



DIRECTORS' REPORT

Dear Shareholders,

We have pleasure in presenting the Annual Report on the business operations of the Company along with the Statement of Audited Accounts for the year ended 31st March 2008.

1. Financial Results

(Rs in '000)

Particulars	2007-08	2006-07
Total Income	5,090	4,503
Profit/(Loss) before Taxation	(3,540)	(3,843)
Profit/(Loss) after Tax	(3,609)	(3,912)
Balance brought forward	(18,627)	(14,716)
Balance transferred to Balance Sheet	(22,236)	(18,627)

During the year, the Company incurred Rs. 28.48 lac on exploration activities and Rs. 86.30 lac on administrative and other expenses. The cumulative amount spent on exploration activities of Rs. 407.46 lac as on 31st March, 2008 has been transferred to pre-operative expenses.

2. BUSINESS OPERATIONS AND OUTLOOK

For full details on the operations of the Company during the period under review, please refer the segment titled "Exploration Permits and Applications" and the segment titled "Report on Exploration Activities" published elsewhere in this Annual Report.

The New Mineral Policy 2008 was approved by the Indian Cabinet and was laid before the Rajya Sabha on 20th March, 2008. Many of the features contained in the Policy augur well for the industry and the Company in particular. The Policy envisages adoption of a mineral specific strategy to regulate and maximize the gains of mineral development.

The New Mineral Policy, 2008 also provides for facilitating financing of mine development and also of exploration which is integral to the mining project. It also aims to encourage early stage exploration and mining companies to access funds and would also explore differential listing requirements through segmented exchanges. Induction of foreign technology and foreign participation in exploration and mining for high value and scarce minerals would be encouraged and supported.

As the country looks to revive the mineral exploration and mining sector through foreign and Indian private investment and the proposed introduction of liberalized internationally compatible mining policies, your Company with some of the best gold prospects in the country, geologically similar to areas that have been home to major world gold discoveries, is confident of playing a leading role in this revival.

3. SUBSIDIARY COMPANY

As required under Section 212 of the Companies Act, 1956, the audited Profit and Loss Account for the year ended March 31, 2008 along with the Balance Sheet as at that date and the Reports of the Directors and Auditors thereon of Deccan Gold Exploration Services Private Limited, a subsidiary company is attached. It may be noted that the name of the subsidiary company viz. Indophil Resources Exploration Services (India) Private Limited was changed to Deccan Gold Exploration Services Private Limited with effect from 20th February, 2008.

4. CORPORATE GOVERNANCE

The Company has complied with all the mandatory requirements of Corporate Governance specified by the Securities and Exchange Board of India through Clause 49 of the Listing Agreement. As required by the said Clause, a separate Report on Corporate Governance forms part of this Annual Report. A Certificate from M/s. Rathi & Associates, Practising Company Secretaries, Mumbai regarding compliance with the conditions of Corporate Governance also forms part of this Annual Report.



Further, in terms of Clause 49(IV)(F) of the Listing Agreement, a separate report titled “Management Discussion and Analysis” forms part of this Annual Report.

5. BOARD OF DIRECTORS

Dr. M. Ramakrishnan and Prof. V.K. Gaur are the Directors who retire by rotation and being eligible, offer themselves for reappointment.

Necessary resolutions seeking the approval of the shareholders for the reappointment of the aforesaid Directors forms part of the Notice convening the Annual General Meeting. In terms of Clause 49(IV)(G)(i) of the Listing Agreement entered into with the Bombay Stock Exchange Limited, all the requisite details about the Directors seeking re-appointment at the ensuing Annual General Meeting forms part of the Notice convening the Annual General Meeting.

Further, pursuant to Clause 49(IV)(E)(iv) of the Listing Agreement, the shareholders may take note that none of the Non Executive Directors hold any shares/convertible instruments in the Company as on the date of this Report.

6. DIRECTORS’ RESPONSIBILITY STATEMENT

Pursuant to Section 217(2AA) of the Companies Act, 1956, your Directors confirm the following:

- that in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures.
- that they have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year ended 31st March, 2008 and of the loss of the Company for that period.
- that they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- that they have prepared the attached Statement of Accounts for the year ended 31st March, 2008 on a going concern basis.

7. PERSONNEL

Your Directors place on record, their appreciation for the good work done by all the employees.

During the year under review, none of the employees of the Company was in receipt of remuneration aggregating Rs. 24,00,000/- or more per annum, if employed throughout the year, or Rs. 2,00,000/- or more per month, in case employed for part of the year. Hence, there are no particulars to be annexed to this report as required under Section 217 (2A) of the Companies Act, 1956 and the rules made there under.

8. AUDITORS

The Statutory Auditors M/s. V.K. Beswal & Associates, Chartered Accountants retire at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

9. STATUTORY AUDITORS’ REPORT

Observations made in the Statutory Auditors’ Report are self-explanatory and therefore, do not call for any further comments under Section 217(3) of the Companies Act, 1956.

10. FIXED DEPOSITS

The Company has not accepted or renewed any deposit from public during the year under review.

11. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGES EARNINGS & 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

It may be noted that during the year under review, the Company did not have any foreign exchange earnings or outgo.

12. ACKNOWLEDGEMENT

The Directors wish to express their gratitude to all the business associates and to the Investors / Shareholders for the confidence reposed in the Company and its management. The Directors also convey their appreciation to the employees at all levels for their enormous personal efforts as well as collective contribution.

For and on behalf of the Board

Place: Bangalore
Date: 31st October, 2008

Charles Devenish
Chairman



Statement pursuant to Section 212 of the Companies Act, 1956 relating to Company's interest in the Subsidiary Deccan Gold Exploration Services Private Limited.

(Rs. in '000)

1	The financial year of the subsidiary company ended on	31 st March, 2008
2	Date from which it became subsidiary	3 rd March, 2005
3	a) No. of shares held by Holding Company with its nominee in the subsidiary at the end of the financial year of the subsidiary	10,000 equity shares of Rs.10/- each
	b) Extent of interest of holding company at the end of the financial year of the subsidiary	100%
4	The net aggregate amount of subsidiary's profit (loss) so far as it concerns the members	
	a) Not dealt with in holding company's accounts:	
	i) For the financial year of the subsidiary	Nil
	ii) For the previous financial years of the subsidiary since it became the subsidiary of the company	Nil
	b) Dealt with in holding company's accounts*:	
	i) For the financial year of the subsidiary	171
	ii) For the previous financial year of the subsidiary	172
5	Changes in the holding company's interest in the subsidiary between the end of the financial year of the subsidiary and the end of the holding company's financial year	None
6	Material changes between the end of the financial year of the subsidiary and the end of the holding company's financial year in respect of:	
	a) Subsidiary's fixed assets	None
	b) Its investments	None
	c) The monies lent by it	None
	d) The monies borrowed for the purpose other than meeting current liabilities	None

*Consolidated accounts reflect the effect.

For and on behalf of the Board

Charles E.E. Devenish
Chairman

Sandeep Lakhwara
Managing Director

K. R. Krishnamurthy
Director

M. Ramakrishnan
Director

Place: Bangalore
Dated: 27th June 2008

S. Subramaniam
Company Secretary



MANAGEMENT DISCUSSION AND ANALYSIS REPORT

INTRODUCTION

Deccan Gold Mines Ltd (DGML) is the first and the only gold exploration company listed on the Bombay Stock Exchange Limited (BSE). The Company was established in 2003 by promoters with deep roots in the exploration and mining sector and brings to India, a wealth of international technical know how and experience in the gold exploration and mining sector. DGML now has a large portfolio of exploration prospects in the States of Karnataka, Andhra Pradesh and Rajasthan. It has actively undertaken exploration work in all of its exploration prospects over the years and has been successful in identifying probable gold resources at several locations.

Details on the results of DGML's exploration work has been provided under the heading "Report on Exploration Activities".

A comprehensive list of the prospects acquired by DGML and its 100% owned subsidiary Deccan Gold Exploration Services Private Limited (DGESPL) – formerly known as Indophil Resources Exploration Services (India) Private Limited, has been provided under the heading "Exploration Permits and Applications".

DGML now awaits the grant of its applications following which it will undertake detailed feasibility studies to ascertain the commerciality of gold mining operations at these locations.

It must, however, be appreciated that exploration companies, have long gestation periods between exploration and discoveries, to which DGML is no exception. This gestation period has been further impacted by the delays in grant of permits by the Government authorities.

INDUSTRY REVIEW

India is looking to revive the mineral exploration and mining sector through foreign and Indian private investment and the introduction of liberalized, internationally compatible mining policies.

The Indian Cabinet approved the National Mineral Policy in March, 2008 which has been laid before Parliament for approval. The Policy seeks to chart out strategies for optimum utilization of the country's natural mineral resources for industrial growth and aims to attract both domestic and foreign direct investment in this sector. The Policy contains some very pertinent measures like seamless transition of licenses, transferability of mineral concessions and transparency in allotment of concessions to reduce delays and discretionary powers which are seen as impediments to investment and technology flows in the mining sector in India.

Some of the salient features of the National Mineral Policy are summarized hereunder:

- a) Absolute right of a prospector to obtaining a Mining Lease in areas where they have done requisite work, implying seamless transition from reconnaissance exploration (RP) to prospecting (PL) and to mining (ML).
- b) Unbundling of prospecting from mining, whereby the prospector may invest, find and sell data.
- c) Encourage competitive exploration with state-of-art technology and investment with introduction of two new concessions viz., Non exclusive reconnaissance operations (NERP) and Large Area Prospecting Licence (LAPL).
- d) Reduce delays in the grant of mineral concessions.

PERFORMANCE

Full details of exploration work undertaken by the Company are contained in "Report on Exploration Activities" forming part of this Annual Report. The status of our applications is contained in this Annual Report under the heading "Exploration Permits and Applications".

DGML incurred a total expenditure of Rs. 407.46 lacs (cumulative) on exploration on its prospects as on 31st March 2008. The amount of exploration expenditure (cumulative) incurred as on 31st March, 2007 was Rs. 378.98 lacs.

Administrative and other costs for the year ended 31st March 2008 were Rs. 86.30 lacs compared to Rs. 83.46 lacs for the ended 31st March 2007.

The net loss of the company for the year ended 31st March 2008 was Rs. 35.39 lacs compared to Rs. 38.43 lacs for the year ended 31st March 2007.



DGML's working capital funds as at 31st March 2008 were Rs. 124.25 lacs compared to Rs. 254.77 lacs for the year ended 31st March 2007.

It is pertinent to note that exploration companies by their very nature will not generate mining revenues until commencement of mining operations.

RISKS AND CONCERNS

The business of mineral exploration involves a variety of operational, financial and regulatory risks that are typical in natural resource industry. The projects of the Company are in the exploration stage and the long term profitability of the Company's operations will be in part, directly related to the cost and success of its exploration programmes, which may be affected by a number of factors that are beyond the control of the Company.

The Company's operations may be subject to disruptions caused by unusual or unexpected fires, flooding, explosions, cave-ins, landslides, the inability to obtain suitable or adequate equipment or machinery, labour disputes or adverse weather conditions.

Mineral exploration and mining activities may be affected to varying degrees by political stability and government regulations relating to the mining industry, including restrictions on production, price controls, export controls, foreign exchange controls, taxes, environmental legislation etc., Any changes in regulations or shifts in political attitudes are beyond the Company's control and may adversely affect the Company's business.

The business of exploring for minerals involves a high degree of risk. Few properties that are explored are ultimately developed into mines. Even after the successful discovery of mineral resources, the economics of commercial production depends on many factors, including the cost of operations, the grade of the gold and any other associated minerals, proximity to infrastructure, metal prices, financing costs and Government regulations. The effect of these factors cannot be accurately predicted, but any combination of these factors could adversely affect the economics of commencement or continuation of commercial production.

The profitability of the Company's operations will be dependent, inter-alia, on the market prices of gold, which are affected by numerous factors beyond the control of the Company, including international economic and political conditions, levels of supply and demand, and international currency exchange rates.

In the absence of cash flow from operations, the Company relies on the capital markets to fund its operations. Although the Company has been successful in the past in obtaining financing through the issue of equity securities, there can be no assurance that additional funding will be available, or available under terms favourable to the Company in future. Failure to obtain such additional finance could result in delay or indefinite postponement of further exploration and the development of the Company's Projects.

All the above factors notwithstanding, your Company and its Directors believe that they have adequate experience and access to expertise and capital sources that will enable the Company to successfully develop, launch and execute its projects successfully.

OUTLOOK AND OPPORTUNITIES

Gold, the oldest metal known to man, still commands value on the world commodity platform. India was renowned for its gold mining activities in the past as evidenced by numerous ancient workings throughout the country.

However, in recent times, gold production in India has been restricted to only about 6 tons per annum. No new gold deposits of significant size have been discovered in the country due to lack of adequate exploration. Meagre budgetary allocations to the gold exploration sector controlled by the Government until about a decade ago, and an inefficient regulatory framework upon opening up of this industry to private investment have been the key factors for lack of adequate exploration.

The country nevertheless offers great potential for exploration and mining of gold as there are striking similarities in the geological environment in India and the leading gold producing countries of the world. Reason therefore dictates that should adequate amounts of exploration expenditure be spent on gold prospects in the country, it can become part of the leading gold producers club.

According to the World Gold Council gold demand trends, identifiable gold demand was 4% higher in 2007 than in 2006 at 3,547 tonnes globally. The higher demand should have a positive impact on the gold price together with other factors like Central Banks holding on to their gold and the ever-increasing gap between mined supply and demand. However, factors like sale of gold positions by hedge funds to raise cash to cope with their redemptions, decline of oil prices and the recovery



of US Dollar have a negative impact on the gold price. Nonetheless, investors are turning to gold over other commodities due to advantages of permanence, convenience and heightened fears over a global economic downturn.

Against the above backdrop, DGML, which holds some of the country's best known gold exploration areas and is supported by an experienced professional team of experts, is well poised to consolidate its position as the country's premier listed gold company in the near future.

ADEQUACY OF INTERNAL CONTROL

The Company has in place adequate internal control systems, which assure proper recording of transactions of its operations and also ensure protection against misuse or loss of the Company's assets. The Company has constituted an Audit Committee and has assigned to it tasks that will further strengthen the internal audit system.

SOCIAL RESPONSIBILITY

The Company's mission is to increase the known gold resources base of the country in a way that enhances the well being of its people, the environment, and the investors and stakeholders of the Company.

CAUTIONARY STATEMENT

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



PRACTISING COMPANY SECRETARIES' CERTIFICATE ON CORPORATE GOVERNANCE

To

The Members
Deccan Gold Mines Limited

We have examined the compliance of conditions of Corporate Governance by Deccan Gold Mines Limited (“the Company”) for the year ended 31st March 2008 as stipulated in Clause 49 of the Listing Agreement entered into by the said Company with the Bombay Stock Exchange Limited.

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

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For and on behalf of
M/s. Rathi & Associates
Company Secretaries

Place : Mumbai
Date : 31st October, 2008

Narayan Rathi
Partner
FCS No. 1433



REPORT ON CORPORATE GOVERNANCE

for the year ended and as on 31st March, 2008

Pursuant to Clause 49 of Listing Agreement

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Corporate Governance is about promoting corporate fairness, transparency and accountability. It denotes the process, structure and relationship through which the Board of Directors oversee what the management does. Your Company is committed to best corporate governance practices and believes that it is a pre-requisite for a vibrant and healthy economy.

The Company has complied with the provisions of Clause 49 of the Listing Agreement entered into with the BSE relating to corporate governance. The same are detailed below:

2. BOARD OF DIRECTORS

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

As on 31st March, 2008, the Board comprised of 6 Directors out of which one is an Executive Director and the other 5 are Non Executive Directors. Out of the 5 Non-Executive Directors, 3 are Independent Directors. The Chairman of the Board is a Non-Executive Director and more than one-third of the Board comprises of Independent Directors.

The Board comprises of competent professionals who are highly recognized in their respective field.

The composition of the Board and other relevant details relating to Directors are given below:

Name of the Director	Designation	Category of Director-ship	No. of Other Directorships	No. of other Committee Memberships #	
				Chairman	Member
Mr. Charles E. E. Devenish	Chairman	Promoter, Non-Executive	2	Nil	Nil
Mr. Sandeep Lakhwara	Managing Director	Executive	Nil	Nil	Nil
Mr. V. Sivakumar	Director	Non-Executive	10	Nil	Nil
Mr. K.R. Krishnamurthy	Director	Non-Executive; Independent	Nil	Nil	Nil
Dr. M. Ramakrishnan	Director	Non-Executive; Independent	1	Nil	Nil
Prof. V.K. Gaur	Director	Non-Executive; Independent	Nil	Nil	Nil
Mr. M.R. Menon*	Alternate Director*	Non-Executive; Independent	1	Nil	Nil

* to Mr. Charles E.E. Devenish

Notes:

- For the purpose of considering the limit of directorship positions, foreign companies have been excluded.
- For the purpose of considering the limit of committee membership positions, membership of only Audit Committee, Shareholders' Grievance Committee and Remuneration Committee have been considered.
- There are no inter-se relationships amongst the Directors.



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

Four Board Meetings were held during the financial year 2007-08. These meetings were held on 30th April 2007; 31st July, 2007; 25th October, 2007; and 28th January 2008.

c) Attendance of each Director at the Board Meetings and the last Annual General Meeting:

The details of attendance of Directors in Board Meetings and in the last Annual General Meeting held on 14th December, 2007 are as follows:

Name of the Director	No. of Board Meetings Attended	Attendance at Last Annual General Meeting (Yes / No)
Mr. Charles E.E. Devenish	1	Yes
Mr. Sandeep Lakhwara	3	Yes
Mr. V. Sivakumar	2	Yes
Mr. K.R. Krishnamurthy	3	Yes
Dr. M. Ramakrishnan	2	Yes
Prof. V.K. Gaur	2	Yes
Mr. Taveesh Pandey*	1	NA

* Ceased to be a Director with effect from 21st September, 2007.

3. AUDIT COMMITTEE

a) BRIEF DESCRIPTION OF TERMS OF REFERENCE

The terms of reference of the Audit Committee as defined by the Board are as under:

- i) Hold discussions with the auditors periodically about internal control systems, the scope of audit including the observations of the auditor and review the quarterly, half-yearly and annual financial statements before submission to the Board and also ensure compliance of internal control systems.
- ii) Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- iii) Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
- iv) Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
- v) Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to:
 - (a) Matters required to be included in the Director's Responsibility Statement to be included in the Board's Report in terms of clause (2AA) of section 217 of the Companies Act, 1956.
 - (b) Changes, if any, in accounting policies and practices and reasons for the same.
 - (c) Major accounting entries involving estimates based on the exercise of judgement by management.
 - (d) Significant adjustments made in the financial statements arising out of audit findings.
 - (e) Compliance with listing and other legal requirements relating to financial statements.
 - (f) Disclosure of any related party transactions.
 - (g) Qualifications in the draft audit report.



- vi) Reviewing, with the management, the quarterly financial statements before submission to the board for approval.
- vii) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
- viii) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- ix) Discussion with internal auditors on any significant findings and follow up there on.
- x) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
- xi) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- xii) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.
- xiii) Review of information as prescribed under Clause 49 (II)(E) of the listing agreement.

POWERS OF THE AUDIT COMMITTEE

Further, the Board has delegated the following powers to the Audit Committee:

- i) Investigating any activity within its terms of reference as above, or in relation to the items specified in Section 292A of the Companies Act, 1956, or as may be referred to it by the Board, from time to time and for this purpose, it shall have full access to information contained in the records of the Company and external professional advice, if necessary
- ii) Seek information from any employee.
- iii) Obtain outside legal or other professional advice, if necessary.
- iv) Secure attendance of outsiders with relevant expertise, if it considers necessary.

b) Composition, Name of Members & Chairperson

The Committee comprises 3 Non Executive Directors, all of whom are Independent Directors. All the members of the Committee are financially literate. The Chairman of the Committee is an Independent Director and is the member with accounting or related financial management expertise.

The name of members & Chairperson of the Committee are as under:

Name of member	Designation
Mr. K.R. Krishnamurthy	Chairman
Dr. M. Ramakrishnan	Member
Prof. V.K. Gaur	Member

C) Meetings and attendance during the year

Four Audit Committee Meetings were held during the financial year 2007 – 08. These meetings were held on 30th April 2007; 31st July 2007; 25th October 2007 and 28th January, 2008.



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

Name of Member	No. of Meetings Attended
Mr. K.R. Krishnamurthy	3
Dr. M. Ramakrishnan	2
Mr. Taveesh Pandey*	1
Prof. V.K. Gaur	3

* ceased to be a member with effect from 21st September 2007.

- d) The Company Secretary acts as Secretary to the Committee. Further, the Audit Committee invites such of the executives of the Company as it considers appropriate to be present at its meetings. The representatives of the Statutory Auditors are also invited to these meetings.

4. REMUNERATION COMMITTEE

A) BRIEF DESCRIPTION OF TERMS OF REFERENCE

Although a non-mandatory requirement, the Company has constituted a Remuneration Committee.

The terms of reference of the Committee is to review and recommend compensation payable to the Executive Directors and Senior Management of the company. It shall also administer the Company's stock option plans, if any, including the review and grant of the stock options to eligible employees under such plans. The Committee may review the performance of the Executive Directors, if any and for the said purpose may lay down requisite parameters for each of the Executive Directors at the beginning of the year.

B) COMPOSITION, NAME OF MEMBERS AND CHAIRPERSON

The Committee comprises of Non Executive Directors and the Chairman is an Independent Director.

The name of members & Chairperson of the Committee are as under:

Name of member	Designation
Mr. K.R. Krishnamurthy	Chairman
Dr. M. Ramakrishnan	Member
Mr. Charles E.E. Devenish	Member

C) ATTENDANCE DURING THE YEAR

The Remuneration Committee met once during the year 2007-08 on 30th April, 2007. Mr. K.R. Krishnamurthy and Dr. M. Ramakrishnan, members of the Committee attended the meeting. The other members Mr. Charles Devenish and Mr. Taveesh Pandey* telephonically participated in the meeting.

*Mr. Taveesh Pandey ceased to be a member with effect from 21st September, 2007

D) REMUNERATION POLICY & DETAILS OF REMUNERATION TO ALL DIRECTORS

a) Remuneration Policy & details of remuneration to all Directors

i) Management Staff :

Remuneration of employees largely consists of basic remuneration and perquisites. The components of the total remuneration vary for different grades and are governed by industry patterns, qualifications and experience of the employee, responsibilities handled, individual performance, etc.

ii) Non-Executive Directors

The Company pays sitting fees to all the Non-executive Directors of the Company for attending Board & Audit Committee Meetings. The sitting fees paid is within the limits prescribed under the Companies Act, 1956.



Details of the Sitting fees paid to Non Executive Directors during the year 2007-08 is as under:

(in Rs.)

Name of the Director / Member	Sitting Fees paid for attending meetings of	
	Board	Audit Committee
Dr. M. Ramakrishnan	10,000	5,000
Mr. K.R. Krishnamurthy	15,000	7,500
Prof. V.K. Gaur	10,000	5,000
Total	35,000	17,500

iii) Executive Directors

The aggregate of the salary paid in the financial year 2007 – 08 to Mr. Sandeep Lakhwara, Managing Director is Rs. 11,70,000/-.

5. SHAREHOLDERS'/INVESTORS' GRIEVANCE COMMITTEE

a) Name of Non Executive Director heading the Committee

Mr. K.R. Krishnamurthy, a Non Executive Director heads the Committee.

This Committee has been constituted to look into investor's complaints like transfer of shares, non-receipt of declared dividends, etc. and take necessary steps for redressal thereof. Presently, the Registrars & Share Transfer Agents of the Company are attending to the share transfer requests on a regular basis.

The Committee met 4 times during the financial year 2007 – 08. These meetings were held on 30th April, 2007; 31st July, 2007; 25th October, 2007; and 28th January, 2008.

The composition of the Shareholders/Investors' Grievance Committee and the details of attendance in meetings are as follows:

Name of Director	Designation	No. of Meetings Attended
Mr. K.R. Krishnamurthy	Chairman	3
Mr. Sandeep Lakhwara	Member	4
Mr. Taveesh Pandey*	Member	2

* Ceased to be a member with effect from 21st September, 2007

b) Compliance Officer

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

c) Shareholder Complaints

During the financial year 2007 – 08, the Company received 4 shareholder complaints, all of which were resolved. As such, there were no pending complaints as at the end of the year.



6. GENERAL BODY MEETINGS

i) Location, time and date of holding of the last three Annual General Meetings (AGM) are given below:

Financial Year	Date	Time	Location of the Meeting
2004-05	27/12/2005	11.00 a.m.	Wodehouse Gymkhana, 182, Maharshi Karve Road, Mumbai – 400 021
2005-06	30/11/2006	11.00 a.m.	Wodehouse Gymkhana, 182, Maharshi Karve Road, Mumbai – 400 021
2006-07	14/12/2007	10.30 a.m.	The Plaza Room, Hotel Marine Plaza, 29, Marine Drive, Mumbai – 400 020.

ii) Special Resolutions during previous three Annual General Meetings:

Date of AGM	Particulars of Special Resolutions Passed
27/12/2005	Nil
30/11/2006	Nil
14/12/2007	Reappointment of Mr. Sandeep Lakhwara as Managing Director for 3 years with effect from 1 st May, 2007.

iii) During the financial year 2007-08, no resolutions were passed through Postal Ballot.

iv) Resolutions if any passed by Postal Ballot shall be in accordance with the provisions of Section 192A of the Companies Act, 1956 read with Companies (Procedure for Passing of Postal Ballot) Rules, 2001.

v) No Special resolution is proposed to be passed through Postal Ballot in the ensuing AGM.

7. DISCLOSURES

- The Company did not have any related party transactions, i.e. transactions of the Company of material nature, with its promoters, Directors or the Management, their subsidiaries or relatives, etc., which may have potential conflict with the interests of the Company at large. Related Party transactions have been disclosed in the Notes to Accounts in the financial statements as at March 31, 2008.
- There was no non-compliance in respect any matter related to the capital markets by the Company during the last 3 years. Further, there was no penalty / strictures imposed on the Company by any Stock Exchange, SEBI or any Statutory Authority on any matter related to the capital markets during the last 3 years.
- The Company has not implemented the Whistle Blower Policy which is a non-mandatory requirement under Clause 49 of the Listing Agreement.
- The Company has complied with all the mandatory requirements as contained in Clause 49 of the Listing Agreement.
- The Company has complied with the non-mandatory requirements relating to Remuneration Committee. The financial statements of the Company are unqualified.

8. MEANS OF COMMUNICATION

- The quarterly results are published in leading English and Marathi newspapers. Further, they are also submitted to the BSE upon their approval by the Board of Directors and are available on the website of BSE (www.bseindia.com).
- The website of the Company (www.deccangoldmines.com) also displays official news releases issued on behalf of the Company.



iii. No presentations were made to institutional investors or to the analysts during the year under review.

9. GENERAL SHAREHOLDER INFORMATION

i. Annual General Meeting:

Day / Date : Friday, 28th November, 2008
 Time : 11.00 a.m.
 Venue : Royal Room,
 3rd Floor, Sunville Banquets,
 9, Dr. Annie Besant Road, Worli
 Mumbai – 400 018.

ii. Financial Year:

The Company follows April-March as its financial year. The results for every quarter beginning from April are declared in the month following the quarter.

iii. Date of Book Closure

26th November, 2008 to 28th November, 2008 (both days inclusive)

iv. Dividend Payment Date

Not applicable

v. Listing on Stock Exchanges

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

vi. Stock Code

512068 (BSE).

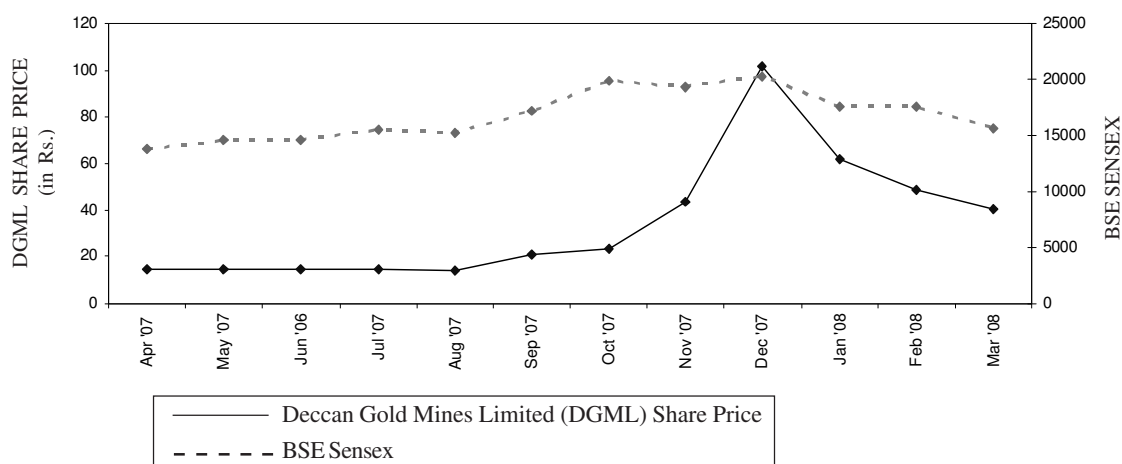
vii. MARKET PRICE DATA – HIGH & LOW DURING EACH MONTH OF LAST FINANCIAL YEAR

The monthly high and low quotations of the Company's shares traded on the BSE is as follows:

Month	BSE	
	High (Rs.)	Low (Rs.)
April 2007	15.30	12.02
May 2007	17.14	13.25
June 2007	15.98	13.75
July 2007	17.50	13.81
August 2007	17.90	12.05
September 2007	23.65	13.92
October 2007	23.35	17.00
November 2007	55.85	24.00
December 2007	101.70	41.30
January 2008	142.90	62.20
February 2008	71.80	46.60
March 2008	46.40	30.55



viii. Performance in comparison to broad-based indices of BSE Sensex



ix. REGISTRAR AND TRANSFER AGENTS

Intime Spectrum Registry Limited
Pannalal Silk Mills Compound,
C-13, L.B.S. Marg,
Bhandup (W), Mumbai – 400 078.
Tel. No. 91-22-25963838 & Fax 91-22-5555353
E-mail : isrl@vsnl.com

x. SHARE TRANSFER SYSTEM

Applications for transfer of shares held in physical form are received at the office of the Registrars and Share Transfer Agents of the Company. They attend to share transfer formalities at least once in 15 days.

Shares held in the dematerialized form are electronically traded in the Depository and the Registrars and Share Transfer Agents of the Company periodically receive from the Depository the beneficiary holdings so as to enable them to update their records for sending all corporate communications, dividend warrants, etc.

Physical shares received for dematerialization are processed and completed within a period of 21 days from the date of receipt, provided they are in order in every respect. Bad deliveries are immediately returned to Depository Participants under advice to the shareholders.



xi. SHAREHOLDING PATTERN & DISTRIBUTION OF SHAREHOLDING

a) Shareholding Pattern (as at 31st March, 2008)

Sr. No.	Category	No. of Shares held	%
1.	Promoter Group	30297738	51.84
2.	Banks/FI/FII/Mutual Funds / UTI / Central & State Govt./ Venture Capital / Foreign Venture Capital / Trusts	2600	0.00
3.	Bodies Corporate	3874800	6.63
4.	Individual shareholders (holding shares of nominal value less than or equal to Rs. 1 lac)	13960169	23.88
5.	Individual shareholders (holding shares of nominal value of more than Rs. 1 lac)	2281139	3.90
6.	Clearing Member	441013	0.75
7.	Non Resident Indians (Repatriable)	583541	1.00
8.	Foreign Nationals	9000	0.02
9.	Foreign Companies	7000000	11.98
10.	Directors / Relatives of Directors	0	0
	Total	58450000	100.00

b) Distribution of Shareholding (as at 31st March, 2008)

Shareholding of Nominal Value (Rs.)	No. of Shareholders	% of Total	Share Capital Amount (Rs.)	% of Total
1 - 5,000	20088	97.54	8775911	15.01
5,001 - 10,000	263	1.28	2041210	3.49
10,001 - 20,000	119	0.58	1697003	2.90
20,001 - 30,000	50	0.24	1261605	2.16
30,001 - 40,000	21	0.10	742066	1.27
40,001 - 50,000	12	0.06	553348	0.95
50,001 - 100,000	20	0.10	1506878	2.58
100,001 and above	21	0.10	41871979	71.64
TOTAL	20594	100.00	58450000	100.00

xii. Dematerialisation of Shares and Liquidity

About 99.69% of the shares have been dematerialized as on 31st March, 2008. The equity shares of the Company are traded at Bombay Stock Exchange Ltd. (BSE).

xiii. Outstanding GDRs / ADRs / Warrants or any Convertible Instruments conversion date and likely impact on equity:

The Company has not issued any GDRs / ADRs / Warrants or any Convertible instruments which were outstanding as of 31st March, 2008.

xiv. Plant locations

Nil. The Company does not have any manufacturing activities



xv. Address for Correspondence:

For any assistance regarding dematerialisation of shares, share transfers, transmissions, change of address, non-receipt of dividend or any other query relating to shares:

Intime Spectrum Registry Limited
Pannalal Silk Mills Compound,
C-13, L.B.S. Marg,
Bhandup (W), Mumbai – 400 078.
Tel.: 91-22-25963838 Fax.: 91-22-5555 5353
Email.: isrl@intimespectrum.com

For General Correspondence

Deccan Gold Mines Limited,
“Raja Ikon Building”, 3rd Floor,
89/1, Marathahalli Outer Ring Road, Bangalore – 400 037.
Tel : 91-80- 40428400 Fax : 91-8-40428401
e-mail : info@deccangoldmines.com

CODE OF CONDUCT DECLARATION

Pursuant to Clause 49 I (D) of the Listing Agreement entered into with the Stock Exchanges, I hereby declare that the Company has obtained affirmative compliance with the code of conduct from all the Board members and senior management personnel of the Company.

Place : Bangalore
Date : 31st October, 2008

Sandeep Lakhwara
Managing Director