



AUDITORS' REPORT

To

The Members

We have audited the attached Balance Sheet of **DECCAN GOLD MINES LIMITED**, as at 31st March 2007 and also the Profit and Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

1. As required by the Companies (Auditor's Report) Order, 2003 (as amended) issued by the Central Government of India in terms of sub-section (4A) of Section 227 of The Companies Act, 1956 we enclose the annexure statement on the matters specified in paragraphs 4 and 5 of the Order.
2. Further to our comments in the Annexure referred to in Paragraph 1 above, we report that:
 - a. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c. The Balance Sheet, Profit & Loss Account and the Cash Flow Statement referred to in this report are in agreement with the books of account.
 - d. In our opinion the Balance Sheet, Profit & Loss Account and the Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956.
 - e. On the basis of written representations received from directors as on 31st March, 2007 and taken on record by the Board of Directors, we report that none of the Directors are disqualified as on 31st March, 2007 from being appointed as a director in terms of clause (g) of sub-section (i) of section 274 of the Companies Act, 1956.
 - f. In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the notes thereon give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - i. In the case of **Balance Sheet**, of the state of affairs of the Company as at **31st March, 2007**, and
 - ii. In the case of **Profit & Loss Account**, of the **LOSS** of the company for the year ended on that date, and
 - iii. In the case of **Cash Flow Statement**, of the Cash flows for the year ended on that date.

For **V. K. BESWAL & ASSOCIATES**
CHARTERED ACCOUNTANTS

(R. P. LADDHA)
PARTNER
Membership Number: 48195

Place : Mumbai
Dated : 25th October, 2007



RE : DECCAN GOLD MINES LIMITED

(FORMERLY WIMPER TRADING LIMITED)

ANNEXURE TO THE AUDITOR'S REPORT OF EVEN DATE

(Referred to in paragraph 2 thereof)

1. In respect of Fixed Assets –
 - a) The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - b) The fixed assets have been physically verified by the management at reasonable intervals during the year. We are informed that no material discrepancies were noticed by the management on such verification.
 - c) Based on our scrutiny of the records of the company and the information & explanation received by us, we report that there were no sales of fixed assets during the year. Hence, the question of reporting whether the sale of any substantial part of fixed assets has affected the going concern of the company does not arise.
2. As the company has not purchased or sold any goods during the year, nor does the company have any opening stock, therefore the requirement to report the physical verification of stocks or maintenance of inventory records in our opinion, does not arise.
3. The company has not granted or taken any loans to/from companies, firms or other party covered in the register maintained u/s.301 of the Companies Act, 1956.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchases of fixed assets. During the course of audit, we have not observed any continuing failure to correct major weaknesses in internal control.
5. In our opinion and according to the information and explanations given to us, the company activities do not include purchase of inventory and sale of goods Further, on the basis of our examination of the books and records of the company, carried out in accordance with the auditing standards generally accepted in India and according to the information and explanations given to us, we have neither come across nor have we been informed of any continuing failure to correct weaknesses in the aforesaid internal control system.
 - a) Based on the audit procedures applied by us and the information and explanations provided by the management, we are of the opinion that the transactions that need to be entered into the register maintained under section 301 have been so entered.
 - b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 and exceeding the value of five lakh rupees in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
6. In our opinion and according to the information and explanations given to us since the company has not accepted any deposits from public within the meaning of section 58-A, 58AA or any other provision of the Act, the question of compliance with the provisions of section 58A, 58AA or any other provisions of the Act does not arise.
7. In our opinion the Company has an internal audit system commensurate with its size and nature of its business.
8. As informed to us, the Central Government has not prescribed the maintenance of Cost records under section 209(1)(d) of the Companies Act, 1956.
9.
 - a) According to the records of the company, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues, including Provident Fund, Employees State Insurance, Income Tax, Sales Tax, Wealth Tax, Custom Duty, Excise Duty, Cess and other statutory dues applicable to it.
 - b) According to information & explanation given there were no undisputed amounts payable in respect of income tax, wealth tax, service tax, sales tax, custom duty, excise duty, cess & other statutory dues which remained outstanding as at 31st March, 2007 for a period more than six months from the date they became payable.



10. The accumulated losses of the company are not more than 50% of its net worth as at 31st March 2007. The company has incurred a cash loss of Rs. 24,48,926 in the current financial year and Rs.25,94,570 in the financial year (immediately preceding financial year).
11. According to the records of the company, the company has not borrowed from financial institutions or banks or issued any debentures during the year, Hence in our opinion, the question of reporting on defaults in repayment of dues to financial institutions or banks or debenture holders does not arise.
12. According to the information and explanation given to us the company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures or other securities.
13. In our opinion, and to the best of our information and according to the explanations provided by the management, we are of the opinion that the company is neither a Chit Fund nor a nidhi /mutual benefit society. Hence, in our opinion, the requirements of para 4 (xiii) of the Order do not apply to the company.
14. As per records of the company and information and explanations given to us by the management, company is not dealing or trading in shares, securities, and debentures and other investments.
15. The company has not given guarantee in connection with loans taken by others from banks.
16. According to the records of the company, the Company has not taken any term loan. Hence, comments under the clause are not required.
17. According to the information and explanations given to us and, on an overall examination of the balance sheet of the company, we report that no funds raised on short-term basis have been used for long-term investment by the company.
18. According to the records of the company and the information and explanations provided by the management, the company has not made any preferential allotment of shares to parties and companies covered in the register maintained u/s.301 of the Act.
19. No debentures have been issued by the Company during the year and hence, the question of creating securities in respect thereof does not arise.
20. The company has raised money by public issues during the period covered by our audit report. The end use of moneys raised by public issue as disclosed in the financial statements has been verified by us and found to be in order.
21. Based upon the audit procedures performed and information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

For **V. K. BESWAL & ASSOCIATES**
CHARTERED ACCOUNTANTS

(R. P. LADDHA)
PARTNER
Membership Number: 48195

Place : Mumbai
Dated : 25th October, 2007



DECCAN GOLD MINES LIMITED

(FORMERLY WIMPER TRADING LIMITED)

BALANCE SHEET AS AT 31st MARCH, 2007

	Schedule	As at 31.03.2007 (Rs. '000)	As at 31.03.2006 (Rs. '000)
A. SOURCES OF FUNDS:			
Share Capital	A	58,450.00	51,450.00
Monies pending Allotment		16,726.31	-
Reserves & Surplus	B	96,529.80	-
TOTAL		171,706.11	51,450.00
B. APPLICATIONS OF FUND:			
FIXED ASSETS:			
Gross Block	C	8,015.16	8,015.16
Less: Depreciation		4,661.24	3,267.27
Net Block		3,353.92	4,747.89
INVESTMENTS	D	86,350.00	100.00
CURRENT ASSETS, LOANS & ADVANCES			
Cash & Bank Balances	E	20,833.89	767.18
Loans & Advances		6,949.48	1,450.96
		27,783.37	2,218.14
Less: Current Liabilities & Provisions	F	2,306.39	4,358.40
NET CURRENT ASSETS		25,476.98	(2,140.26)
Misc. Expenditure (to the extent not written off or adjusted)	G	-	1,218.23
Pre-Operative Expenditure	H	37,897.88	32,808.41
		37,897.88	34,026.64
Profit & Loss Account		18,627.33	14,715.73
TOTAL		171,706.11	51,450.00
Significant Accounting Policies & Notes to the Accounts	K		

As per our report of even date,

For **V. K. BESWAL & ASSOCIATES,**
CHARTERED ACCOUNTANTS

For and on behalf of the board

(R. P. LADDHA)
PARTNER
M.No.48195**Sandeep Lakhwara**
Managing Director**M. Ramakrishnan**
DirectorPlace: Mumbai
Dated: 25th October, 2007**K. R. Krishnamurthy**
Director**S. Subramaniam**
Company SecretaryPlace: Bangalore
Dated: 25th October, 2007



DECCAN GOLD MINES LIMITED

(FORMERLY WIMPER TRADING LIMITED)

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2007

	Schedule	Year Ended 31.03.2007 (Rs. '000)	Year Ended 31.03.2006 (Rs. '000)
<u>INCOME</u>			
Operational Income	I	-	3,954.90
Interest on Term Deposit		4,503.49	169.63
		<u>4,503.49</u>	<u>4,124.53</u>
<u>EXPENDITURE</u>			
Administrative & Other Expenses	J	8,346.39	9,122.53
		<u>8,346.39</u>	<u>9,122.53</u>
Profit/(Loss) before Taxation		(3,842.90)	(4,998.00)
Less/(Add): Provision for Taxation (FBT)		68.70	19.00
Profit/(Loss) for the Year		<u>(3,911.60)</u>	<u>(5,017.00)</u>
Add: Balance brought forward		(14,715.73)	(9,698.73)
Balance transferred to Balance sheet		<u>(18,627.33)</u>	<u>(14,715.73)</u>
Basic EPS		(0.07)	(0.10)
Diluted EPS		(0.00)	(0.10)

Significant Accounting Policies & Notes to the Accounts K

As per our report of even date,
For V. K. BESWAL & ASSOCIATES,
 CHARTERED ACCOUNTANTS

For and on behalf of the board

(R. P. LADDHA)
 PARTNER
 M.No.48195

Sandeep Lakhwara
 Managing Director

M. Ramakrishnan
 Director

Place: Mumbai
 Dated: 25th October, 2007

K. R. Krishnamurthy
 Director

S. Subramaniam
 Company Secretary

Place: Bangalore
 Dated: 25th October, 2007



DECCAN GOLD MINES LIMITED

(FORMERLY WIMPER TRADING LIMITED)

SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31st MARCH, 2007

	As at 31.03.2007 (Rs. '000)	As at 31.03.2006 (Rs. '000)
SCHEDULE 'A'		
SHARE CAPITAL		
Authorised		
10,00,00,000 (P.Y. 6,00,00,000) Equity Share of Rs.1/- each	100,000.00	60,000.00
	<u>100,000.00</u>	<u>60,000.00</u>
Issued, Subscribed and Paid up:		
5,84,50,000 (P.Y. 5,14,50,000) Equity Share of Rs.1/- each fully Paid up	58,450.00	51,450.00
	<u>58,450.00</u>	<u>51,450.00</u>
SCHEDULE 'B'		
RESERVES & SURPLUS		
Securities Premium	98,700.00	-
Less : Miscellaneous Expenditure (refer note no 11 of notes to accounts)	2,170.20	-
	<u>96,529.80</u>	<u>-</u>

SCHEDULE 'C'

FIXED ASSETS

Sl. No.	PARTICULARS	GROSS BLOCK			DEPRECIATION			NET BLOCK	
		Cost as at 01.04.06	Addition during the year	Total Cost as at 31.03.07	As at 01.04.06	For the Year	Upto 31.03.07	As at 31.03.07	As at 31.03.06
1.	COMPUTERS & PRINTER	70.78	-	70.78	44.22	10.62	54.84	15.94	26.57
2.	PLANT & MACHINERY	7,246.27	-	7,246.27	3,020.21	1,267.82	4,288.03	2,958.24	4,226.96
3.	VEHICLE	502.09	-	502.09	161.93	88.07	250.00	252.09	340.16
4.	OFFICE EQUIPMENTS	16.77	-	16.77	2.08	2.04	4.12	12.66	14.69
5.	FURNITURE & FIXTURES	179.25	-	179.24	38.84	25.41	64.25	114.99	140.40
TOTAL		8,015.16	-	8,015.16	3,267.28	1,393.96	4,661.24	3,353.92	4,747.88
PREVIOUS YEAR		8,005.03	10.13	8,015.16	1,286.68	1,980.59	3,267.27	4,747.88	-

SCHEDULE 'D'

INVESTMENTS

Share of Wholly owned subsidiary -

Indophil Resources Exploration Services (India) Pvt. Ltd.

10,000 (P.Y. 10,000) equity shares of Rs 10 each, fully Paid

100.00

100.00

ABN Amro Dual Advantage Fund

(86,25,000 (P.Y. Nil) units of Rs 10 each)

86,250.00

-

86,350.00100.00



	As at 31.03.2007 (Rs. '000)	As at 31.03.2006 (Rs. '000)
SCHEDULE 'E'		
CURRENT ASSETS, LOANS & ADVANCES:		
Current Assets:		
Cash on hand	60.15	29.13
Balance with Bank		
- Current Account	3,773.74	738.05
- Term Deposit	17,000.00	-
	<u>20,833.89</u>	<u>767.18</u>
Loans & Advances:		
(Unsecured, Considered good)		
Advances recoverable in cash or kind or for value to be received	6,949.48	1,450.96
	<u>6,949.48</u>	<u>1,450.96</u>
SCHEDULE 'F'		
CURRENT LIABILITIES:		
Sundry Creditors	2,218.69	4,339.40
PROVISIONS:		
Provision for FBT	87.70	19.00
	<u>2,306.39</u>	<u>4,358.40</u>
SCHEDULE 'G'		
MISCELLANEOUS EXPENDITURE		
Preliminary expenses		
Opening balance	1,218.23	1,641.07
Less: 1/5th written off during the year	-	422.83
	<u>1,218.23</u>	<u>1,218.23</u>
Add : Other Expenses	951.96	-
	<u>2,170.19</u>	<u>1,218.23</u>
Less : Adjusted against Securities Premium Account (Refer Note No. 11 of notes to accounts)	<u>2,170.19</u>	-
	<u>-</u>	<u>1,218.23</u>
SCHEDULE 'H'		
Pre-Operative expenses		
Exploration expenses	37,897.88	32,808.41
	<u>37,897.88</u>	<u>32,808.41</u>


DECCAN GOLD MINES LIMITED

(FORMERLY WIMPER TRADING LIMITED)

SCHEDULES FORMING PART OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2007

	Year Ended 31.03.2007 (Rs. '000)	Year Ended 31.03.2006 (Rs. '000)
<u>SCHEDULE 'I'</u>		
<u>OPERATIONAL INCOME</u>		
Drilling Income	-	4,358.30
Less : Service tax	-	403.40
	-	3,954.90
Interest	4,503.49	169.63
<u>SCHEDULE 'J'</u>		
<u>ADMINISTRATIVE & OTHER EXPENSES:</u>		
Salaries & other benefits	1,730.60	1,602.56
Staff welfare	23.86	51.19
Books & Periodicals	15.28	5.81
Bank charges	6.76	6.45
Business Promotion expenses	13.10	33.40
Travelling & conveyance	394.76	82.31
Electricity charges	31.20	35.90
Membership & subscription	76.11	96.59
Office Maintenance	871.95	12.79
Postage, Telegram & Telephone	205.97	186.78
Rent, rate & taxes	1,216.05	798.84
Advertisement expenses	16.67	22.03
Audit fee	84.27	81.20
Directors Sitting Fee	47.50	50.00
Professional & consultancy fee	1,638.13	608.68
Printing & Stationery	369.61	342.32
Filing fee	6.10	0.80
Listing Fee	91.63	44.74
Sundry Expenses	112.88	48.47
Depreciation	1,393.96	1,980.59
Preliminary Expenses w/off	-	422.83
Operational expenses	-	2,608.25
	8,346.39	9,122.53



SCHEDULE 'K'

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ANNEXED TO ACCOUNTS AS AT 31st MARCH, 2007

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES:

A. Basis of accounting:

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

B. Fixed Assets:

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

C. Depreciation:

Depreciation is provided as per Written Down Value prescribed under Schedule XIV of the Companies Act, 1956.

D. Foreign Currency transactions:

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

E. Investments:

Investments are valued at cost.

F. Taxes on income:

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

G. Impairment of Assets:

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

NOTES TO THE ACCOUNTS:

	31st March 2007 (Rs '000)	31st March 2006 (Rs '000)
1. Capital Commitments	700	Nil
2. Claims made against the company but not acknowledge as debts	Nil	Nil
3. Contingent Liabilities	Nil	Nil
4. Figures of the previous year have been regrouped/rearranged wherever necessary to make them comparable with current year's figures.		
5. Additional information pursuant to para 3 & 4 of para ii of schedule VI of the Companies Act, 1956.		
a) Expenditure in foreign currency	781.95	Nil
b) Earning in foreign currency	Nil	Nil
c) Payment to Auditors:		
- Audit Fees	84.27	81.20

**6 Related Party Disclosure :**

a. Name of related parties and relationship

Sl. No.	Name of the Party	Relationship
1	Indophil Resources Exploration Services (India) Pvt Ltd.,	Wholly owned subsidiary
2	Mr. Sandeep Lakhwara	Managing Director
3	Mr. Charles E.E.Devenish	Chairman
4	Mr. K.R.Krishnamurthy	Director
5	Dr. M. Ramakrishnan	Director
6	Prof. V. K. Gaur	Director
7	Australian Indian Resources Pty. Ltd.,	Having common Director
8	Rama Mines NL (Australia)	Having common Director
9	Lakhwara Consultants Pty Ltd.,	Having Common Director
10	Rama Mines (Mauritius) Limited	Holding Company
11	Western Goldsmiths Pty Ltd.	Having Common Director
12	The Paramount Mining Corporation Limited	Having Common Director

b. The company had transactions with the following related parties :-
Dr. M. Ramakrishnan, Mr. K. R. Krishnamurthy, Prof. V. K. Gaur, Mr. Sandeep Lakhwara and Indophil Resources Exploration Services (India) Pvt Ltd.,

c. Transactions with related parties :-

Sl. No.	Nature	For the year ended 31st March 2007 (Rs '000)
1	Reimbursement of Exploration Expenses to Subsidiary	1,200.70
2	Managerial Remuneration	840.00
3	Directors Sitting & Audit Committee Fees	47.00
4	Office Maintenance Expenses to Rama Mines (Mauritius) Ltd	781.95

7. The Company undertook activities for exploration of gold at various sites. Commercial production of gold has not commenced and therefore it is the Company's intention to account for all the exploration expenditure of Rs.3,78,97,884 as noted in schedule 'H' to the Balance Sheet as Pre-operative expenditure which will be charged to the Profit and Loss Account as and when the commercial activities / production commences.

8. Computation of Earning per Share (Annualised)

(Rs '000)

Particulars	For the year ended	
	31st March 2007	31st March 2006
a Net Profit (Loss) after Tax available for Equity Share holders	(3,911.60)	(5,017.00)
b Weighted average number of equity shares of Rs 1 each outstanding during the period	57874.66	51450
c Basic earning per share	-0.07	-0.10
d Diluted earning per share	0.00	-0.10

**9. Monies Pending allotment :**

As approved by the shareholders of the Company at their Extra-Ordinary General meeting held on April 17, 2006 the Board of Directors resolved on 1st May, 2006 to allot 1,10,77,027 optionally convertible warrants to Sun Mining and Exploration Limited., Cyprus. Each warrant entitles the holder to subscribe for and be allotted 1 equity share of Re. 1/- each fully paid at an issue price of Rs. 15.10 per share including premium of Rs. 14.10 per share. These warrants were convertible (at the sole option of the warrant holder) at any time, in one or more tranches, within a period of 18 months from 1st May, 2006, Sun Mining and Exploration Limited made a payment of Rs. 1.51 per warrant at the time of issue of warrants, which represents 10% of the total exercise price. Amount received from the allottee in accordance with the resolutions referred above have been included under monies pending allotment.

- 10.** During the year the Company has allotted 7000000 equity shares of Re. 1 each at a premium of Rs. 14.10 per equity share on 1st May, 2006 to Sun Mining and Exploration Limited., Cyprus. The proceeds from the same have been partly placed in Term deposit with bank and partly, invested in ABN Amro Dual Advantage Fund.

11 Miscellaneous Expenditure :

Miscellaneous Expenditure (to the extent not written off or adjusted) being preliminary expenses incurred during the year and carried forward from previous year amounting to Rs 2170.20 thousand have been fully written off against the securities premium account during the year instead of earlier policy of writing of 1/5th every year. This change has resulted in understatement of loss by Rs. 613.22 thousand for the year.

As per our report of even date

For V. K. BESWAL & ASSOCIATES,
CHARTERED ACCOUNTANTS

For and on behalf of the board

(R. P. LADDHA)
PARTNER
M.No.48195

Sandeep Lakhwara
Managing Director

M. Ramakrishnan
Director

Place: Mumbai
Dated: 25th October, 2007

K. R. Krishnamurthy
Director

S. Subramaniam
Company Secretary

Place: Bangalore
Dated: 25th October, 2007



DECCAN GOLD MINES LIMITED

(FORMERLY WIMPER TRADING LIMITED)

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2007

	For the year ended 31.03.2007 (Rs.'000)	For the year ended 31.03.2006 (Rs.'000)
A: CASH FLOW FROM OPERATING ACTIVITIES:		
Net Profit/(Loss) before tax & extraordinary items	(3842.90)	(4,998.00)
Adjustment for:		
Add :		
Miscellaneous Expenses written off	-	422.83
Depreciation	1,393.97	1,980.59
Operating Profit / (Loss) before Working Capital Changes	(2,448.93)	(2,594.58)
Adjustment for:		
Increase / (Decrease) in Trade Liabilities	(2,120.72)	2,179.65
Increase / (Decrease) in Loans and Advances	(5,498.52)	9,934.76
Net Cash used in Operating Activities (A)	(10,068.16)	9,519.83
B: CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of Investments / Fixed Assets	(86,250.00)	(10.13)
Pre Operative expenses	(5,089.47)	(10,037.24)
Net Cash flow from Investing Activities (B)	(91,339.47)	(10,047.37)
C: CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds From issue of Shares	105,700.00	-
Share Issue Expenses	(951.96)	-
Proceeds From issue of Shares Warrants	16,726.31	-
Net Cash flow from Financing Activities (C)	121,474.35	-
Net (Increase)/Decrease in cash & cash equivalents (A+B+C)	20,066.72	(527.54)
Cash & Cash equivalents at the beginning of the year	767.17	1,294.71
Cash & Cash equivalents at the end of the year	20,833.89	767.17

As per our report of even date
For **V. K. BESWAL & ASSOCIATES**,
CHARTERED ACCOUNTANTS

For and on behalf of the board

(R. P. LADDHA)
PARTNER
M.No.48195

Sandeep Lakhwara
Managing Director

M. Ramakrishnan
Director

Place: Mumbai
Dated: 25th October, 2007

K. R. Krishnamurthy
Director

S. Subramaniam
Company Secretary

Place: Bangalore
Dated: 25th October, 2007

(Rs.'000)

Disclosure required in terms of clause 13.5A of Chapter XIII on Guidelines for Preferential Issues, SEBI (Disclosures and Investor Protection) Guidelines, 2000	For the year ended 31st March 2007
Total Amount received from issue of shares and warrants	122,426.31
Amount utilised	
Net amount used in operating activities	10,068.16
Amount utilised in investment activities	91,339.47
Shares and warrants issue expenses	951.96
Total	102,359.59
Balance - Net (Increase)/Decrease in cash & cash equivalents	20,066.72



DECCAN GOLD MINES LIMITED

(FORMERLY WIMPER TRADING LIMITED)

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

A. REGISTRATION DETAILS		
State Code	:	11
Registration Number	:	34662
Balance Sheet Date	:	31st March, 2007
CIN	:	L51900MH1984PLC034662
B. CAPITAL RAISED DURING THE YEAR		(Amount in '000)
Public Issue	:	NIL
Right Issue	:	NIL
Bonus Issue	:	NIL
Private Placement	:	7,000
C. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS		
Total Liability	:	174,012
Total Assets	:	174,012
SOURCES OF FUNDS		
Paid up Capital	:	58,450
Reserves & Surplus	:	96,530
Monies pending allotment	:	16,726
Unsecured Loans	:	-
APPLICATION OF FUNDS		
Net fixed Assets	:	3,354
Investment	:	86,350
Net Current Assets	:	25,477
Miscellaneous Expenditure	:	56,525
D. PERFORMANCE OF THE COMPANY		
Total Income	:	4,503
Total Expenditure	:	8,346
Profit/(Loss) Before Tax	:	(3,843)
Profit/(Loss) After Tax	:	(3,912)
Earning per share in Rs.	:	NIL
Dividend Rate %	:	-
E. GENERIC NAMES OF THREE PRINCIPAL PRODUCTS/ SERVICES OF THE COMPANY		
(as per Monetary terms)		
Item Code No. (ITC Code)	:	-
Product Description	:	N.A

As per our report of even date
For V. K. BESWAL & ASSOCIATES,
 CHARTERED ACCOUNTANTS

For and on behalf of the board

(R. P. LADDHA)
 PARTNER
 M.No.48195

Sandeep Lakhwara
 Managing Director

M. Ramakrishnan
 Director

Place: Mumbai
 Dated: 25th October, 2007

K. R. Krishnamurthy
 Director
 Place: Bangalore
 Dated: 25th October, 2007

S. Subramaniam
 Company Secretary



INDOPHIL RESOURCES EXPLORATION SERVICES (INDIA) PRIVATE LIMITED

DIRECTORS' REPORT

Your Directors have pleasure in presenting their TENTH Annual Report of the company together with the audited accounts of the company for the year ended 31st March, 2007.

WORKING OF THE COMPANY

Your company continued to carry out exploration activities during the year. Pursuant to the agreement with Deccan Gold Mines Limited, all expenses incurred by the company for exploration activities are reimbursed by Deccan Gold Mines Limited.

During the year the company incurred total expenditure of Rs. 1.459 Million (P.Y. Rs. 5.456 Million) of which Rs. 1.096 Million (P.Y. Rs. 5.281 Million) is reimbursable to the company. The company during the year incurred a loss of Rs. 0.004 Million after adjustments of Deferred Tax Asset as compared to loss of Rs. 0.118 Million recognized during the previous year.

MANAGEMENT

During the year the Board comprised of Mr. D.V. Pichamuthu, Dr. M. Ramakrishnan and Mr. K. Karunakaran. Mr. D. V. Pichamuthu resigned from the Board on 30th October, 2006.

DIRECTORS' RESPONSIBILITY STATEMENT

Your Directors confirm that:

- a. In preparation of the annual accounts, the applicable Accounting Standards have been followed along with proper explanations relating to any material departures, if any;
- b. Your Directors have selected such Accounting Policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at 31st March, 2007 and of the net loss for the year ended on that date;
- c. Your Directors have taken proper and sufficient care for maintenance of adequate accounting records as required under the Companies Act, 1956 for safeguarding the assets of the company and for prevention and detection of fraud and other irregularities;
- d. Your Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- e. Your Directors have prepared the Statement of Accounts for the year ended 31st March, 2007 on a going concern basis.

PARTICULARS OF EMPLOYEES

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

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

- (a) Conservation of Energy and Technology Absorption:

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

- (b) Foreign Exchange Earnings and Outgo:

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



INDOPHIL RESOURCES EXPLORATION SERVICES (INDIA) PRIVATE LIMITED

AUDITORS

M/s. Rao & Venkatesulu, Chartered Accountants, Bangalore, who were appointed as the Auditors of the company at the last Annual General Meeting will be retiring at the conclusion of the ensuing Annual General Meeting. They, being eligible, have communicated their consent for reappointment.

ACKNOWLEDGEMENT

Your Directors acknowledge the co-operation extended by all.

For and on behalf of the Board

Place : Bangalore
Date : 28th August 2007

M. Ramakrishnan
Director

K. Karunakaran
Director



INDOPHIL RESOURCES EXPLORATION SERVICES (INDIA) PRIVATE LIMITED

AUDITORS' REPORT

To the members of

INDOPHIL RESOURCES EXPLORATION SERVICES (INDIA) PRIVATE LIMITED

We have audited the Balance Sheet of INDOPHIL RESOURCES EXPLORATION SERVICES (INDIA) PRIVATE LIMITED as at 31st MARCH, 2007 and the annexed Profit and Loss Account for the year ended on that date. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

- 1 As the Company does not coming under the purview of the Companies (Auditor's Report) Order, 2003 issued by the Central Government under section 227 (4A) of the Companies Act,1956, we have not reported our finding on the matters stated therein.
- 2 Further to our comments in the Annexure referred to in paragraph (1) above:
 - a. We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit.
 - b. In our opinion, proper books of account as required by the law have been kept by the Company so far as it appears from our examination of those books;
 - c. The Balance Sheet and the Profit and Loss Account dealt with by this report are in agreement with those Books of account;
 - d. In our opinion, the Profit and Loss Account and the Balance sheet dealt with by this report comply with the Accounting Standards referred to in Section 211 (3C) of the Companies Act,1956;
 - e. On the basis of written representations received from the Directors and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2006 from being appointed as a director of the Company are disqualified from being appointed as a director in terms of Section 274 (1) (g) of the Companies Act, 1956, ;
 - f. In our opinion and to the best of our information and according to the explanations given to us, the accounts give the information required by the Companies Act,1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - i. In the case of the Balance Sheet, of the state of affairs of the company as at 31st March, 2007; and
 - ii. In the case of the Profit and Loss Account, of the loss of the company for the year ended on that date.

**For RAO & VENKATESULU
Chartered Accountants**

Place : Bangalore
Date : 28th August 2007

**K.Y. Ningoji Rao
Partner
Membership No.18278**



INDOPHIL RESOURCES EXPLORATION SERVICES (INDIA) PRIVATE LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2007

	Schedule	As at 31.03.2007 (Rs. in '000)	As at 31.03.2006 (Rs. in '000)
A. SOURCES OF FUNDS:			
SHAREHOLDERS FUNDS:			
Share Capital	A	100.00	100.00
LOAN FUNDS:			
Secured Loans		-	-
Unsecured Loans		-	-
Total Sources of Funds		100.00	100.00
B. APPLICATION OF FUNDS:			
FIXED ASSETS:			
Capital Works In Progress		-	-
DEFERRED TAX ASSETS		79.79	79.77
NET CURRENT ASSETS:			
CURRENT ASSETS:			
Inventories	B	361.78	-
Trade Debtors		439.57	2,131.52
Cash & Bank Balances		31.53	296.77
Loans & Advances		263.82	267.90
Total Current Assets		1,096.70	2,696.19
Less: CURRENT LIABILITIES:			
Current Liabilities	C	1,248.68	2,847.91
NET CURRENT ASSETS:		(151.98)	(151.71)
Misc. Expenses (ASSET)			
Preliminary Expenses (To the extent not written off)		-	3.72
Profit & Loss Account		172.19	168.23
Total Application of Funds		100.00	100.00

Significant Accounting Policies &
Notes to the Accounts

G

As per our report attached
For **RAO & VENKATESULU**
Chartered Accountants

For and on behalf of the Board

K.Y. Ningoji Rao
Partner
Membership No.18278

M. Ramakrishan
Director

K. Karunakaran
Director

Bangalore
28th August 2007



INDOPHIL RESOURCES EXPLORATION SERVICES (INDIA) PRIVATE LIMITED
PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2007

	Schedule	For the Year ended 31.03.2007 (Rs. in '000)	For the Year ended 31.03.2006 (Rs. in '000)
INCOME:			
Exploration charges Recovered		1,096.25	5,281.42
Total Income		1,096.25	5,281.42
EXPENDITURE:			
Exploration Expenses	D	1,413.17	5,422.95
Administrative & Other Expenses	E	46.39	32.97
Total Expenditure		1,459.56	5,455.92
NET PROFIT(+)/LOSS(-) BEFORE TAXES		(1.53)	(174.51)
Less/Add (-): Prior Period Adjustments		(2.46)	--
Add: Deferred Tax Assets Created		0.02	56.92
NET PROFIT(+)/LOSS(-) AFTER TAXES		(3.97)	(117.59)
Add: Balance Loss Brought Forward		(168.23)	(50.64)
BALANCE LOSS CARRIED FORWARD		(172.19)	(168.23)

Significant Accounting Policies &
Notes to the Accounts

G

As per our report attached
For **RAO & VENKATESULU**
Chartered Accountants

For and on behalf of the Board

K.Y. Ningoji Rao
Partner
Membership No.18278

M. Ramakrishan
Director

K. Karunakaran
Director

Bangalore
28th August 2007



INDOPHIL RESOURCES EXPLORATION SERVICES (INDIA) PRIVATE LIMITED

SCHEDULES FORMING PART OF ACCOUNTS

	As at 31.03.2007 (Rs. in '000)	As at 31.03.2006 (Rs. in '000)
SCHEDULE 'A'		
SHARE CAPITAL		
AUTHORISED CAPITAL: 50000 (P.Y. 50000) Equity shares of Rs.10/- Each	500.00	500.00
ISSUED, SUBSCRIBED AND PAID UP: 10000 (P.Y.10000) Equity shares of Rs.10/- Each Fully Paid up	100.00	100.00
TOTAL	100.00	100.00
SCHEDULE 'B'		
CURRENT ASSETS		
Inventories :		
Work in Progress	361.78	-
Trade Debtors	439.57	2,131.52
Cash at Bank:		
In Current Accounts	29.55	293.37
Cash on Hand	1.98	3.40
Loans & Advances:		
Deposits	109.93	109.93
Advances Recoverable in Cash or kind	153.89	157.97
Geologist Advance	-	-
TOTAL	1,096.70	2,696.19
SCHEDULE 'C'		
CURRENT LIABILITIES		
Creditors for Trade	1,193.46	2,801.75
Creditors for Expenses	55.22	46.16
TOTAL	1,248.68	2,847.91
	Current Year (Rs. in '000)	Previous Year (Rs. in '000)
SCHEDULE 'D'		
EXPLORATION EXPENSES		
Analysis charges	560.97	3,515.94
Boarding & Lodging charges	53.28	7.95
Camp Expenses	26.71	873.93
Diesel & Fuel Expenses	47.21	-
Duplicating charges	2.06	1.06
Field Supplies & Consumables	18.30	0.28
Field Vehicle Maintenance	22.24	-
RP/PL/ML Processing Expenses	50.29	54.10
Labour charges	-	4.01
Land Compensation	123.18	317.68
Field Travel Expenses	15.70	-
Professional & Consultancy fee	465.00	648.00
Trenching & Pitting Charges	20.90	-
Other Camp Expenses : Telephone	7.33	-
TOTAL	1,413.17	5,422.95


INDOPHIL RESOURCES EXPLORATION SERVICES (INDIA) PRIVATE LIMITED

	Current Year (Rs. in '000)	Previous Year (Rs. in '000)
SCHEDULE 'E'		
ADMINISTRATIVE & OTHER EXPENSES:		
Advertisement Expenses	10.00	-
Application fee	-	1.05
Bank Charges	1.38	1.51
Interest Paid	1.46	-
Filing Fee	10.88	1.20
Food & Water expenses	-	3.85
Miscellaneous Expenses	-	0.29
Postage & Telegrams	0.94	0.10
Printing & Stationery	2.99	1.20
Field Travel Allowance	-	1.45
Telephone charges (Camp)	-	1.53
Preliminary Expenses Amortised	3.72	3.72
Auditors Remuneration:		
For Audit	11.22	11.12
For Tax Audit	-	3.34
For Other Services	3.80	2.61
TOTAL	46.39	32.97
SCHEDULE 'F'		
INCREASE OR DECREASE IN STOCKS		
OPENING STOCK :		
Work in progress	-	-
TOTAL	-	-
CLOSING STOCK		
Work in progress	361.78	-
TOTAL	361.78	-
Increase (-) or Decrease (+) in Inventory	(361.78)	-

SCHEDULE 'G'**NOTES FORMING PART OF ANNUAL ACCOUNTS****1 Trade Debtors include:**

	Particulars	As At 31.03.2007 (Rs. in '000)	As At 31.03.2006 (Rs. in '000)
a.	Debts considered good but not secured for which the Company do not hold any security other than the personal security of debtors	439.57	2,131.52
b.	Debts considered doubtful for which no provision is made	Nil	Nil
c.	Debts due from concerns in which the relatives of Directors of the company are interested	Nil	Nil
d.	Debts due from firms and companies in which the Directors of the company are interested as partners and Directors	Nil	Nil
e.	Debts due for period:		
	(i) More than Six Months	Nil	Nil
	(ii) Others	439.57	2,131.52



INDOPHIL RESOURCES EXPLORATION SERVICES (INDIA) PRIVATE LIMITED

2 . The particulars of the Deferred Tax Asset created is as under: (Rs.'000)

Particulars	As On 31.03.2007	As On 31.03.2006	Difference
Depreciation:			
Written Down value:			
As per IT Rules	Nil	Nil	Nil
As per Books	Nil	Nil	Nil
Difference	Nil	Nil	Nil
Deferred Tax Liability	Nil	Nil	Nil
Particulars	As On 31.03.2007	As On 31.03.2006	Total
Unabsorbed Items Under IT:			
Unabsorbed Business Loss	237.04	236.97	0.07
Unabsorbed Depreciation	Nil	Nil	Nil
Total	237.04	236.97	0.07
Deferred Tax Asset	79.79	79.76	0.03
Net Deferred Tax Asset:	79.79	79.76	0.03

SIGNIFICANT ACCOUNTING POLICIES:**A. REVENUE RECOGNITION:**

1. Sales revenues are accounted on accrual basis.
2. All incomes, to the extent they are ascertained, are accounted on accrual basis.

B. EXPENDITURE RECOGNITION:

1. All expenditure relating to the purchase of goods are accounted on accrual basis.
2. All expenditure to the extent they are ascertained, are accounted on accrual basis.

C. VALUATION OF INVENTORY:

Inventories of goods traded are valued at cost or net realisable value which ever is lower.

D. FIXED ASSETS:

Depreciation on fixed assets are provided on Written Down Value Method at the rates prescribed under the Income Tax Rules, 1962.

E. ACCOUNTING OF TAXES ON INCOME:

- a. Current taxes on Income is provided as per the liability computed under the Income Tax Act, 1961.
- b. The Deferred Tax Assets and Liabilities are created as per AS-22 prescribed by the Institute of Chartered Accountants of India.

F. ACCOUNTING OF INTANGIBLE ASSETS:

- a. All intangible assets acquired at cost are recognized as assets.
- b. All intangible assets are amortized as per the norms stipulated in AS-22 issued by the ICAI.



INDOPHIL RESOURCES EXPLORATION SERVICES (INDIA) PRIVATE LIMITED
BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE:
I. Registration Details:

State Code	08
Registration No.	22819
Balance Sheet Date	31st March, 2007

BALANCE SHEET AS AT 31ST MARCH, 2007:**(Rs in '000)****II. Capital raised during the year :**

Public Issue	Nil
Right Issue	Nil
Bonus Issue	Nil
Private Placement	Nil

III. Position of mobilisation and deployment of funds:

Total Liabilities	100
Total Assets	100

Sources of Funds:

Paid Up Capital	100
Reserves & Surplus	Nil
Secured Loans	Nil
Unsecured Loans	Nil

Application of Funds:

Net Fixed Assets	Nil
Investments	Nil
Deferred Tax Asset	80
Net Current Assets	(152)
Miscellaneous Expenditure	Nil
Accumulated Losses	172

IV. Performance of the Company:

Turnover	1,096
Total Expenditure	1,098
Profit Before Tax	(2)
Profit After Tax	(4)
Earning Per Share [Annualised]	
After reckoning Deferred Tax Asset (in Rs.)	(40)
Dividend	Nil

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

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

SIGNATURES TO SCHEDULES 'A' AND 'G'

As per our report attached
For **RAO & VENKATESULU**
Chartered Accountants

For and on behalf of the Board

K.Y. Ningoji Rao
Partner
Membership No.18278

M. Ramakrishan
Director

K. Karunakaran
Director

Bangalore
28th August 2007



AUDITORS' REPORT

Auditors Report to the Board of Directors of DECCAN GOLD MINES LIMITED on the consolidated financial statements of Deccan Gold Mines Limited and its wholly owned subsidiary Indophil Resources Exploration Services (India) Private Limited.

1. We have examined the attached consolidated balance sheet of **DECCAN GOLD MINES LIMITED** and its subsidiary as at 31st March, 2007 and the consolidated profit and loss account and consolidated cash flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the management of **DECCAN GOLD MINES LIMITED**. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with generally accepted Accounting Standards in India. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are prepared, in all material respects, in accordance with an identified financial reporting framework and are free of material misstatements. An audit includes, examining on a test basis, evidence supporting the amounts includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements. We believe that our audit provides a reasonable basis for our opinion.
3. We have not conducted the audit of the financial statements of the subsidiary, whose financial statement has been audited by other auditors, and on which we have relied for the purpose of our examination of the consolidated financial statement.
4. We report that:
 - a) the consolidated financial statements has been prepared by the Company in accordance with the requirements of Accounting Standard (AS) 21, "Consolidated Financial Statements" issued by the Institute of Chartered Accountants of India and on the basis of the separate audited financial statements of **DECCAN GOLD MINES LIMITED**, its subsidiary.
 - b) The consolidated cash flow statement has been prepared on the basis of consolidated financial statement.
5. On the basis of the information and explanation given to us and on consideration of the separate audit report on individual audited financial statements of **DECCAN GOLD MINES LIMITED** and its aforesaid subsidiary, we are of the opinion that the said consolidated financial statements give a true and fare view in conformity with the accounting principles generally accepted in India:
 - i) In case of the consolidated Balance Sheet, of consolidated statement of affairs of **DECCAN GOLD MINES LIMITED** and its subsidiary as at 31st March, 2007
 - ii) In case of consolidated Profit and Loss Account of the consolidated results of operations of **DECCAN GOLD MINES LIMITED**, and its subsidiary for the year ended on that date; and
 - iii) In case of the consolidated Cash Flow Statement, of **DECCAN GOLD MINES LIMITED** and its subsidiary for the year ended on that date.

For **V. K. BESWAL & ASSOCIATES**
CHARTERED ACCOUNTANTS

R.P. LADDHA
(PARTNER)
Membership Number - 48195

Place: Mumbai
Dated: 25th October, 2007



DECCAN GOLD MINES LIMITED
(FORMERLY WIMPER TRADING LIMITED)

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2007

	Schedule	As at 31.03.2007 (Rs.'000)	As at 31.03.2006 (Rs.'000)
SOURCES OF FUNDS :			
Share holders fund : Share Capital	A	58,450.00	51,450.00
Monies pending Allotment		16,726.31	-
Reserves & Surplus	B	96,526.08	-
TOTAL		171,702.39	51,450.00
APPLICATIONS OF FUND:			
FIXED ASSETS:			
Gross Block	C	8,015.16	8,015.16
Less: Depreciation		4,661.24	3,267.28
Net Block		3,353.92	4,747.88
GOODWILL		197.26	197.26
INVESTMENTS	D	86,250.00	-
CURRENT ASSETS, LOANS & ADVANCES			
Inventories	E	361.78	-
Cash & Bank Balances		20,865.43	1,063.95
Loans and Advances		7,213.30	1,718.86
		28,440.51	2,782.81
Less: Current Liabilities & Provisions	F	3,115.50	5,074.79
Current Liabilities		3,115.50	5,074.79
NET CURRENT ASSETS		25,325.01	(2,291.98)
Misc. Expenditure (to the extent not written off or adjusted)	G	-	1,218.24
Pre-operative Expenditure	H	32,062.88	26,977.14
		32,062.88	28,195.38
Profit & Loss Account		24,433.53	20,521.69
Deferred Tax Assets		79.79	79.77
TOTAL		171,702.39	51,450.00
Significant Accounting Policies & Notes to the Accounts	L		

As per our report of even date

For **V. K. BESWAL & ASSOCIATES,**
CHARTERED ACCOUNTANTS

For and on behalf of the board

(R. P. LADDHA)
PARTNER
M.No.48195

Sandeep Lakhwara
Managing Director

M. Ramakrishnan
Director

Place: Mumbai
Dated: 25th October, 2007

K. R. Krishnamurthy
Director

S. Subramaniam
Company Secretary

Place: Bangalore
Dated: 25th October, 2007



DECCAN GOLD MINES LIMITED
(FORMERLY WIMPER TRADING LIMITED)

CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2007

	Schedule	For the Year ended 31.03.2007 (Rs.'000)	For the Year ended 31.03.2006 (Rs.'000)
<u>INCOME</u>			
Operational Income	I	1,096.25	3,954.90
Interest on Term Deposit		4,503.49	169.63
Increase/Decrease in Inventory	J	361.78	--
		5,961.52	4,124.53
<u>EXPENDITURE</u>			
Exploration Expenses		1,413.17	5,832.37
Administrative & Other Expenses	K	8,389.06	9,151.79
		9,802.23	14,984.16
Profit/(Loss) before taxation		(3,840.71)	(10,859.63)
Less : Provision for FBT		(68.70)	(19.00)
		(3,909.41)	(10,878.63)
Add : Provision for Deferred Tax		0.03	56.92
		(3,909.38)	(10,821.71)
Add : Prior Period Adjustment		(2.46)	-
Net Profit/(Loss) for the year		(3,911.84)	(10,821.71)
Add: Balance brought forward		(20,521.69)	(9,699.98)
Balance transferred to Balance Sheet		(24,433.53)	(20,521.69)
Basic Earnings Per Share (in Rs.)		-	(0.21)
Diluted Earnings Per Share (in Rs.)		-	(0.21)

Significant Accounting Policies &
Notes to the Accounts

L

As per our report of even date

For V. K. BESWAL & ASSOCIATES,
CHARTERED ACCOUNTANTS

For and on behalf of the board

(R. P. LADDHA)
PARTNER
M.No.48195

Sandeep Lakhwara
Managing Director

M. Ramakrishnan
Director

Place: Mumbai
Dated: 25th October, 2007

K. R. Krishnamurthy
Director

S. Subramaniam
Company Secretary

Place: Bangalore
Dated: 25th October, 2007



DECCAN GOLD MINES LIMITED
(FORMERLY WIMPER TRADING LIMITED)

SCHEDULES FORMING PART OF CONSOLIDATED ACCOUNTS AS AT 31st MARCH, 2007

	As at 31.03.2007 (Rs.'000)	As at 31.03.2006 (Rs.'000)
SCHEDULE 'A'		
SHARE CAPITAL :		
Authorised 10,00,00,000 (P.Y. 6,00,00,000) Equity Shares of Rs.1/- each	100,000.00	60,000.00
	100,000.00	60,000.00
Issued, Subscribed and Paid up : 5,84,50,000 (P.Y. 5,14,50,000) Equity Shares of Rs.1/- each fully paid up	58,450.00	51,450.00
	58,450.00	51,450.00
SCHEDULE 'B'		
Reserves & Surplus		
Securities Premium	98,700.00	-
Less : Miscellaneous Expenditure (refer note no 11 of notes to accounts)	2,173.92	-
	96,526.08	-

SCHEDULE 'C'
FIXED ASSETS

Sl. No.	PARTICULARS	GROSS BLOCK			DEPRECIATION			NET BLOCK	
		As at 01.04.06	Addition during the year	As at 31.03.07	As at 01.04.06	For the Year	Up to 31.03.07	As at 31.03.07	As at 31.03.06
1.	COMPUTERS PRINTER	70.78	-	70.78	44.22	10.62	54.84	15.94	26.57
2.	PLANT & MACHINERY	7,246.27	-	7,246.27	3,020.21	1,267.82	4,288.03	2,958.24	4,226.06
3.	VEHICLE	502.09	-	502.09	161.93	88.07	250.00	252.09	340.16
4.	OFFICE EQUIP	16.77	-	16.77	2.08	2.04	4.12	12.66	14.69
5.	FURNITURE & FIX.	179.25	-	179.25	38.84	25.41	64.25	114.99	140.40
TOTAL		8,015.16	-	8,015.16	3,267.28	1,393.96	4,661.24	3,353.92	4,747.88
PREVIOUS YEAR		8,005.03	10.13	8,015.16	1,286.68	1,980.59	3,267.28	4,747.88	-

SCHEDULE 'D'

INVESTMENTS

ABN Amro Dual Advantage Fund
(86,25,000 (Nil) units of Rs 10/- each)

	86,250.00	-
	86,250.00	-

SCHEDULE 'E'

CURRENT ASSETS, LOANS & ADVANCES:

Current Assets:

Inventories

	361.78	-
--	--------	---

Cash & Bank Balance:

Cash on Hand

	62.14	32.53
--	-------	-------

Balance with Bank (Current Account)

	3,803.29	1,031.42
--	----------	----------

Term Deposit

	17,000.00	
--	-----------	--

	20,865.43	1,063.95
--	-----------	----------



	As at 31.03.2007 (Rs.'000)	As at 31.03.2006 (Rs.'000)
Loans & Advances		
(Unsecured, considered good)		
Advances recoverable in cash or kind or for value to be received	7,213.30	1,718.86
	<u>7,213.30</u>	<u>1,718.86</u>
SCHEDULE 'F'		
CURRENT LIABILITIES:		
Sundry Creditors	3,027.80	5,055.79
PROVISIONS:		
Provision for FBT	87.70	19.00
	<u>3,115.50</u>	<u>5,074.79</u>
SCHEDULE 'G'		
MISCELLANEOUS EXPENDITURE		
Preliminary expenses		
Opening balance	1,218.23	1,641.07
Less: 1/5 written off during the year	-	422.83
	1,218.23	1,218.24
Add: Other expenses	955.69	-
	2,173.92	1,218.24
Less : Adjusted against Securities Premium Account (refer note no 11 of notes to accounts)	2,173.92	-
	<u>-</u>	<u>1,218.24</u>
SCHEDULE 'H'		
Pre-Operative expenses		
Exploration expenses	32,062.88	26,977.14
	<u>32,062.88</u>	<u>26,977.14</u>



DECCAN GOLD MINES LIMITED
(FORMERLY WIMPER TRADING LIMITED)

SCHEDULES FORMING PART OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2007

	For the year ended 31.03.2007 (Rs.'000)	For the year ended 31.03.2006 (Rs.'000)
SCHEDULE 'I'		
Operational Income		
Drilling Income	1,096.25	4,358.30
Less : Service tax	-	403.40
	<u>1,096.25</u>	<u>3,954.90</u>
SCHEDULE 'J'		
ADMINISTRATIVE & OTHER EXPENSES:		
Salaries & other benefits	1,730.60	1,602.56
Staff welfare	23.86	55.04
Books & Periodicals	15.28	5.81
Bank charges	8.14	7.96
Business promotion expenses	13.10	33.40
Travelling & conveyance	394.76	83.76
Electricity charges	31.20	35.90
Membership & subscription	76.11	96.59
Office Maintenance	871.95	12.79
Postage, Telegram & Telephone	206.92	188.42
Rent, rate & taxes	1,217.51	798.85
Advertisement expenses	26.67	22.03
Audit fee	99.30	98.26
Directors Sitting Fees	47.50	50.00
Professional & consultancy fee	1,638.13	608.68
Printing & Stationery	372.59	343.52
Filing fees	16.97	3.05
Listing Fee	91.63	44.74
Sundry Expenses	112.88	48.76
Depreciation	1,393.96	1,980.59
Preliminary Expenses w/off	-	422.83
Operational expenses	-	2,608.25
	<u>8,389.06</u>	<u>9,151.79</u>



SCHEDULE 'L'
**SIGNIFICANT ACCOUNTING POLICIES AND NOTES
ANNEXED TO CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2007**
STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES
A. Basis of accounting

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

B. Fixed Assets:

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

C. Depreciation:

Depreciation is provided as per Written Down Value prescribed under Schedule XIV of the Companies Act, 1956.

D. Foreign Currency transactions :

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

E. Investments:

Investments are valued at cost.

F. Taxes on income:

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

G. Impairment of Assets:

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

NOTES TO THE ACCOUNTS:

	31st March, 2007 (Rs. '000)	31st March, 2006 (Rs. '000)
1. Capital Commitments (Net of Advance)	700	Nil
2. Claims made against the company but not acknowledge as debts	Nil	Nil
3. Contingent Liabilities	Nil	Nil
4. Figures of the previous year have been regrouped/rearranged wherever necessary to make them comparable with current year's figures.		
5. Additional information pursuant to para 3 & 4 of par ii of schedule VI of the Companies Act, 1956.		
a. Expenditure in foreign currency	781.95	Nil
b. Earning in foreign currency	Nil	Nil
c. Payment to Auditors:		
- Audit Fees	84.27	81.20



6. Related party disclosure

a. Name of related parties and relationship

Sl No.	Name of the party	Relationship
1	Indophil Resources Exploration Services (India) Pvt. Ltd.	Wholly owned subsidiary
2	Charles E.E.Devenish	Chairman
3	Sandeep Lakhwara	Managing Director
4	K.R.Krishnamurthy	Director
5	Dr. M. Ramakrishnan	Director
6	V.K.Gaur	Director
7	Rama Mines (Mauritius) Limited	Holding Company
8	Australian Indian Resources Pty. Ltd.	Having common Director
9	Rama Mines NL (Australia)	Having common Director
10	Lakhwara Consultants Pty. Ltd.	Having Common Director
11	Western Goldsmiths Pty. Ltd.	Having Common Director
12	The Paramount Mining Corporation Limited	Having Common Director

b. The company had transactions with the following related parties :-

Dr. M. Ramakrishnan, K.R. Krishnamurthy, V.K. Gaur, Sandeep Lakhwara and Indophil Resources Exploration Services (India) Pvt Ltd.,

c. Transactions with related parties :-

Sl. No.	Nature	For the year ended 31st March, 2007 (Rs. in '000)
1	Reimbursement of Exploration Expenses to Subsidiary	1,200.70
2	Managerial Remuneration	840.00
3	Directors Sitting and Audit Committee Fees	47.00
4	Office Maintenance Expenses to Rama Mines (Mauritius) Ltd	781.95

7. The Company undertook activities for exploration of gold at various sites. Commercial production of gold has not commenced and therefore it is the Company's intention to account for all the exploration expenditure of Rs.37,897.88 (in thousands) as noted in Schedule 'H' to the Balance as pre-operative expenditure which will be charged to the Profit and Loss Account as and when the commercial activities / production commences.

8. Computation of Earning per Share (Annualised)

(Rs.'000)

Particulars	For the year ended	
	31st March, 2007	31st March, 2006
a Net Profit (Loss) after Tax available for Equity Share holders	(3,911.00)	(10,821.71)
b Weighted average number of equity shares of Rs 1 each outstanding during the period	57,874.66	5,1450
c Basic earning per share	(0.07)	(0.21)
d Diluted earning per share	(0.00)	(0.21)

9. Monies Pending allotment :

As approved by the shareholders of the Company at their Extra-Ordinary General meeting held on April 17, 2006 the Board of Directors resolved on 1st May, 2006 to allot 1,10,77,027 optionally convertible warrants to Sun Mining and Exploration Limited., Cyprus Each warrant entitles the holder to subscribe for and be allotted 1 equity share of Re. 1/- each fully paid at an issue price of Rs. 15.10 per share including premium of Rs. 14.10 per share. These warrants were convertible (at the sole option of the warrant holder) at any time, in one or more tranches, within a period of 18 months from 1st May, 2006, Sun Mining and Exploration Limited made a payment of Rs. 1.51 per warrant at the time of issue of warrants, which represents 10% of the total exercise price. Amount received from the allottee in accordance with the resolutions referred above have been included under monies pending allotment.



10. During the year the company has allotted 7000000 equity shares of Re. 1 each at a premium of Rs. 14.10 per equity share on 1st May, 2006 to Sun Mining and Exploration Limited., Cyprus. The proceeds from the same have been partly placed in Term deposit with bank and partly, invested in ABN Amro Dual Advantage Fund.
11. Miscellaneous Expenditure :
Miscellaneous Expenditure (to the extent not written off or adjusted) being preliminary expenses incurred during the year and carried forward from previous year amounting to Rs 1273.92 thousand have been fully written off during the year instead of earlier policy of writing of 1/5th every year. This change has resulted in decrease of loss by 616.95 thousand for the year.

For V. K. BESWAL & ASSOCIATES,
CHARTERED ACCOUNTANTS

For and on behalf of the board

(R. P. LADDHA)
PARTNER
M.No.48195

Sandeep Lakhwara
Managing Director

M. Ramakrishnan
Director

Place: Mumbai
Dated: 25th October, 2007

K. R. Krishnamurthy
Director

S. Subramaniam
Company Secretary

Place: Bangalore
Dated: 25th October, 2007



DECCAN GOLD MINES LIMITED
(FORMERLY WIMPER TRADING LIMITED)

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2007

	For the year ended 31.03.2007 (Rs.'000)	For the year ended 31.03.2006 (Rs.'000)
A: CASH FLOW FROM OPERATING ACTIVITIES:		
Net Profit/(Loss) before tax & extraordinary items	(3,843.16)	(10,859.63)
Adjustment for:		
Add : Miscellaneous Expenses written off	-	422.83
Depreciation	1,393.97	1,980.59
Operating Profit / (Loss) before Working Capital Changes	(2,449.19)	(8,456.21)
Adjustment for:		
Increase / (Decrease) in Inventories	(361.78)	-
Increase / (Decrease) in trade liabilities	(2,027.99)	2,621.46
(Increase) / Decrease Loans and Advances	(5,494.45)	9,824.37
Net Cash used in Operating Activities (A)	(10,333.41)	3,989.62
B: CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of Investments / Fixed Assets	(86,250.00)	(10.12)
Pre Operative expenses	(5,089.46)	(4,346.39)
Net Cash flow from Investing Activities (B)	(91,339.46)	(4,356.51)
C: CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds From issue of Shares	105,700.00	-
Share Issue Expenses	(951.96)	-
Proceeds From issue of Shares Warrants	16,726.31	-
Net Cash flow from Financing Activities(C)	121,474.35	-
Net Increase/(Decrease) in cash & cash equivalents (A+B+C)	19,801.48	(366.89)
Cash & Cash equivalents at the beginning of the year	1,063.95	1,430.84
Cash & Cash equivalents at the end of the year	20,865.43	1,063.95

As per our report of even date
For V. K. BESWAL & ASSOCIATES,
CHARTERED ACCOUNTANTS

For and on behalf of the board

(R. P. LADDHA)
PARTNER
M.No.48195

Sandeep Lakhwara
Managing Director

M. Ramakrishnan
Director

Place: Mumbai
Dated: 25th October, 2007

K. R. Krishnamurthy
Director

S. Subramaniam
Company Secretary

Place: Bangalore
Dated: 25th October, 2007



*This page intentionally
left blank*