



AUDITORS' REPORT ON CORPORATE GOVERNANCE

TO
THE MEMBERS,
DECCAN GOLD MINES LIMITED
(Formerly Wimper Trading Limited)

We have reviewed the implementation of Corporate Governance procedures by DECCAN GOLD MINES LIMITED (FORMERLY WIMPER TRADING LIMITED) during the year ended 31st March, 2004 as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchange, with relevant records and documents maintained by the Company, furnished to us for our review and the report on Corporate Governance as approved by the Board of Directors.

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

On the basis of our review and according to the information and explanations given to us, and the representations made by Directors and the Management, the conditions of Corporate Governance as stipulated in Corporate Governance Clause 49 of the Listing Agreement with the Stock Exchange have been complied with by the Company and that no Investor Grievance(s) is/are pending for a period exceeding one month against the Company as per the records maintained by the Investor Grievance Committee. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

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

31st July 2004
Mumbai

R.P. LADDHA
PARTNER
M.NO.48195



REPORT ON CORPORATE GOVERNANCE

The Directors of the Company believe that good corporate governance improves company performance, enhances corporate social responsibility and benefits all stakeholders. Accordingly, the Board has established a corporate governance framework to ensure that these intentions are met and that all stakeholders are informed about the affairs of the Company.

The code of corporate governance has become applicable to the Company with effect from 20th March 2004 only being the date of increase in paid up equity capital beyond the threshold limits. Accordingly, in a meeting of the Board of Directors of the Company held on 24th April 2004, the Board has taken necessary steps in compliance with the Corporate Governance requirements.

A. Board of Directors

1. Size and composition of the Board

As on 31st March 2004, the Board of Deccan Gold Mines Limited consisted of 3 Directors, all of them being Non-Executive Directors, having rich and varied experience. The constitution of the Board as on 31st March 2004 is as given below:

Director	Executive/Non-Executive /Independent	No. of other Directorships	No. of Outside Committees	
			Chairman	Member
Mr. Charles E. E. Devenish	Non-Executive, Non-Independent	4	---	---
Mr. Sandeep Lakhwara	Non-Executive, Non-Independent	4	---	---
Mr. Ashok Kumar Gupta	Non-Executive, Independent	6	---	2
Mr. M. R. Menon #	Non-Executive Independent	2	---	---

Mr. M. R. Menon is an Alternate Director to Mr. Charles Devenish

NOTE: Post 24th April 2004, the Board of Directors consists of 6 Directors comprising of one Non-Executive Chairman, one Managing Director and 4 Non-Executive Independent Directors.

2. Cash Compensation to the Directors for the financial year ended 31st March 2004

No remuneration has been paid to any Director during the year ended 31st March 2004 except the Board Meeting sitting fees. The details of sitting fees paid during the year are given below.

Name of the Directors	Sitting fees paid during the year
Mr. Ashok Kumar Gupta	Rs. 20,000/-
Mr. M.R. Menon	Rs. 20,000/-

* The Company started paying Board Meeting sitting fees from 18th December 2003.

B. Board Meetings

1. Scheduling and selection of agenda items for board meetings

Agenda for each meeting along with explanatory notes are drafted and distributed well in advance to the directors. The Board meets at least once a quarter to review the quarterly results and other items on the



agenda, and also on the occasion of the annual shareholders' meetings. When necessary, additional meetings are held. The gap between two Board meetings is never more than 4 months.

Eight Board meetings were held during the year ended March 31, 2004. These were on 7th April 2003, 20th May 2003, 27th June 2003, 12th July 2003, 30th September 2003, 28th October 2003, 18th December 2003 and 30th January 2004. Table hereunder gives the attendance record of the directors.

Table

Name of the Director	Number of Board Meetings attended	Whether attended last AGM
Mr. Sandeep Lakhwara	8	Yes
Mr. Charles E. E. Devenish	5	Yes
Mr. Ashok Gupta	7	Yes
Mr. M. R. Menon #	2	No

Mr. M.R. Menon has attended Board Meeting as Alternate Director to Mr. Charles Devenish.

2. Availability of information to the members of the Board

The Board has unfettered and complete access to any information within the Company, and to any employee of the Company. At the meetings of the Board, it welcomes the presence of such persons who can provide additional insights into the items being discussed.

3. Materially significant related party transactions

There have been no materially relevant related party transactions for the year ended March 31, 2004, which have potential conflict with the interests of the Company at large.

C. Board Committees

Currently, the Board has three committees - the Audit Committee, Shareholders/Investors Grievance Committee and Remuneration Committee. All these three Committees were constituted by the Board in its meeting held on 24th April 2004. The Audit Committee and Remuneration Committee comprises of 3 members all of whom are non-executive Directors. The Shareholders/Investor grievance committee comprises of 3 Members. The Chairman of the said committee is a Non-Executive, Independent Director.

The Board is responsible for the constitution, co-opting and fixing the terms of service for committee members to various committees.

1. Audit Committee

The audit committee comprises of following members.

Mr. K. R. Krishnamurthy - Chairman

Dr. M. Ramakrishnan

Mr. Charles E. E. Devenish

Mr. K. Karunakaran

Mr. Manoj Deshmukh, Company Secretary, acts as Secretary to the Committee.

The role and terms of reference of the Audit Committee covers the matters specified for Audit committees under Clause 49 of Listing Agreement as well as in Section 292A of the Companies Act, 1956.

2. Shareholders/Investor Grievance Committee:

The Shareholders/Investors grievance Committee comprises of following members :

Mr. K. R. Krishnamurthy - Chairman

Dr. M. Ramakrishnan

Mr. Sandeep Lakhwara



The Committee has the mandate to review and redress shareholder grievances and to attend to share transfers and other related matters.

3. Remuneration Committee

The Remuneration Committee comprises of the following members:

Mr. K. R. Krishnamurthy - Chairman

Dr. M. Ramakrishnan

Mr. Charles E. E. Devenish

D. Management Discussion and Analysis

Report on Management Discussion and Analysis forms a part of the Annual Report for the year ended March 31, 2004.

E. Shareholders

1. Disclosures regarding appointment or re-appointment of Directors

Pursuant to the provisions of Section 255 of the Companies Act, 1956, Mr. Ashok Kumar Gupta shall retire by rotation in the forthcoming Annual General Meeting. The Board has recommended the re-election of Mr. Ashok Gupta to the shareholders.

Prof. V. K. Gaur, Mr. K. R. Krishnamurthy and Dr. M. Ramakrishnan who were appointed as Additional Directors with effect from 24th April 2004 shall vacate office at the ensuing Annual General Meeting. The Company has received notices under Section 257 of the said act from shareholders proposing the candidature of Prof. V. K. Gaur, Mr. K. R. Krishnamurthy and Dr. M. Ramakrishnan for the office of Director of the Company.

The detailed resumes of the aforesaid Directors proposed to be appointed/re-appointed is provided in the notice of the Annual General Meeting.

2. Communication to the Shareholders

The quarterly results of the Company are published in two newspapers in compliance with the provisions of Clause 41 of the listing agreement. Generally, the same are published in leading English and Marathi newspapers. As the results of the Company are published in newspapers, half-yearly reports are not sent to each household of shareholders. The quarterly results as well as the proceedings of the Annual General Meeting are submitted to the Stock Exchange, Mumbai shortly after the conclusion of the respective meetings.

3. Investors' grievance and share transfers

As mentioned earlier, the Company has a board-level Investors Grievance Committee to examine and redress shareholders and investors' complaints.

For matters regarding shares transferred in physical form, share certificates, change of address, etc. shareholders should communicate with Intime Spectrum Registry Limited, the Company's registrar and share transfer agent. Their address is given in the section on Shareholder information. Mr. Manoj Deshmukh, Company Secretary is the Compliance officer of the Company.

4. Disclosures

There are no materially significant related party transactions i.e. transactions, material in nature, with its promoters, the Directors or the Management, their subsidiaries or relatives etc. having potential conflict with the interest of the Company at large.

There has been no non-compliance of any legal requirements by the Company; nor has there been any strictures imposed by the Stock Exchange or SEBI on any matters relating to the capital market during the financial year ended 31st March 2004.



5. General body meetings.

Details of last three Annual General Meetings are given hereunder

Year	Date	Venue	Time
2001	31/08/2001	Air India Building, 14th Floor, Nariman Point, Mumbai 400 021	1:00 p.m.
2002	28/09/2002	Air India Building, 14th Floor, Nariman Point, Mumbai 400 021	11.00 a.m.
2003	30/09/2003	49A, Nariman Bhawan, 227, Nariman Point, Mumbai 400 021	11.00 a.m..

No special resolution/s were passed in last three Annual General Meetings.

6. Postal Ballots

No resolutions were passed by way of Postal Ballots during the year ended 31st March 2004.

Shareholder Information

1. Date, time and venue of Annual General Meeting of Shareholders to be held
24th September 2004 at 3.00 p.m. at LNM IMC Building, Indian Merchants' Chambers Marg, Mumbai - 400 020
2. Dates of book closures
18th September 2004 to 24th September 2004 (both days inclusive)
3. Dividend Payment
Nil
4. Financial Calendar (tentative and subject to change)
Financial reporting for quarter ended
June 30, 2004 : July 31, 2004
September 30, 2004 : October 31, 2004
December 31, 2004 : January 31, 2005
March 31, 2005 : April 30, 2005
Annual General Meeting for year ended
31st March 2005 : 30th September 2005
5. Listing on stock exchanges
The Stock Exchange, Mumbai
6. Listing fees
Paid for year 2004-2005
7. Registered office
49A, Nariman Bhavan,
Nariman Point,
Mumbai 400 021.
Tel.: (022) 22026026
Fax.: (022) 22020820
Email.: info@deccangoldmines.com
8. Registrar and Share Transfer agents
Intime Spectrum Registry Limited
Pannalal Silk Mills Compound,
C-13, L.B.S. Marg, Bhandup (West),
Mumbai 400 078.
Tel.: (022) 55555454
Fax.: (022) 55555353
Email: isrl@vsnl.com
9. Share Transfer System
Shares sent for physical transfer are generally registered and returned within a period of 15-20 days from the date of receipt, if the documents are clear in all respects. The Share Transfer Committee of the Company meets as often as required.

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10. Investor Services complaints during the year
No Investor Grievance was received during the year.

11. Stock Market price data

Monthly high and low at the Stock Exchange, Mumbai for financial year ended 31st March 2004

Month	High Rs.	Low Rs.	BSE Sensex	
			High	Low
April, 2003	-	-	3221	2904
May	59.50	49.60	3200	2935
June	-	-	3633	3170
July	71.40	71.40	3836	3534
August	94.85	78.50	4278	3722
September	120.90	99.65	4474	4098
October	128.30	120.95	4951	4433
November	130.85	130.85	5135	4737
December	133.45	133.45	5920	5083
January, 2004	6.85	1.92	6250	5568
February	19.50	7.10	6083	5550
March	22.49	8.99	5951	5325

Note.: Consequent to sub-division of face value of Shares from Rs.10/- to Re.1/- per share, the shares of the sub-divided face value of Re.1/- each are being traded since 31st December 2003.

12. a) Distribution of Shareholding as on March 31, 2004

No. of Equity Shares held	No. of Shareholders	% of Shareholders	Amt. in Rs.	% of Total
1 - 500	179	27.66	53996	0.11
501 - 1000	179	27.66	172428	0.34
1001 - 2000	52	8.04	93290	0.18
2001 - 3000	28	4.33	79549	0.16
3001 - 4000	10	1.55	37587	0.07
4001 - 5000	34	5.25	169100	0.32
5001 - 10000	53	8.20	459090	0.89
10001 and above	112	17.31	50384960	97.93
Total	647	100.00	51450000	100.00

- b) Category wise Distribution Schedule as on 31st March 2004

Sr. No.	Category	No. of Shares held	%
1.	Promoters	43935734	85.39
2.	Non-Resident Indians	200000	0.39
3.	Private Bodies Corporate	1672989	3.25
4.	Indian Public	5631457	10.95
5.	Others (Clearing Members)	9820	0.02
	Total	51450000	100.00



13. Dematerialisation of shares and liquidity

The Company has established required connectivity with Central Depository Services (India) Limited and National Securities Depository Limited and the same are available in electronic segment under ISIN No. INE945F01025.

14. Address for correspondence

Deccan Gold Mines Limited
49A, Nariman Bhavan,
227, Nariman Point,
Mumbai 400021.

15. Stock Exchange Code 512068