



AUDITORS' REPORT

To
The Members,

We have audited the attached Balance Sheet of DECCAN GOLD MINES LIMITED, as at 31st March 2008 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, 2008 and taken on record by the Board of Directors, we report that none of the Directors are disqualified as on 31st March, 2008 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, 2008, 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 : 27th June, 2008



DECCAN GOLD MINES LIMITED

(FORMERLY WIMPER TRADING LIMITED)

ANNEXURE TO THE AUDITOR'S REPORT OF EVEN DATE

(Referred to in paragraph 1 thereof)

1. In respect of Fixed Assets -

- a) The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - b) The fixed assets have been physically verified by the management at reasonable intervals during the year. We are informed that no material discrepancies were noticed by the management on such verification.
 - c) Based on our scrutiny of the records of the company and the information & explanation received by us, we report that there were no 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 Rs. 5 lacs in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
6. In our opinion and according to the information and explanations given to us since the company has not accepted any deposits from public within the meaning of section 58-A, 58AA or any other provision of the Act, the question of compliance with the provisions of section 58A, 58AA or any other provisions of the Act does not arise.
7. In our opinion the Company has an internal audit system commensurate with its size and nature of its business.
8. As informed to us, the Central Government has not prescribed the maintenance of Cost records under section 209(1)(d) of the Companies Act, 1956.
9. 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, Service Tax, 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, service tax cess & other statutory dues which remained outstanding as at 31st March, 2008 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 2008. The company has incurred a cash loss of Rs. 17,13,086 in the current financial year and Rs. 24,48,926 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 not raised any money by public issues during the period covered by our audit report.
21. Based upon the audit procedures performed and information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

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

R.P. LADDHA
PARTNER
Membership Number: 48195

Place : Mumbai
Dated : 27th June, 2008



DECCAN GOLD MINES LIMITED
(FORMERLY WIMPER TRADING LIMITED)

BALANCE SHEET AS AT 31st MARCH, 2008

| | Schedule | As at 31.03.2008 (Rs. '000) | As at 31.03.2007 (Rs. '000) |
|------------------------------------------------------------------|----------|-----------------------------------|-----------------------------------|
| <u>A. SOURCES OF FUNDS:</u> | | | |
| Share Capital | A | 58,450.00 | 58,450.00 |
| Monies Pending Allotment | | - | 16,726.31 |
| Reserves & Surplus | B | 113,256.11 | 96,529.80 |
| TOTAL | | 171,706.11 | 171,706.11 |
| <u>B. APPLICATIONS OF FUND:</u> | | | |
| <u>FIXED ASSETS:</u> | | | |
| Gross Block | C | 12,117.94 | 8,015.16 |
| Less: Depreciation | | 6,487.66 | 4,661.24 |
| Net Block | | 5,630.28 | 3,353.92 |
| <u>INVESTMENTS</u> | | | |
| | D | 90,669.05 | 86,350.00 |
| <u>CURRENT ASSETS, LOANS & ADVANCES</u> | | | |
| Cash & Bank Balances | E | 9,443.93 | 20,833.89 |
| Loans & Advances | | 4,673.16 | 6,949.48 |
| | | 14,117.09 | 27,783.37 |
| Less: Current Liabilities & Provisions | F | 1,692.09 | 2,306.38 |
| NET CURRENT ASSETS | | 12,425.00 | 25,476.99 |
| Misc. Expenditure (to the extent not written off or adjusted) | G | - | - |
| Pre-Operative Expenditure | H | 40,745.95 | 37,897.88 |
| | | 40,745.95 | 37,897.88 |
| Profit & Loss Account | | 22,235.83 | 18,627.32 |
| TOTAL | | 171,706.11 | 171,706.11 |
| 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.PLADDHA
PARTNER
M.No.48195

Charles E.E. Devenish
Chairman

Sandeep Lakhwara
Managing Director

K. R. Krishnamurthy
Director

M. Ramakrishnan
Director

Place: Mumbai
Dated: 27th June 2008

Place: Bangalore
Dated: 27th June 2008

S. Subramaniam
Company Secretary



DECCAN GOLD MINES LIMITED

(FORMERLY WIMPER TRADING LIMITED)

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2008

| | Schedule | Year Ended 31.03.2008 (Rs. '000) | Year Ended 31.03.2007 (Rs. '000) |
|----------------------------------------|----------|----------------------------------------|----------------------------------------|
| INCOME | | | |
| Other Income | I | 5,090.37 | 4,503.49 |
| | | <u>5,090.37</u> | <u>4,503.49</u> |
| EXPENDITURE | | | |
| Administrative & Other Expenses | J | 8,629.87 | 8,346.39 |
| | | <u>8,629.87</u> | <u>8,346.39</u> |
| Profit/(Loss) before Taxation | | (3,539.50) | (3,842.89) |
| Less: Provision for Fringe Benefit Tax | | 69.00 | 68.70 |
| Profit/(Loss) for the Year | | (3,608.50) | (3,911.59) |
| Add: Balance brought forward | | (18,627.33) | (14,715.73) |
| Balance transferred to Balance sheet | | <u>(22,235.83)</u> | <u>(18,627.32)</u> |
| Basic EPS | | (0.07) | (0.07) |
| Diluted EPS | | (0.07) | 0.00 |

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.PLADDHA
 PARTNER
 M.No.48195

Charles E.E. Devenish
 Chairman

Sandeep Lakhwara
 Managing Director

K. R. Krishnamurthy
 Director

M. Ramakrishnan
 Director

Place: Mumbai
 Dated: 27th June 2008

Place: Bangalore
 Dated: 27th June 2008

S. Subramaniam
 Company Secretary



DECCAN GOLD MINES LIMITED

(FORMERLY WIMPER TRADING LIMITED)

SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31st MARCH, 2008

| | As at 31.03.2008 (Rs. '000) | As at 31.03.2007 (Rs. '000) |
|-------------------------------------------------------|-----------------------------------|-----------------------------------|
| SCHEDULE 'A' | | |
| Share Capital: | | |
| Authorised | | |
| 100,000,000 Equity Share of Re.1/- each | 100,000.00 | 100,000.00 |
| | 100,000.00 | 100,000.00 |
| Issued, Subscribed and paid up: | | |
| 5,84,50,000 Equity Share of Re.1/- each fully paid up | 58,450.00 | 58,450.00 |
| | 58,450.00 | 58,450.00 |
| SCHEDULE 'B' | | |
| Reserves & Surplus | | |
| Securities Premium | 96,529.80 | 98,700.00 |
| Less : Miscellaneous Expenditure | - | 2,170.20 |
| | 96,529.80 | 96,529.80 |
| Capital Reserve | 16,726.31 | - |
| | 113,256.11 | 96,529.80 |

SCHEDULE 'C'**FIXED ASSETS SCHEDULE AS ON 31.03.08**

(Rs in '000)

| Sl. No. | PARTICULARS | GROSS BLOCK | | | DEPRECIATION | | | NET BLOCK | |
|---------|-------------------------|---------------------|--------------------------|---------------------------|----------------|--------------|---------------|----------------|----------------|
| | | Cost as at 01.04.07 | Addition during the year | Total Cost as at 31.03.08 | As at 01.04.07 | For the Year | Upto 31.03.08 | As at 31.03.08 | As at 31.03.07 |
| 1 | COMPUTERS | 70.78 | 320.89 | 391.68 | 54.84 | 83.45 | 138.29 | 253.38 | 15.95 |
| 2 | PLANT & MACHINERY | 7,246.27 | - | 7,246.27 | 4,288.03 | 889.90 | 5,177.93 | 2,068.34 | 2,958.24 |
| 3 | VEHICLE | 502.09 | - | 502.09 | 250.00 | 65.45 | 315.44 | 186.65 | 252.09 |
| 4 | OFFICEEQUIPMENT | 16.77 | 435.52 | 452.29 | 4.12 | 51.63 | 55.75 | 396.54 | 12.65 |
| 5 | FURNITURE & FIXTURE | 179.24 | 482.32 | 661.55 | 64.25 | 101.41 | 165.66 | 495.89 | 114.99 |
| 6 | LEASE HOLD IMPROVEMENTS | - | 2,864.06 | 2,864.06 | - | 634.65 | 634.59 | 2,229.47 | - |
| | TOTAL | 8,015.16 | 4,102.78 | 12,117.94 | 4,661.24 | 1,826.48 | 6,487.66 | 5,630.28 | 3,353.92 |
| | PREVIOUS YEAR | 8,015.16 | - | 8,015.16 | 3,267.27 | 1,393.96 | 4,661.24 | 3,353.92 | - |

SCHEDULE 'D'

INVESTMENTS

Share of Wholly owned subsidiary

Deccan Gold Exploration Services Private Limited , formerly known as Indophil Resources Exploration Services (India) Pvt Ltd (10,000) equity shares of Rs 10 each, fully paid)

100.00

100.00

ABN Amro Money Plus Fund

90,569.05

86,250.00

90,669.05**86,350.00**



| | As at 31.03.2008 (Rs. '000) | As at 31.03.2007 (Rs. '000) |
|------------------------------------------------------------------|-----------------------------------|-----------------------------------|
| SCHEDULE 'E' | | |
| CURRENT ASSETS, LOANS & ADVANCES: | | |
| Current Assets: | | |
| Cash on hand | 6.46 | 60.15 |
| Balance with Banks | | |
| - Current Accounts | 437.47 | 3,773.74 |
| - Term Deposits | 9,000.00 | 17,000.00 |
| | 9,443.93 | 20,833.89 |
| Loans & Advances: | | |
| (Unsecured, Considered good) | | |
| Advances recoverable in cash or kind or for value to be received | 4,673.16 | 6,949.48 |
| | 4,673.16 | 6,949.48 |
| SCHEDULE 'F' | | |
| CURRENT LIABILITIES: | | |
| Sundry Creditors | 1,535.39 | 2,218.68 |
| PROVISIONS: | | |
| Provision for FBT | 156.70 | 87.70 |
| | 1,692.09 | 2,306.38 |
| SCHEDULE 'G' | | |
| MISCELLANEOUS EXPENDITURE | | |
| <i>Preliminary expenses</i> | | |
| Opening balance | - | 1,218.23 |
| Less: 1/5 written off during the year | - | - |
| | - | 1,218.23 |
| Add: Other expenses | - | 951.96 |
| | - | 2,170.20 |
| Less : Adjusted against Securities Premium Account | - | - |
| | - | 2,170.20 |
| | - | - |
| SCHEDULE 'H' | | |
| <i>Pre-Operative expenses</i> | | |
| Exploration expenses | 40,745.95 | 37,897.88 |
| | 40,745.95 | 37,897.88 |


DECCAN GOLD MINES LIMITED

(FORMERLY WIMPER TRADING LIMITED)

SCHEDULES FORMING PART OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2008

| | Year Ended 31.03.2008 (Rs. '000) | Year Ended 31.03.2007 (Rs. '000) |
|----------------------------------------------------|----------------------------------------|----------------------------------------|
| <u>SCHEDULE 'I'</u> | | |
| <u>Other Income</u> | | |
| Interest | 771.31 | 4,503.49 |
| Dividend | 3,279.74 | - |
| Short Term Capital Gain | 1,039.31 | - |
| | 5,090.37 | 4,503.49 |
| <u>SCHEDULE 'J'</u> | | |
| <u>ADMINISTRATIVE & OTHER EXPENSES:</u> | | |
| Salaries & Other benefits | 2,651.34 | 1,730.60 |
| Staff welfare | 35.31 | 23.86 |
| Books & Periodicals | 5.48 | 15.28 |
| Bank charges | 2.08 | 6.76 |
| Business promotion expenses | 99.63 | 13.10 |
| Travelling & Conveyance | 349.41 | 394.76 |
| Electricity charges | 120.72 | 31.20 |
| Repairs & Maintenance | 242.42 | 871.95 |
| Communication expenses | 6.00 | 205.97 |
| Rent, rate & taxes | 1,653.16 | 1,216.05 |
| Advertisement expenses | 38.78 | 16.67 |
| Audit fee | 89.89 | 84.27 |
| Directors Sitting Fees | 52.50 | 47.50 |
| Professional & Consultancy fee | 598.30 | 1,638.13 |
| Fees-Filing & Listing | 55.30 | 97.73 |
| Sundry Expenses | 803.13 | 558.60 |
| Depreciation | 1,826.42 | 1,393.96 |
| | 8,629.87 | 8,346.39 |



**SCHEDULE ‘K’
SIGNIFICANT ACCOUNTING POLICIES AND NOTES ANNEXED TO BALANCE SHEET
AS AT 31st MARCH, 2008**

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:

- i) Depreciation is provided as per Written Down Value prescribed under Schedule XIV of the Companies Act, 1956.
- ii) Depreciation on Leased Premises is provided over a period of 5 years i.e. the term of the lease.

D. Foreign Currency transactions:

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

E. Investments:

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 2008 (Rs '000) | 31st March 2007 (Rs '000) |
|----------------------------------------------------------------------------------------------------------------------------------------|------------------------------|------------------------------|
| 1. Capital Commitments | Nil | 700 |
| 2. Claims made against the company but not acknowledged 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 | Nil | 781.95 |
| b) Earning in foreign currency | Nil | Nil |
| c) Payment to Auditors: | | |
| - Audit Fees | 89.89 | 84.27 |

**6 Related Party Disclosure :**

a. Name of related parties and relationship

| SI No. | Name of the Party | Relationship |
|--------|--------------------------------------------------|-------------------------|
| 1 | Deccan Gold Exploration Services Private Limited | 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 Deccan Gold Exploration Services Private Limited (Formerly Indophil Resources Exploration Services (India) Pvt Ltd.,)

c. Transactions with related parties :-

| Sr. No. | Nature | Year ended 31st March 2008 (Rs '000) |
|---------|-----------------------------------------------------|--------------------------------------------|
| 1 | Reimbursement of Exploration Expenses to Subsidiary | 843.68 |
| 2 | Managerial Remuneration | 1,170.00 |
| 3 | Directors Sitting & Audit Committee Fees | 52.50 |

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.4,07,45,950 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 2008 | 31st March 2007 |
| a Net Profit (Loss) after Tax available for Equity Share holders | (3,608.50) | (3,911.59) |
| b Weighted average number of equity shares of Rs 1 each outstanding during the period | 58,450.00 | 58,450.00 |
| c Basic earning per share (in Rupees) | (0.07) | (0.07) |
| d Diluted earning per share (in Rupees) | (0.07) | 0.00 |



9. Sun Mining and Exploration Ltd, Cyprus (Sun), which was issued 110,77,027 convertible warrants at a price of Rs 15.10/- per warrant on May 01, 2006, did not opt to convert the said warrants into equity shares within the time limit of 18 months (on or before October 31, 2007) in terms of Chapter XIII of the SEBI DIP Guidelines, 2000 (Guidelines). Accordingly, the upfront payment of Rs 1.67 crore made by Sun, being 10% of the Issue Price of the 110,77,027 convertible warrants was forfeited in terms of the Guidelines and is transferred to the capital reserve account.

As per our report of even date

For V. K. BESWAL & ASSOCIATES,
CHARTERED ACCOUNTANTS

For and on behalf of the board

R.PLADDHA
PARTNER
M.No.48195

Charles E.E. Devenish
Chairman

Sandeep Lakhwara
Managing Director

K. R. Krishnamurthy
Director

M. Ramakrishnan
Director

Place: Mumbai
Dated: 27th June 2008

Place: Bangalore
Dated: 27th June 2008

S. Subramaniam
Company Secretary



DECCAN GOLD MINES LIMITED

(FORMERLY WIMPER TRADING LIMITED)

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2008

| | For the year ended 31.03.2008 (Rs.'000) | For the year ended 31.03.2007 (Rs.'000) |
|------------------------------------------------------------|--------------------------------------------------|--------------------------------------------------|
| A: CASH FLOW FROM OPERATING ACTIVITIES: | | |
| Net Profit/(Loss) before tax & extraordinary items | (3,539.50) | (3842.90) |
| Adjustment for: | | |
| Add : | | |
| Depreciation | 1,826.42 | 1,393.97 |
| Operating Profit / (Loss) before Working Capital Changes | (1,713.09) | (2,448.93) |
| Adjustment for: | | |
| Increase / (Decrease) in Trade Liabilities | (683.29) | (2,120.72) |
| (Increase) / Decrease in Loans and Advances | 2,276.32 | (5,498.52) |
| Net Cash used in Operating Activities (A) | (120.06) | (10,068.16) |
| B: CASH FLOW FROM INVESTING ACTIVITIES: | | |
| Purchase of Investments / Fixed Assets | (8,421.83) | (86,250.00) |
| Pre Operative expenses | (2,848.07) | (5,089.47) |
| Net Cash flow from Investing Activities (B) | (11,269.90) | (91,339.47) |
| 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) | (11,389.96) | 20,066.72 |
| Cash & Cash equivalents at the beginning of the year | 20,833.89 | 767.17 |
| Cash & Cash equivalents at the end of the year | 9,443.93 | 20,833.89 |

As per our report of even date

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

For and on behalf of the board

R.PLADDHA
PARTNER
M.No.48195**Charles E.E. Devenish**
Chairman**Sandeep Lakhwara**
Managing Director**K. R. Krishnamurthy**
Director**M. Ramakrishnan**
DirectorPlace: Mumbai
Dated: 27th June 2008Place: Bangalore
Dated: 27th June 2008**S. Subramaniam**
Company Secretary



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, 2008 |
| CIN | : | L51900MH1984PLC034662 |
| B. CAPITAL RAISED DURING THE YEAR | | (Amount in '000) |
| Public Issue | : | NIL |
| Right Issue | : | NIL |
| Bonus Issue | : | NIL |
| Private Placement | : | NIL |
| C. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS | | |
| Total Liability | : | 173,398 |
| Total Assets | : | 173,398 |
| SOURCE OF FUNDS | | |
| Paid up Capital | : | 58,450 |
| Reserves & Surplus | : | 1,13,256 |
| Monies pending allotment | : | - |
| Unsecured Loans | : | - |
| APPLICATION OF FUNDS | | |
| Net fixed Assets | : | 5,630 |
| Investment | : | 90,669 |
| Net Current Assets | : | 12,425 |
| Miscellaneous Expenses | : | 62,982 |
| D. PERFORMANCE OF THE COMPANY | | |
| Total Income | : | 5,090 |
| Total Expenditure | : | 8,630 |
| Profit/(Loss) Before Tax | : | (3,540) |
| Profit/(Loss) After Tax | : | (3,609) |
| Earning per share in Rs. | : | (0.07) |
| 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.PLADDHA
PARTNER
M.No.48195

Charles E.E. Devenish
Chairman

Sandeep Lakhwara
Managing Director

K. R. Krishnamurthy
Director

M. Ramakrishnan
Director

Place: Mumbai
Dated: 27th June 2008

Place: Bangalore
Dated: 27th June 2008

S. Subramaniam
Company Secretary



DECCAN GOLD EXPLORATION SERVICES PRIVATE LIMITED

(Formerly INDOPHIL RESOURCES EXPLORATION SERVICES (INDIA) PRIVATE LIMITED)

DIRECTORS' REPORT

Your Directors have pleasure in presenting their ELEVENTH Annual Report of the company together with the audited accounts of the company for the year ended 31st MARCH 2008.

CHANGE OF NAME OF THE COMPANY

During the year the name of the company has been altered to Deccan Gold Exploration Services Private Limited as per the fresh Certificate of Incorporation consequent upon change of name issued by the Registrar of Companies, Kamataka dated 20th February 2008.

WORKING OF THE COMPANY

Your company continued to carry out exploration activities pursuant to the agreement with Deccan Gold Mines Limited in terms of which, all expenses incurred by the company for exploration activities are reimbursed by Deccan Gold Mine Limited.

The company during the year incurred profit of Rs.0.001 Million of after adjustments of Deferred Taxes as compared to loss of Rs.0.004 Million during the previous year.

MANAGEMENT

That during the year the board comprised of Dr. M. Ramakrishnan and Mr. K. Karunakaran.

DIRECTORS RESPONSIBILITY STATEMENT

Your Directors confirm that:

- a. In preparation of the annual accounts, the application Accounting Standards have been followed along with proper explorations 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 2008 and of the net profit for the year ended on that date;
- c. They had taken proper and sufficient care for maintenance of adequate accounting records as required under the Companies Act, 1956 for safeguarding the assets of the company and for prevention and detection of fraud and other irregularities; and
- d. Your Directors have taken proper and sufficient care for the maintenance of the 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; and
- e. Your Directors have prepared the Statement of Accounts for the year ended 31st March 2008 on a going concern basis.

PARTICULARS OF EMPLOYEES

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

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

(a) Conservation of Energy and Technology Absorption:

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

(b) Foreign Exchange Earnings and Outgo:

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



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 their reappointment.

ACKNOWLEDGEMENT

You Directors acknowledge the co-operation extended by you all.

For and on behalf of the Board

Place : Bangalore
Date : 5th April 2008

M. Ramakrishnan
Director

K. Karunakaran
Director



DECCAN GOLD EXPLORATION SERVICES PRIVATE LIMITED

(Formerly INDOPHIL RESOURCES EXPLORATION SERVICES (INDIA) PRIVATE LIMITED)

AUDITORS' REPORT

To the members of

DECCAN GOLD EXPLORATION SERVICES PRIVATE LIMITED

We have audited the Balance Sheet of DECCAN GOLD EXPLORATION SERVICES PRIVATE LIMITED as at 31st MARCH, 2008 and the annexed Profit and Loss Account for the year ended on that date. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

1. The company being not coming under the purview of the Companies (Auditor's Report) Order, 2003 issued by the central government under section 227 (4A) of the Companies Act, 1956, we have not reported our finding on the matters stated therein.
2. Further to our comments in the Annexure referred to in paragraph (1) above:
 - a. we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit.
 - b. in our opinion, proper books of account as required by the law have been kept by the Company so far as it appears from our examination of those books;
 - c. the Balance Sheet and the Profit and Loss Account dealt with by this report are in agreement with those Books of account;
 - d. in our opinion, the Profit and Loss Account and the Balance Sheet dealt with by this report comply with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956,;
 - e. on the basis of the written representations received from the Directors and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2008 from being appointed as a director of the Company are disqualified from being appointed as a director in terms of Section 274 (1) (g) of the Companies Act, 1956; and
 - f. in our opinion and to the best of our information and according to the explanations given to us, the accounts give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (i) in the case of the Balance Sheet, of the state of affairs of the company as at 31st March, 2008; and
 - (ii) in the case of the Profit and Loss Account, of the profit of the company for the year ended on that date.

For **RAO & VENKATESULU**
Chartered Accountants

Place : Bangalore
Date : 5th April 2008

K.Y. Ningoji Rao
Partner
Membership No.18278



DECCAN GOLD EXPLORATION SERVICES PRIVATE LIMITED
(Formerly INDOPHIL RESOURCES EXPLORATION SERVICES (INDIA) PRIVATE LIMITED)

BALANCE SHEET AS AT 31ST MARCH, 2008

| | Schedule | As at 31.03.2008 (Rs. in '000) | As at 31.03.2007 (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 | | 80.76 | 79.79 |
| NET CURRENT ASSETS: | | | |
| CURRENT ASSETS: | | | |
| Inventories | B | - | 361.78 |
| Trade Debtors | | 843.68 | 439.57 |
| Cash & Bank Balances | | 160.33 | 31.53 |
| Loans & Advances | | 307.62 | 263.82 |
| Total Current Assets | | 1,311.63 | 1,096.70 |
| Less: CURRENT LIABILITIES: | | | |
| Current Liabilities | C | 1,464.16 | 1,248.68 |
| NET CURRENT ASSETS: | | (152.53) | (151.98) |
| Misc. Expenses (ASSET) | | | |
| Preliminary Expenses (To the extent not written off) | | - | - |
| Profit & Loss Account | | 171.78 | 172.19 |
| 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. Ramakrishnan
Director

K. Karunakaran
Director

Bangalore
5th April 2008



DECCAN GOLD EXPLORATION SERVICES PRIVATE LIMITED
(Formerly INDOPHIL RESOURCES EXPLORATION SERVICES (INDIA) PRIVATE LIMITED)

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2008

| | Schedule | For the Year ended 31.03.2008 (Rs. in '000) | For the Year ended 31.03.2007 (Rs. in '000) |
|-------------------------------------------|----------|------------------------------------------------------|------------------------------------------------------|
| INCOME: | | | |
| Exploration charges Recovered | | 986.72 | 1,096.25 |
| Total Income | | 986.72 | 1,096.25 |
| EXPENDITURE: | | | |
| Exploration Expenses | D | 591.34 | 1,413.17 |
| Administrative & Other Expenses | E | 34.15 | 46.39 |
| Total | | 625.49 | 1,459.56 |
| Increase in Inventory | F | 361.78 | (361.78) |
| Total Expenditure | | 987.27 | 1,097.78 |
| NET PROFIT(+)/LOSS(-) BEFORE TAXES | | (0.55) | (1.53) |
| Less/Add(-): Prior Period Adjustments | | - | (2.46) |
| Add: Deferred Tax Assets Created | | 0.97 | 0.02 |
| NET PROFIT(+)/LOSS(-) AFTER TAXES | | 0.42 | (3.97) |
| Add: Balance Loss Brought Forward | | (172.19) | (168.23) |
| BALANCE LOSS CARRIED FORWARD | | (171.77) | (172.19) |

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. Ramakrishnan
Director

K. Karunakaran
Director

Bangalore
5th April 2008



DECCAN GOLD EXPLORATION SERVICES PRIVATE LIMITED
(Formerly INDOPHIL RESOURCES EXPLORATION SERVICES (INDIA) PRIVATE LIMITED)

SCHEDULES FORMING PART OF ACCOUNTS

| | As at 31.03.2008 (Rs. in '000) | As at 31.03.2007 (Rs. in '000) |
|---------------------------------------------------------------------------------------------------|-----------------------------------------------|-----------------------------------------------|
| SCHEDULE 'A' | | |
| SHARE CAPITAL | | |
| AUTHORISED CAPITAL: 50000 (PY 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 | 843.68 | 439.57 |
| Cash at Bank: | | |
| In Current Accounts | 152.30 | 29.55 |
| Cash on Hand | 8.03 | 1.98 |
| Loans & Advances: | | |
| Deposits | 109.93 | 109.93 |
| Advances Recoverable in Cash or kind | 197.68 | 153.89 |
| TOTAL | 1,311.62 | 1,096.70 |
| SCHEDULE 'C' | | |
| CURRENT LIABILITIES | | |
| Creditors for Trade | 1,420.08 | 1,193.46 |
| Creditors for Expenses | 44.08 | 55.22 |
| TOTAL | 1,464.16 | 1,248.68 |
| | Current Year (Rs. in '000) | Previous Year (Rs. in '000) |
| SCHEDULE 'D' | | |
| EXPLORATION EXPENSES | | |
| Analysis charges | 2.33 | 560.97 |
| Boarding & Lodging charges | 29.93 | 53.28 |
| Camp Expenses | 26.94 | 26.71 |
| Diesel & Fuel Expenses | 32.30 | 47.21 |
| Duplicating charges | 0.78 | 2.06 |
| Field Supplies & Consumables | 12.50 | 18.30 |
| Field Vehicle Maintenance | 2.59 | 22.24 |
| RP/PL/ML Processing Expenses | 35.54 | 50.29 |
| Land Compensation | - | 123.18 |
| Field Travel Expenses | 22.82 | 15.70 |
| Professional & Consultancy fee | 396.00 | 465.00 |
| Trenching & Pitting Charges | 26.65 | 20.90 |
| Other Camp Expenses : Telephone | 2.95 | 7.33 |
| TOTAL | 591.33 | 1,413.17 |


DECCAN GOLD EXPLORATION SERVICES PRIVATE LIMITED

(Formerly 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 |
| Bank Charges | 0.59 | 1.38 |
| Filing Fee | 16.53 | 10.88 |
| Postage & Telegrams | - | 0.94 |
| Printing & Stationery | 2.44 | 2.99 |
| Interest on TDS Payments | - | - |
| Preliminary Expenses Amortised | - | 3.72 |
| Auditors Remuneration: | | |
| For Audit | 11.22 | 11.22 |
| For Tax Audit | - | - |
| For Other Services | 3.37 | 3.80 |
| TOTAL | 34.15 | 46.39 |
| SCHEDULE 'F' | | |
| INCREASE OR DECREASE IN STOCKS | | |
| OPENING STOCK : | | |
| Work in progress | 361.78 | - |
| TOTAL | 361.78 | - |
| CLOSING STOCK | | |
| Work in progress | - | 361.78 |
| TOTAL | - | 361.78 |
| Increase (-) or Decrease (+) in Inventory | 361.78 | (361.78) |

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

| | Particulars | As At 31.03.2008 (Rs. in '000) | As At 31.03.2007 (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 | 843.68 | 439.57 |
| 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 | 843.68 | 439.57 |



DECCAN GOLD EXPLORATION SERVICES PRIVATE LIMITED

(Formerly INDOPHIL RESOURCES EXPLORATION SERVICES (INDIA) PRIVATE LIMITED)

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

| Particulars | As On 31.03.2008 | As On 31.03.2007 | 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 31.03.2008 | As On 31.03.2007 | Total |
| Unabsorbed Items Under IT: | | | |
| Unabsorbed Business Loss | 237.59 | 237.04 | 0.55 |
| Unabsorbed Depreciation | Nil | Nil | Nil |
| Total | 237.59 | 237.04 | 0.55 |
| Deferred Tax Asset | 80.76 | 79.79 | 0.97 |
| Net Deferred Tax Asset: | 80.76 | 79.79 | 0.97 |

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.


DECCAN GOLD EXPLORATION SERVICES PRIVATE LIMITED

(Formerly 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, 2008 |

BALANCE SHEET AS AT 31ST MARCH, 2008:

(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 | 81 |
| Net Current Assets | (153) |
| Miscellaneous Expenditure | Nil |
| Accumulated Losses | 172 |

IV. Performance of the Company:

| | |
|---------------------------------------------|-------|
| Turnover | 986.7 |
| Total Expenditure | 987.2 |
| Profit Before Tax | (1) |
| Profit After Tax | 1 |
| Earning Per Share [Annualised] | |
| After reckoning Deferred Tax Asset (in Rs.) | 4 |
| 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. Ramakrishnan
 Director

K. Karunakaran
 Director

Bangalore
 5th April 2008



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 **Deccan Gold Exploration Services Private Limited** (formerly known 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, 2008 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** and 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, 2008
 - 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: 27th June, 2008



DECCAN GOLD MINES LIMITED
(FORMERLY WIMPER TRADING LIMITED)

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2008

| | Schedule | As at 31.03.2008 (Rs.'000) | As at 31.03.2007 (Rs.'000) |
|---------------------------------------------------------------|----------|----------------------------------|----------------------------------|
| SOURCES OF FUNDS : | | | |
| Share holders fund : Share Capital | A | 58,450.00 | 58,450.00 |
| Monies pending Allotment | | - | 16,726.31 |
| Reserves & Surplus | B | 113,256.11 | 96,526.08 |
| TOTAL | | 171,706.11 | 171,702.39 |
| APPLICATIONS OF FUND: | | | |
| FIXED ASSETS: | | | |
| Gross Block | C | 12,117.94 | 8,015.16 |
| Less: Depreciation | | 6,487.66 | 4,661.24 |
| Net Block | | 5,630.28 | 3,353.92 |
| GOODWILL | | 197.26 | 197.26 |
| INVESTMENTS | D | 90,569.05 | 86,250.00 |
| CURRENT ASSETS, LOANS & ADVANCES | | | |
| Inventories | E | - | 361.78 |
| Cash & Bank Balances | | 9,604.26 | 20,865.43 |
| Loans and Advances | | 4,980.79 | 7,213.30 |
| | | 14,585.05 | 28,440.51 |
| Less: Current Liabilities & Provisions | F | 2,312.57 | 3,115.50 |
| Current Liabilities | | 2,312.57 | 3,115.50 |
| NET CURRENT ASSETS | | 12,272.48 | 25,325.01 |
| Misc. Expenditure (to the extent not written off or adjusted) | G | - | - |
| Pre-operative Expenditure | H | 34,914.66 | 32,062.88 |
| | | 34,914.66 | 32,062.88 |
| Profit & Loss Account | | 28,041.62 | 24,433.53 |
| Deferred Tax Assets | | 80.76 | 79.79 |
| TOTAL | | 171,706.11 | 171,702.39 |
| 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.PLADDHA
PARTNER
M.No.48195

Charles E.E. Devenish
Chairman

Sandeep Lakhwara
Managing Director

K. R. Krishnamurthy
Director

M. Ramakrishnan
Director

Place: Mumbai
Dated: 27th June 2008

Place: Bangalore
Dated: 27th June 2008

S.Subramaniam
Company Secretary



DECCAN GOLD MINES LIMITED
(FORMERLY WIMPER TRADING LIMITED)

CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2008

| | Schedule | For the Year ended 31.03.2008 (Rs.'000) | For the Year ended 31.03.2007 (Rs.'000) |
|--------------------------------------|----------|--------------------------------------------------|--------------------------------------------------|
| <u>INCOME</u> | | | |
| Operational Income | I | 624.94 | 1,096.25 |
| Interest on Term Deposit | | 771.31 | 4,503.49 |
| Other Income | J | 4,319.05 | - |
| Increase/Decrease in Inventory | | - | 361.78 |
| | | 5,715.30 | 5,961.52 |
| <u>EXPENDITURE</u> | | | |
| Exploration Expenses | | 591.34 | 1,413.17 |
| Administrative & Other Expenses | K | 8,664.03 | 8,389.06 |
| | | 9,255.37 | 9,802.23 |
| Profit/(Loss) before taxation | | (3,540.07) | (3,840.71) |
| Less : Provision for FBT | | 69.00 | 68.70 |
| | | (3,609.07) | (3,909.41) |
| Add : Provision for Deferred Tax | | 0.97 | 0.03 |
| | | (3,608.10) | (3,909.38) |
| Add : Prior Period Adjustment | | - | (2.46) |
| Net Profit/(Loss) for the year | | (3,608.10) | (3,911.84) |
| Add: Balance brought forward | | (24,433.52) | (20,521.69) |
| Balance transferred to Balance Sheet | | (28,041.62) | (24,433.53) |
| Basic Earnings Per Share (in Rs.) | | (0.06) | (0.07) |
| Diluted Earnings Per Share (in Rs.) | | (0.06) | (0.07) |

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.PLADDHA
PARTNER
M.No.48195

Charles E.E. Devenish
Chairman

Sandeep Lakhwara
Managing Director

K. R. Krishnamurthy
Director

M. Ramakrishnan
Director

Place: Mumbai
Dated: 27th June 2008

Place: Bangalore
Dated: 27th June 2008

S. Subramaniam
Company Secretary



DECCAN GOLD MINES LIMITED
(FORMERLY WIMPER TRADING LIMITED)

SCHEDULES FORMING PART OF CONSOLIDATED ACCOUNTS AS AT 31st MARCH, 2008

| | As at 31.03.2008 (Rs.'000) | As at 31.03.2007 (Rs.'000) |
|----------------------------------------------------------------------------------------------------------------|----------------------------------|----------------------------------|
| SCHEDULE 'A' | | |
| SHARE CAPITAL: | | |
| Authorised 10,00,00,000 (PY 10,00,00,000) Equity Shares of Re.1/- each | 1,00,000.00 | 1,00,000.00 |
| | 1,00,000.00 | 1,00,000.00 |
| Issued, Subscribed and Paid up : 5,84,50,000 (PY 5,84,50,000) Equity Shares of Re.1/- each fully paid up | 58,450.00 | 58,450.00 |
| | 58,450.00 | 58,450.00 |
| SCHEDULE 'B' | | |
| Reserves & Surplus | | |
| Securities Premium | 96,529.80 | 98,700.00 |
| Less : Miscellaneous Expenditure | - | 2,173.92 |
| Capital Reserve | 16,726.31 | - |
| | 113,256.11 | 96,526.08 |
| | - | - |

SCHEDULE 'C'**FIXED ASSETS**

(Rs.'000)

| Sl. No. | PARTICULARS | GROSS BLOCK | | | DEPRECIATION | | | NET BLOCK | |
|---------------|--------------------|-------------------|--------------------------------|-------------------|-------------------|-----------------|-------------------|-------------------|-------------------|
| | | As at 01.04.07 | Addition during the year | As at 31.03.08 | As at 01.04.07 | For the Year | Up to 31.03.08 | As at 31.03.08 | As at 31.03.07 |
| 1. | COMPUTERS PRINTER | 70.78 | 320.89 | 391.68 | 54.84 | 83.45 | 138.29 | 253.38 | 15.95 |
| 2. | PLANT & MACHINERY | 7,246.27 | - | 7,246.27 | 4,288.03 | 889.90 | 5,177.93 | 2,068.34 | 2,958.24 |
| 3. | VEHICLE | 502.09 | - | 502.09 | 250.0 | 65.45 | 315.44 | 186.65 | 252.09 |
| 4. | OFFICE EQUIP | 16.77 | 435.52 | 452.29 | 4.12 | 51.63 | 55.75 | 396.54 | 12.65 |
| 5. | FURNITURE & FIX. | 179.24 | 482.32 | 661.55 | 64.25 | 101.41 | 165.66 | 495.89 | 114.99 |
| 6. | LEASEHOLD PREMISES | - | 2,864.06 | 2,864.06 | - | 634.65 | 634.59 | 2,229.47 | - |
| TOTAL | | 8,015.16 | 4,102.78 | 12,117.94 | 4,661.24 | 1,826.48 | 6,487.66 | 5,630.28 | 3,353.92 |
| PREVIOUS YEAR | | 8,015.16 | - | 8,015.16 | 3,267.28 | 1,393.96 | 4,661.24 | 3,353.92 | - |

SCHEDULE 'D'**INVESTMENTS**

ABN Amro Money Plus Fund

90,569.05

86,250.00

90,569.05

86,250.00

SCHEDULE 'E'**CURRENT ASSETS, LOANS & ADVANCES:****Current Assets:**

Inventories

-

361.78

Cash & Bank Balance:

Cash on Hand

14.49

62.14

Balance with Bank (Current Account)

589.77

3,803.29

Term Deposit

9,000.00

17,000.00

9,604.26

21,227.20



| | As at 31.03.2008 (Rs.'000) | As at 31.03.2007 (Rs.'000) |
|--------------------------------------------------------------------------------------------|----------------------------------|----------------------------------|
| Loans & Advances | | |
| (Unsecured, considered good) | | |
| Advances recoverable in cash or kind or for value to be received | 4,980.79 | 7,213.30 |
| | <u>4,980.79</u> | <u>7,213.30</u> |
| SCHEDULE 'F' | | |
| CURRENT LAIBILITIES: | | |
| Sundry Creditors | 2,155.87 | 3,027.80 |
| PROVISIONS: | | |
| Provision for FBT | 156.70 | 87.70 |
| | <u>2,312.57</u> | <u>3,115.50</u> |
| SCHEDULE 'G' | | |
| MISCELLANEOUS EXPENDITURE | | |
| Preliminary expenses | | |
| Opening balance | - | 1,218.23 |
| Less: 1/5 written off during the year | - | - |
| | - | 1,218.23 |
| Add: Other expenses | - | 955.69 |
| | - | 2,173.92 |
| Less : Adjusted against Securities Premium Account (refer note no 11 of notes to accounts) | - | 2,173.92 |
| | - | - |
| SCHEDULE 'H' | | |
| Pre-Operative expenses | | |
| Exploration expenses | 34,914.66 | 32,062.88 |
| | <u>34,914.66</u> | <u>32,062.88</u> |



DECCAN GOLD MINES LIMITED
(FORMERLY WIMPER TRADING LIMITED)

SCHEDULES FORMING PART OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2008

| | For the year ended 31.03.2008 (Rs.'000) | For the year ended 31.03.2007 (Rs.'000) |
|---------------------------------------------|------------------------------------------------------------|------------------------------------------------------------|
| SCHEDULE 'I' | | |
| Operational Income | | |
| Drilling Income | 624.94 | 1,096.25 |
| Less : Service tax | - | - |
| | <u>624.94</u> | <u>1,096.25</u> |
| SCHEDULE 'J' | | |
| Other Income | | |
| Dividend | 3,279.74 | - |
| Short term Capital Gain | 1,039.31 | - |
| | <u>4,319.05</u> | <u>-</u> |
| SCHEDULE 'K' | | |
| ADMINISTRATIVE & OTHER EXPENSES: | | |
| Salaries & other benefits | 2,651.34 | 1,730.60 |
| Staff welfare | 35.31 | 23.86 |
| Books & Periodicals | 5.48 | 15.28 |
| Bank charges | 2.67 | 8.15 |
| Business promotion expenses | 99.63 | 13.10 |
| Travelling & conveyance | 349.41 | 394.76 |
| Electricity charges | 120.72 | 31.20 |
| Repairs & Maintenance | 242.42 | 871.95 |
| Postage, Telegram & Telephone | 6.00 | 61.44 |
| Rent, rate & taxes | 1,653.16 | 1,217.51 |
| Advertisement expenses | 38.78 | 26.67 |
| Audit fee | 104.48 | 99.30 |
| Directors Sitting Fees | 52.50 | 47.50 |
| Professional & consultancy fee | 598.30 | 1,638.13 |
| Fees-Filing & Listing | 71.83 | 108.60 |
| Sundry Expenses | 805.58 | 707.05 |
| Depreciation | 1,826.42 | 1,393.97 |
| | <u>8,664.03</u> | <u>8,389.06</u> |



SCHEDULE 'L'

**SIGNIFICANT ACCOUNTING POLICIES AND NOTES
ANNEXED TO CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2008**

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, 2008 (Rs. '000) | 31st March, 2007 (Rs. '000) |
|----------------------------------------------------------------------------------------------------------------------------------------|--------------------------------|--------------------------------|
| 1. Capital Commitments (Net of Advance) | Nil | (700) |
| 2. Claims made against the company but not acknowledged 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 | Nil | 781.95 |
| b. Earning in foreign currency | Nil | Nil |
| c. Payment to Auditors: | | |
| - Audit Fees | 104.48 | 99.30 |



6. Related party disclosure

a. Name of related parties and relationship

| Sl No. | Name of the party | Relationship |
|--------|-------------------------------------------------------------------------------------------------------------------------|-------------------------|
| 1 | Deccan Gold Exploration Services Private Limited (Formerly 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 | Prof. 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 Deccan Gold Exploration Services (India) Pvt Ltd.,

c. Transactions with related parties :-

| Sl. No. | Nature | For the year ended 31st March, 2008 (Rs. in '000) |
|---------|-----------------------------------------------------|---------------------------------------------------------|
| 1 | Reimbursement of Exploration Expenses to Subsidiary | 843.68 |
| 2 | Managerial Remuneration | 1,170.00 |
| 3 | Directors Sitting and Audit Committee Fees | 52.50 |

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.34,914.66 (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, 2008 | 31st March, 2007 |
| a Net Profit (Loss) after Tax available for Equity Share holders | (3,608.10) | (3,909.37) |
| b Weighted average number of equity shares of Rs 1 each outstanding during the period | 58,450.00 | 58,450.00 |
| c Basic earning per share | (0.06) | (0.07) |
| d Diluted earning per share | (0.06) | (0.07) |

As per our report of even date

For V. K. BESWAL & ASSOCIATES,
CHARTERED ACCOUNTANTS

For and on behalf of the board

R.PLADDHA
PARTNER
M.No.48195

Charles E.E. Devenish
Chairman

Sandeep Lakhwara
Managing Director

K. R. Krishnamurthy
Director

M. Ramakrishnan
Director

Place: Mumbai
Dated: 27th June 2008

Place: Bangalore
Dated: 27th June 2008

S. Subramaniam
Company Secretary



DECCAN GOLD MINES LIMITED
(FORMERLY WIMPER TRADING LIMITED)

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2008

| | For the year ended 31.03.2008 (Rs.'000) | For the year ended 31.03.2007 (Rs.'000) |
|------------------------------------------------------------|--------------------------------------------------|--------------------------------------------------|
| A: CASH FLOW FROM OPERATING ACTIVITIES: | | |
| Net Profit/(Loss) before tax & extraordinary items | (3,540.07) | (3,843.16) |
| Adjustment for: | | |
| Add : | | |
| Depreciation | 1,826.42 | 1,393.97 |
| Operating Profit / (Loss) before Working Capital Changes | (1,713.65) | (2,449.19) |
| Adjustment for: | | |
| Increase / (Decrease) in Inventories | 361.78 | (361.78) |
| Increase / (Decrease) in trade liabilities | (871.93) | (2,027.99) |
| (Increase) / Decrease in Loans and Advances | 2,232.52 | (5,494.45) |
| Net Cash used in Operating Activities (A) | 8.72 | (10,333.41) |
| B: CASH FLOW FROM INVESTING ACTIVITIES: | | |
| Purchase of Investments / Fixed Assets | (8,421.91) | (86,250.00) |
| Pre Operative expenses | (2,866.98) | (5,089.46) |
| Net Cash flow from Investing Activities (B) | (11,288.89) | (91,339.46) |
| 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) | (11,280.17) | 19,801.48 |
| Cash & Cash equivalents at the beginning of the year | 20,865.43 | 1,063.95 |
| Cash & Cash equivalents at the end of the year | 9,585.26 | 20,865.43 |

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

For and on behalf of the board

R.PLADDHA
PARTNER
M.No.48195

Charles E.E. Devenish
Chairman

Sandeep Lakhwara
Managing Director

K. R. Krishnamurthy
Director

M. Ramakrishnan
Director

Place: Mumbai
Dated: 27th June 2008

Place: Bangalore
Dated: 27th June 2008

S. Subramaniam
Company Secretary


DECCAN GOLD MINES LIMITED

(FORMERLY WIMPER TRADING LIMITED)

**CONSOLIDATED BALANCE SHEET ABSTRACT AND
COMPANY'S GENERAL BUSINESS PROFILE**

| | | |
|----------------------------------------------------------------------------------|---|-------------------------|
| A. REGISTRATION DETAILS | | |
| State Code | : | 11 |
| Registration Number | : | 34662 |
| Balance Sheet Date | : | 31st March, 2008 |
| B. CAPITAL RAISED DURING THE YEAR | | (Amount in '000) |
| Public Issue | : | NIL |
| Right Issue | : | NIL |
| Bonus Issue | : | NIL |
| Private Placement | : | NIL |
| C. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS | | |
| Total Liability | : | 174,019 |
| Total Assets | : | 174,019 |
| SOURCE OF FUNDS | | |
| Paid up Capital | : | 58,450 |
| Reserves & Surplus | : | 1,13,256 |
| Monies pending allotment | : | - |
| Unsecured Loans | : | - |
| APPLICATION OF FUNDS | | |
| Net fixed Assets | : | 5,630 |
| Investment | : | 90,766 |
| Net Current Assets | : | 12,272 |
| Miscellaneous Expenses | : | 63,037 |
| D. PERFORMANCE OF THE COMPANY | | |
| Total Income | : | 5,715 |
| Total Expenditure | : | 9,255 |
| Profit/(Loss) Before Tax | : | (3,540) |
| Profit/(Loss) After Tax | : | (3,608) |
| Earning per share in Rs. | : | (0.06) |
| 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.PLADDHA
 PARTNER
 M.No.48195

Charles E.E. Devenish
 Chairman

Sandeep Lakhwara
 Managing Director

K. R. Krishnamurthy
 Director

M. Ramakrishnan
 Director

 Place: Mumbai
 Dated: 27th June 2008

 Place: Bangalore
 Dated: 27th June 2008

S. Subramaniam
 Company Secretary