A-B)</b>	<b>-</b>	<b>25</b>
<b>Net Deferred Tax (Liability) (Closing)</b>	<b>-</b>	<b>-</b>



# DECCAN GOLD MINES LIMITED

## NOTES TO CONSOLIDATED IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2020

(Rs.in '000)

	As at 31 March 2020	As at 31 March 2019
<b>Note - 13 : Trade payables</b>		
<b>Unsecured :</b>		
Micro, Small and Medium Enterprises	-	-
Due to Holding Company	-	-
Due to Others	-	896
<b>Total</b>	<b>-</b>	<b>896</b>
<b>Note - 14 : Other Financial Liabilities</b>		
Outstanding Expenses	2,735	465
	<b>2,735</b>	<b>465</b>
<b>Note - 15 : Other Current Liabilities</b>		
Statutory dues	635	1,066
Advance from Holding Co.	-	-
<b>Total</b>	<b>1,066</b>	<b>1,368</b>
<b>Note - 16 : Provisions</b>		
<b>Provision for employee benefits :</b>		
Gratuity	2,131	92
<b>Total</b>	<b>2,131</b>	<b>92</b>

	For the year ended 31st March 2020	For the year ended 31st March 2019
<b>Note - 17 : Other income</b>		
Interest Income	1,268	4,054
Other Income	110	-
Exploration Contract Income	-	-
<b>Total</b>	<b>1,378</b>	<b>4,054</b>
<b>Note - 18 : Employee benefit expenses</b>		
Salaries & wages	9,319	10,281
Contributions to provident and other fund	706	591
Expenses on Employee Stock Option Scheme	-	-
Staff welfare expenses	648	767
<b>Total</b>	<b>10,673</b>	<b>11,639</b>
<b>Note - 19 : Finance costs</b>		
Interest expense	-	-
Bank Charges	21	47
<b>Total</b>	<b>21</b>	<b>47</b>

NOTES TO CONSOLIDATED IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2020.

(Rs.in '000)

	For the year ended 31st March 2020	For the year ended 31st March 2019
<b>Note - 20 : Depreciation &amp; Amortization Expenses</b>		
Depreciation on Tangible Assets	407	726
Depreciation on Intangible Assets	754	1,822
<b>Total</b>	<b>1,161</b>	<b>2,548</b>
<b>Note - 21 : Other expenses</b>		
Electricity Expenses	236	520
Listing Fees	533	500
Rent	2,862	2,731
Rates and taxes	152	110
Repair and maintenance	55	82
Managing Director Remuneration	8,400	8,400
Advertising and business promotion	82	243
Traveling and conveyance	498	340
Communication Expenses	406	496
Legal and professional fees	899	2,372
Director Sitting Fees	500	455
Auditor's remuneration	165	130
Insurance Charges	66	63
Office Maintaince	333	214
Membership & Subscription	43	154
Miscellaneous expenses	984	2,010
<b>Total</b>	<b>16,214</b>	<b>18,819</b>
<b>Payments to auditor</b>		
For Audit Fee	165	165
For Certification & Others	-	-
<b>Total</b>	<b>165</b>	<b>165</b>

# DECCAN GOLD MINES LIMITED

## NOTES TO CONSOLIDATED IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2020.

(Rs.in '000)

**Note - 22:** As per Indian Accounting Standard 19 "Employee Benefits", the disclosure of Employee benefits as defined in the Indian Accounting Standard are given below:

### Defined Benefit Plan:

#### Gratuity

##### 1) Reconciliation of opening and closing balances of Defined Benefit Obligation

Particulars	Gratuity Funded	
	2019-20	2018-19
Defined Benefit Obligation at the beginning of the year	3,784	2,992
Current Service Cost	431	368
Interest Cost	275	222
Past Service Cost	-	-
Actuarial (Gain)/Loss	171	202
<b>Defined Benefit Obligation at the end of the year</b>	<b>4,661</b>	<b>3,784</b>

##### 2) Reconciliation of opening and closing balances of fair value of Plan Assets

Particulars	Gratuity Funded	
	2019-20	2018-19
Fair Value of Plan Assets at the beginning of the year	-	-
Expected Return of Plan Assets	-	-
Actuarial (Gain)/Loss	-	-
Employer Contribution	-	-
Benefits Paid	-	-
Fair Value of Plan Assets at the end of the year	-	-
Actual Return of Plan Assets	-	-

##### 3) Reconciliation of Fair Value of Assets and Obligations

Particulars	Gratuity Funded	
	2019-20	2018-19
Fair Value of Plan Assets	-	-
Present Value of Obligation	4,301	3,784
<b>Amount recognised in Balance Sheet (Surplus/(Deficit))</b>	<b>4,301</b>	<b>3,784</b>

##### 4) Expenses recognised during the year

Particulars	Gratuity Funded	
	2019-20	2018-19
<b>In Income Statement</b>		
Current Service Cost	431	368
Interest Cost	275	222
Return on Plan Assets	-	-
Past Service Cost	-	-

NOTES TO CONSOLIDATED IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2020.

(Rs.in '000)

<b>Net Cost</b>	<b>706</b>	<b>590</b>
In Other Comprehensive Income	-	
Acturial (Gain)/Loss	171	202
<b>Net (Income) / Expense for the period Recognised in OCI</b>	<b>877</b>	<b>792</b>

## 5) Acturial Assumptions

Particulars	Gratuity Funded	
	2019-20	2018-19
Discount Rate(per annum)	6.45% -6.60%	7.35%
Rate of Escalation in Salary(per annum)	6.00%	6.00%

## 6) Sensitivity Analysis

Significant Acturial Assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and employee turnover. The sensitivity analysis below, have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The result of Sensitivity analysis is given :

Particulars	As at 31st March,2020		As at 31st March,2019	
	Decrease	Increase	Decrease	Increase
Change in discounting rate(delta effect of +/-0.5%)	4,658-151	4,383-104	3,806-100	3,577-93
Change in rate of Salary increase(delta effect of +/-0.5%)	4,442-141	4,612-150	3,641-93	3,722-100

These plans typically expose the Company to actuarial risks such as: investment risk, interest risk, longevity risk and salary risk.

- Investment risk:** The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds.
- Interest risk:** A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan debt investments.
- Longevity risk:** The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
- Salary risk:** The present value of the defined plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

# DECCAN GOLD MINES LIMITED

## NOTES TO CONSOLIDATED IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2020.

### Note - 23. 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	K.R. Krishnamurthy	Director & Chairman (Resigned on 30th April,2019)
4	V.K. Gaur	Director (Resigned on 21st May,2019)
5	Pratima Ram	Chairman (end of tenure -29th March, 2020)
6	Govind Samant	Director
7	Dr. Modali Hanuma Prasad	Director
8	Kaushik Mukherjee	Director (Resigned on 1st July 2019)
9	Natesan Chinnapan	Independent Director (Appointed on 12th April 2019)
10	Kailasam Sundaram	Independent Director (Appointed on 8th August,2019)
11	K. Karunakaran	Chief Financial Officer
12	S. Subramaniam	Company Secretary

#### b) Transactions with related parties:-

(Amount in '000)

Sr.No.	Nature	Year ended 31st March 2020	Year ended 31st March 2019
1	Managerial Remuneration paid to director	8,400	8,400
2	Directors Sitting Fees & Audit Committee fees	500	455
3	Remuneration paid to CFO	3,150	3,150
4	Remuneration paid to CS	3,990	3,990

### Note - 24: The particulars of Foreign Exchange Earnings and Expenditure are:

#### Earnings:

	Particulars	31st March,2020	31st March,2019
i	Exports	Nil	Nil

#### Expenditure:

Particulars	31st March,2020	31st March,2019
i Import of Materials	-	-
ii Professional Fees	2,570	1,689
iii Analysis Charges	-	-
iv Travelling & Other Expense	-	-
<b>Total</b>	<b>2,570</b>	<b>1,689</b>

**NOTES TO CONSOLIDATED IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2020.****Note-25 CONTINGENT LIABILITIES NOT PROVIDED FOR:**

(Amount in '000)

SL	Particulars	March 31, 2020	March 31, 2019
a)	Capital Commitments	NIL	NIL
b)	Claims against company not acknowledged as debts	NIL	NIL
c)	Contingent Liabilities	NIL	NIL

**Note-26 Earning Per Share**

SL	Particulars	March 31, 2020	March 31, 2019
a)	Net Profit available for Equity Shareholders (Rs in Thousands)	(26,863)	(28,994)
b)	Weighted Average Number of Shares (Nos)	9,33,27,375	9,33,27,375
c)	Basic Earning Per Share (in Rs.)	(0.29)	(0.31)
d)	Diluted Earning Per Share (in Rs.)	(0.29)	(0.31)

**Note- 27:** Acquiring significant stake in Geomysore Services (India) Private Limited (GMSI) primarily through takeover of Australian Indian Resources Limited, Australia (AIR):

At their meeting held on February 5, 2019, the Board of Directors of the Company authorised the management to initiate the process of obtaining valuations for GMSI and the Company and come back to it with a firm proposal for its consideration. Whilst on the subject, the Board noted that GMSI had approached the Company in the past and the Company had indicated its openness to consider the proposal on merits as it believed that the proposed takeover of GMSI would result in consolidation benefits in terms of creating the largest portfolio of gold assets held by one Company within India.

The Board of Directors had also recalled that as stated in the Company's 2018 Annual Report, the takeover of GMSI was sought to be achieved through a takeover of AIR which is a key shareholder of GMSI and a 'buy-out' of other interested GMSI shareholders. Further, the proposal was to be put to the Board of the Company and GMSI for their final approval as regards the terms and conditions of the transaction including but not limited to relevant valuation of shares and share exchange ratio at the appropriate time following which applicable shareholder and regulatory approvals will be sought.

By way of background, GMSI is a multi-metal exploration company based in Bangalore, India and has got a portfolio of mineral prospects which include mineral concession applications over the Kolar Gold Belt and the key Jonnagiri Gold Project in Andhra Pradesh over which it holds a granted and executed Mining Lease (ML) and has obtained all statutory permits and licenses for the Project.

**Note - 28: Note on Right Issue**

During the financial year 2015-16 the company raised Rs.50.34 crores through Right Issues of equity shares. The shares were issued at issue price of Rs.17 per share (inclusive of premium of Rs.16 per share). The shares were issued at the ratio of 1:2 to the shareholders.

The paid up capital of the company prior to this Right issue stood at 5,92,18,250 equity shares of Re.1 each. Accordingly 2,96,09,125 equity shares were offered on Right Issue basis and the Issue was kept open from 14th October 2015 to 30th October, 2015.

The Rights Issue was subscribed 1.3 times of the issue size & the process of the allotment was completed by November, 2015.

The shares so issued were admitted for listing/trading on the Bombay Stock Exchange (BSE) with effect from 11th November, 2015. The Right Issue fund raising was made by the Company for the following objects:

- Investment in Subsidiary Company
- General Corporate Purpose ; and
- Expenses for the Issue

Post the allotment of the shares under the Right Issue as discussed above, the promoters i.e. Rama Mines, Mauritius Limited, Mauritius held approximately 29% stake in the Company with the balance 71% being widely held with a significant participation by FIIs and Non-resident investors.



## DECCAN GOLD MINES LIMITED

### NOTES TO CONSOLIDATED IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2020.

Utilization of proceeds of rights issue by the Company is as under:

(Amount in Rs)

Proceeds from Rights Issue	Year ended 31st March,2020		Year ended 31st March,2019	
Opening balance		Nil		2,78,92,514
<b>Amount Utilized:</b>				
Expenses for the issue				
Rights Issue expenses				
<b>General Corporate Purposes:</b>				
Staff cost and other administration Expenses	Nil		2,24,38,688	
Exploration expenses and other expenses	Nil		54,53,826	
<b>Total:</b>	<b>Nil</b>		<b>2,78,92,514</b>	
Closing balance of Rights Issue proceeds		<b>NIL</b>		<b>NIL</b>

#### Note-29: Fair Value measurement

Financial Instrument by category and hierarchy

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

1. Fair value of cash and short-term deposits, trade and other short-term receivables, trade payables, other current liabilities, short term loans from banks and other financial institutions approximate their carrying amounts largely due to short term maturities of these instruments.
2. Financial instruments with fixed and variable interest rates are evaluated by the Company based on parameters such as interest rates and individual credit worthiness of the counterparty. Based on this evaluation, allowances are taken to account for expected losses of these receivables. Accordingly, fair value of such instruments is not materially different from their carrying amounts.

The fair values for loans, security deposits and investment in preference shares were calculated based on cash flows discounted using a current lending rate. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counter party credit risk.

The fair values of non-current borrowings are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy due to the use of unobservable inputs, including own credit risk. For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

#### Note-30: Financial Risk Management

##### Financial risk management objectives and policies

The Company's financial risk management is an integral part of how to plan and execute its business strategies. The Company's financial risk management policy is set by the Managing Board.

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, equity prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments and deposits, foreign currency receivables, payables and loans and borrowings.

The Company manages market risk through the managing board, which evaluates and exercises independent control over the entire process of market risk management. The managing board recommend risk management objectives and policies, which are approved by Senior Management.

NOTES TO CONSOLIDATED IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2020.**Market Risk- Interest rate risk**

Interest rate risk is the risk that the fair value of future cash flows of the financial instruments will fluctuate because of changes in market interest rates. In order to optimize the Company's position with regards to interest income and interest expenses and to manage the interest rate risk, treasury performs a comprehensive corporate interest rate risk management by balancing the proportion of fixed rate and floating rate financial instruments in its total portfolio.

**Note-31: Capital risk management****(a) Risk Management**

The Company aim to manages its capital efficiently so as to safeguard its ability to continue as a going concern and to optimise returns to our shareholders.

The capital structure of the Company is based on management's judgement of the appropriate balance of key elements in order to meet its strategic and day-to-day needs. We consider the amount of capital in proportion to risk and manage the capital structure in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

The Company's policy is to maintain a stable and strong capital structure with a focus on total equity so as to maintain investor, creditors and market confidence and to sustain future development and growth of its business. The Company will take appropriate steps in order to maintain, or if necessary, adjust, its capital structure.

**Note-32:** Previous year figures have been re-grouped/reclassified wherever/necessary to make them comparable with current year.

**Note-33:** The outbreak of Coronavirus (COVID-19) pandemic globally and in India is causing significant disturbance and slowdown of economic activity. In many countries, businesses are being forced to cease or limit their operations for long or indefinite period of time. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services have triggered significant disruptions to businesses worldwide, resulting in an economic slowdown.

As the company is yet to commence mining operations there has been no impact of COVID-19 on the company's day to day operations. However, the recent COVID-19 lockdown coupled with the inordinate delay in grant of mineral concessions has had a significant impact on the Company's fund raising efforts and development of its Projects.

**Note-34:** Additional Information pursuant to Para 2 of General Instructions for preparation of consolidated financial statements.

Name of the Entity in the Group	Net Assets, i.e., total assets minus total liabilities		Share in Profit/Loss		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As % of Consolidated Net Assets	Amount (Rs.in '000)	As % of Consolidated Profit/Loss	Amount (Rs.in '000)	As % of Consolidated Other Comprehensive Income	Amount (Rs.in '000)	As % of Consolidated Other Comprehensive Income	Amount (Rs.in '000)
Deccan Exploration Services Private Limited	91.25	4,37,229	12.59	(3,360)	Cannot be calculated	(3)	12.52	(3,362)

As per our report of even date  
For **P.R. Agarwal & Awasthi**  
Chartered Accountants  
Firm Reg No.:117940W

**C.A.P.R. Agarwal**  
Partner  
Membership Number- 34147  
UDIN: 20034147AAAABG2815  
Place : Mumbai  
Date : 18th May 2020

For and on behalf of Board of Directors

**Natesan Chinnapan**  
Director

**Sandeep Lakhwara**  
Managing Director

**K.Karunakaran**  
Chief Financial Officer

**S.Subramaniam**  
Company Secretary

Place : Bengaluru  
Date : 18th May 2020



**REGISTERED OFFICE**

Parinee Crescenzo, 803, 8th Floor, Opp. MCA Ground, C38-39, G Block, Bandra Kurla Complex,  
Bandra (E), Mumbai – 400 051. Tel : 91-022-61554797 Fax : 91-22-67084655  
Email : [info@deccangoldmines.com](mailto:info@deccangoldmines.com) Website : [www.deccangoldmines.com](http://www.deccangoldmines.com)

**CORPORATE OFFICE**

No. 5, 19th Main Road, 4th Sector HSR Layout, Bengaluru-560102  
Tel : +91 80 67155700 Fax : +91 80 67155701  
Email : [info@deccangoldmines.com](mailto:info@deccangoldmines.com) Web : [www.deccangoldmines.com](http://www.deccangoldmines.com)

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## NOTICE OF ANNUAL GENERAL MEETING

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**NOTICE** is hereby given that the Thirty Sixth (36th) Annual General Meeting of the Members of **Deccan Gold Mines Limited** (CIN: L51900MH1984PLC034662) ('the Company') will be held at 11.00 a.m. on Tuesday, December 22, 2020 through Video Conferencing (VC) / Other Audio Visual Means (OAVM), to transact the following business:

### AS ORDINARY BUSINESS:

**1. Adoption of Financial Statements**

To receive, consider and adopt the Audited Financial Statements, including the Consolidated Financial Statements of the Company, for the financial year ended March 31, 2020 together with the Board's Report and Auditors' Report thereon.

**2. Re-appointment of Mr. Govind Subhash Samant (DIN: 07984886) who retires by rotation**

To appoint a Director in place of Mr Govind Subhash Samant (DIN: 07984886), who retires by rotation and being eligible, has offered himself for reappointment.

### AS SPECIAL BUSINESS:

**3. Re-appointment of Mr. Sandeep Lakhwara (DIN: 01049978) as Managing Director of the Company for the period from May 1, 2020 to April 30, 2021 and approve payment of remuneration**

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

**"RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 203 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") read with Schedule V to the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and any other Rules framed there under (including any statutory modification(s) or re-enactment or amendments thereof for the time being in force), pursuant to the recommendation of Nomination and Remuneration Committee and approval of the Board, consent of the Members of the Company be accorded for re-appointment of Mr Sandeep Lakhwara (DIN: 01049978) as Managing Director of the Company from May 1, 2020 to April 30, 2021 on the terms and conditions including those relating to remuneration as set out under the Statement setting out the material facts annexed to this Notice dated November 12, 2020 for Item No. 3.

**RESOLVED FURTHER THAT** the Board of Directors ("Board") / Nomination and Remuneration Committee of Directors ("NRC") of the Company be authorised to alter and vary the terms and conditions of the said appointment including authority from time to time to determine the amount of salary, Performance Linked Incentive as also the type and amount of perquisites, other benefits and allowances payable to Mr Sandeep Lakhwara in such manner as may be agreed to between the Board / NRC and Mr Sandeep Lakhwara, subject to the limits prescribed under Section 197 and Schedule V to the Act (including any amendment, modification, variation or re-enactment thereof) and to do all such acts, deeds, matters and things and execute all such agreements, documents, instruments and writings as may be required in regard to the said appointment as it may in its sole and absolute discretion deem fit, to give effect to this resolution without being required to seek any further consent or approval of the shareholders."

**4. Appointment of Mrs. Revathi Thiruvengadam (DIN: 01119311) as Non-Executive & Independent Director**

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, Regulation 16 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Rules framed there under (including any statutory modifications or re-enactment thereof for the time being in force), Mrs Revathi Thiruvengadam (DIN: 01119311)

## DECCAN GOLD MINES LIMITED

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who was appointed as an Additional Director (Non- Executive & Independent Director) of the Company w.e.f. June 16, 2020 and who holds office till the date of ensuing Annual General Meeting, and who fulfills the qualifications for being appointed as an Independent Director, and for whom the Company has received a notice under Section 160 of the Act from a shareholder proposing her candidature for the office of Director of the Company, be appointed as an Independent Director of the Company not liable to retire by rotation to hold office for a period of 2 (Two) years up to June 15, 2022.”

“**RESOLVED FURTHER THAT** the Board of Directors of the Company and Mr. Subramaniam S., Company Secretary of the Company be and is hereby authorized to do all such acts, deeds and things as are necessary to give effect to this Resolution.”

By order of the Board of Directors  
For **Deccan Gold Mines Limited**

**Subramaniam S.**  
Company Secretary  
ACS No 12110

Registered Office:  
Parinee Crescenzo, 803, 8th Floor,  
Opp. MCA Ground, C38-39, G Block,  
Bandra Kurla Complex, Bandra (East),  
Mumbai 400051  
CIN: L51900MH1984PLC034662

Place : Bengaluru  
Date : November 12, 2020

### Notes:

1. In view of the massive outbreak of the COVID-19 pandemic, social distancing is a norm to be followed and pursuant to the Circular No. 14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020 issued by the Ministry of Corporate Affairs followed by Circular No. 20/2020 dated May 05, 2020, physical attendance of the Members to the AGM venue is not required and annual general meeting (AGM) be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.
2. Pursuant to the Circular No. 14/2020 dated April 08, 2020, issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, the Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate thereat and cast their votes through e-voting.
3. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
4. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
5. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-voting system as well as venue voting on the date of the AGM will be provided by NSDL.
6. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at [www.deccangoldmines.com](http://www.deccangoldmines.com). The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com) and the AGM Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
7. AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 08, 2020 and MCA Circular No. 17/2020 dated April 13, 2020 and MCA Circular No. 20/2020 dated May 05, 2020.



## DECCAN GOLD MINES LIMITED

### THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING ARE ASUNDER:-

The remote e-voting period begins on Saturday, December 19, 2020 at 09:00 A.M. and ends on Monday, December 21, 2020 at 05:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter.

#### How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of “Two Steps” which are mentioned below:

**Step 1: Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>**

**Step 2: Cast your vote electronically on NSDL e-Voting system.**

#### Details on Step 1 is mentioned below:

##### How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholders’ section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Your password details are given below:
  - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
  - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the ‘initial password’ which was communicated to you. Once you retrieve your ‘initial password’, you need to enter the ‘initial password’ and the system will force you to change your password.

- c) How to retrieve your 'initial password'?
- (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
  - (ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered**
6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
- a) Click on "**Forgot User Details/Password?**" (If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - b) **Physical User Reset Password?** (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address.
  - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

### Details on Step 2 is given below:

#### How to cast your vote electronically on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
3. Select "EVEN" of company for which you wish to cast your vote.
4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
6. Upon confirmation, the message "Vote cast successfully" will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

# DECCAN GOLD MINES LIMITED

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## General Guidelines for shareholders

1. 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. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [hsk@rathiandassociates.com](mailto:hsk@rathiandassociates.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “**Forgot User Details/ Password?**” or “**Physical User Reset Password?**” option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990 or send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).

## Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to [dgmlagm@deccangoldmines.com](mailto:dgmlagm@deccangoldmines.com)
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to [dgmlagm@deccangoldmines.com](mailto:dgmlagm@deccangoldmines.com)
3. Alternatively member may send an e-mail request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) for obtaining User ID and Password by providing the details mentioned in Point (1) or (2) as the case may be.

## THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

## INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access the same at <https://www.evoting.nsdl.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members

login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush. Further members can also use the OTP based login for logging into the e-Voting system of NSDL.

2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views / ask questions as a Speaker during the meeting may pre-register themselves by sending a request from their registered email ID mentioning their name(s), DP id and Client ID / Folio No, PAN and Mobile Number at [dgmlagm@deccangoldmines.com](mailto:dgmlagm@deccangoldmines.com) to reach on or before December 17, 2020. Those Members who have pre-registered themselves as a Speaker will only be allowed to express their views / ask questions during the AGM.
6. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.
7. Shareholders who wish to express their views / have questions may send their views / questions in advance mentioning their name(s), DP id and Client ID / Folio No, PAN and Mobile Number at [dgmlagm@deccangoldmines.com](mailto:dgmlagm@deccangoldmines.com) to reach on or before December 17, 2020. The same will be replied by the Company suitably.

## DECCAN GOLD MINES LIMITED

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### STATEMENT SETTING OUT MATERIAL FACTS UNDER SECTION 102 OF THE COMPANIES ACT, 2013

#### Item No. 3

The Board of Directors in their meeting held on April 30, 2020 approved re-appointment of Mr Sandeep Lakhwara (DIN: 01049978) as Managing Director of the Company for a period of one year from May 1, 2020 to April 30, 2021 subject to the approval of shareholders.

Mr Sandeep has been the Managing Director of the Company since July, 2002 and is primarily responsible for the acquisition, growth and development of Deccan Gold Mines Limited. He has several years of experience advising junior Australian exploration and mining companies on development strategies. Educated at Curtin University in Western Australia and a member of the Australian Society of Certified Practising Accountants (CPAs), Mr Sandeep has been a principal and partner of several Australian based accounting practices specializing in capital raisings for the mineral industry, financial planning and corporate regulatory requirements for publicly listed companies. He lived in Australia for 25 years, headed various organisations in the past, at times taking small start-ups to fully developed successful businesses and moved to Bangalore, India during 2002 to oversee the development of the Company's mineral exploration projects in India.

Mr Sandeep has made various presentations on factors influencing gold pricing, the operation and business model of international mineral exploration companies, and is regularly called upon to contribute articles on the gold mining industry to electronic and print media.

It is proposed to re-appoint Mr Sandeep Lakhwara as Managing Director of the Company for a period of one year from May 1, 2020 to April 30, 2021 as per the terms and conditions set out below:

**Salary & Allowances (Remuneration):** INR 700,000 per month

In the event of loss or inadequacy of profits during the tenure of the Managing Director, he shall be entitled for a minimum remuneration of Rs. 700,000 per month as per the provisions of Section II of Schedule V of the Companies Act, 2013.

No sitting fee shall be paid to Mr Sandeep Lakhwara for attending Board Meetings of the Company.

The above particulars may be treated as an abstract pursuant to Section 190 of the Companies Act, 2013.

Mr Sandeep Lakhwara is interested/ concerned in the resolution regarding his appointment and terms and conditions.

Name of the Director	Financial interest	Other interest
Mr Sandeep Lakhwara	Remuneration details as mentioned in the Explanatory Statement of this Notice	1,132,500 equity shares held in the Company (as on March 31, 2020)

Apart from the aforesaid persons, 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 are concerned or interested in the above resolution.

#### Item No. 4:

Since the date of last Annual General Meeting, based on the recommendation of the Nomination & Remuneration Committee and pursuant to Regulation 16 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the Board of Directors on June 16, 2020 had appointed Mrs Revathi Thiruvengadam (DIN: 01119311) as Additional Director (Independent & Non-Executive) to hold office up to the date of the ensuing Annual General Meeting and she is eligible for appointment as an Independent Director of the Company.

Pursuant to the provisions of Section 149 and other applicable provisions of the Companies Act, 2013 with respect to appointment and tenure of Independent Directors which came into effect from April 1, 2014, 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.

Mrs Revathi has given a declaration that she meets the criteria of independence as provided under Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015. In the opinion of the Board, Mrs Revathi fulfils 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 believe that the vast experience and knowledge of the aforesaid director in the field of law shall be beneficial for the progress of the Company. Hence in the interest of the Company, the Board recommends the appointment of Mrs Revathi Thiruvengadam as Independent Director.

The draft letter of appointment of aforesaid Independent Director, setting out the terms and conditions is available for inspection by the Members electronically from the date of dispatch of Notice of Annual General Meeting (AGM) onwards till the conclusion of the AGM.

Apart from Mrs Revathi Thiruvengadam, 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 resolutions included under Item No. 4.



## DECCAN GOLD MINES LIMITED

### Profile of the Directors being appointed / re-appointed as required under Regulation 36 of the SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 and Secretarial Standards – 2

#### (1) Mr Sandeep Lakhwara:

Age (Date of Birth)	September 5, 1955
Date of appointment on the Board	July 31, 2002
Term	May 1, 2020 to April 30, 2021
Educational Qualification	B.Bus., CPA (Australia)
Background details, Recognition or awards and Experience & Expertise in functional areas	Mr Sandeep has been the Managing Director of the Company since July, 2002 and is primarily responsible for the acquisition, growth and development of Deccan Gold Mines Limited. He has several years of experience advising junior Australian exploration and mining companies on development strategies. Educated at Curtin University in Western Australia and a member of the Australian Society of Certified Practising Accountants (CPAs), Mr Sandeep has been a principal and partner of several Australian based accounting practices specializing in capital raisings for the mineral industry, financial planning and corporate regulatory requirements for publicly listed companies. He lived in Australia for 25 years, headed various organisations in the past, at times taking small start-ups to fully developed successful businesses and moved to Bangalore, India during 2002 to oversee the development of the Company's mineral exploration projects in India.
Shareholding in the Company	1,132,500 shares (as on March 31, 2020)
Terms and Condition of appointment (Other brief terms also required to be stated)	Executive Director
Details of Remuneration sought to be paid	Rs.700,000 per month
Remuneration last drawn	Rs. 700,000 per month
Number of Meetings attended during the year	5
Relationship with other Director, Manager and other Key Managerial Personnel of the Company	Mr Sandeep is not related to any other director of the Company.
Other membership / Chairmanship of Committees of the Boards	Member of Stakeholders Relationship Committee.
Directorship in other Indian Public Limited Companies as on March 31, 2020	Nil

**(2) Mr Govind Subhash Samant:**

Age (Date of Birth)	July 20, 1978
Date of appointment on the Board	December 12, 2017
Term	Liable to retire by rotation
Educational Qualification	Engineer
Background details, Recognition or awards and Experience & Expertise in functional areas	Mr Samant is an entrepreneur based in Thailand and is a long-term shareholder of the Company holding a significant stake. Mr Samant has a keen understanding and appreciation of the business model of exploration and mining companies.
Shareholding in the Company	3,247,157 shares (as on March 31, 2020)
Terms and Condition of appointment (Other brief terms also required to be stated)	Non-executive & Non-Independent Director
Details of Remuneration sought to be paid	Nil
Remuneration last drawn	N.A.
Number of Meetings attended during the year	5 meetings attended through Audio / Visual means
Relationship with other Director, Manager and other Key Managerial Personnel of the Company	Mr. Samant is not related to any other director of the Company.
Other membership / Chairmanship of Committees of the Boards	Nil
Directorship in other Indian Public Limited Companies as on 31st March, 2018	Nil

**(3) Mrs Revathi Thiruvengadam:**

Age (Date of Birth)	September 2, 1966
Date of appointment on the Board	June 16, 2020
Term	Two years (not liable to retire by rotation)
Educational Qualification	Bachelor's Degree in Arts & Education from Sathya Sai University Law Degree from University of Bangalore
Background details, Recognition or awards and Experience & Expertise in functional areas	Presently based in Bangalore, Mrs Revathi is a Senior Partner of Thiru & Thiru, a LEGAL 500 recommended law firm. Upon being called to the Bar in 1992 she joined Thiru & Thiru and played a pivotal role in the development and expansion of the firm. She is a Registered Indian Patent Agent and a Trade Mark Attorney and heads the Intellectual Property practice. She also specialises in Real Estate, Debt Recovery and Banking law. In addition to this, she is an accredited trained mediator.
Shareholding in the Company	Nil
Terms and Condition of appointment (Other brief terms also required to be stated)	Independent & Non-executive Director
Details of Remuneration sought to be paid	Nil
Remuneration last drawn	Not applicable

## DECCAN GOLD MINES LIMITED

Number of Meetings attended during the year	Not applicable (appointed on June 16, 2020)
Relationship with other Director, Manager and other Key Managerial Personnel of the Company	Mrs Revathi Thiruvengadam is not related to any other director of the Company.
Other membership / Chairmanship of Committees of the Boards	Nil
Directorship in other Indian Public Limited Companies as on 31st March, 2020	Nil

Mr Sandeep Lakhwara, Mr Govind Subhash Samant and Mrs Revathi Thiruvengadam are interested in the respective resolution for their appointment as Director. No other Directors of the Company are interested in the resolutions stated in Agenda Item Nos. 2 to 4.

Your Directors recommend the resolutions as specified in Item Nos. 2 to 4 for your approval.

By order of the Board of Directors  
For **Deccan Gold Mines Limited**

**Subramaniam S.**  
Company Secretary  
ACS No 12110

Registered Office:  
Parinee Crescenzo, 803, 8th Floor,  
Opp. MCA Ground, C38-39, G Block,  
Bandra Kurla Complex, Bandra (East),  
Mumbai 400051  
CIN: L51900MH1984PLC034662

Place : Bengaluru  
Date : November 12, 2020