



BALANCE SHEET

BALANCE SHEET AS AT 31ST MARCH, 2004

	Schedules	As at 31.03.2004 (Rs.'000)	As at 31.03.2003 (Rs.'000)
SOURCES OF FUNDS :			
Share holders fund :			
Share Capital	A	51,450.00	2,450.00
TOTAL		51,450.00	2,450.00
APPLICATIONS OF FUND:			
<u>FIXED ASSETS</u>			
Gross Block	B	29.35	—
Less: Depreciation		1.64	—
Net Block		27.71	—
<u>CURRENT ASSETS, LOANS & ADVANCES</u>			
Cash & Bank Balances	C	45,981.30	1,016.50
Loans and Advances		540.76	28.59
		46,522.06	1,045.09
Less: Current Liabilities & Provisions			
Current Liabilities	D	6,446.88	5.65
<u>NET CURRENT ASSETS</u>		40,075.18	1,039.44
Misc. Expenditure (to the extent not written off or adjusted)	E	1,366.06	630.80
Pre-operative Expenditure	F	6,254.63	-
Profit & Loss Account		3,726.42	779.76
TOTAL		51,450.00	2,450.00

Notes to Accounts

H

The schedules referred to above form an integral part of the Balance Sheet.

As per our report of even date

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

For and on behalf of the Board

R.P. LADDHA
PARTNER
M.NO.48195

Sandeep Lakhwara
Managing Director

Charles E. E. Devenish
Chairman

MUMBAI
31ST JULY 2004

Ashok Gupta
Director

K.R. Krishnamurthy
Director

Manoj Deshmukh
Head-Legal &
Company Secretary

M.Ramakrishnan
Director

BANGALORE
31ST JULY 2004

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PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2004

	Schedules	Year ended 31.03.2004 (Rs.'000)	Year ended 31.03.2003 (Rs.'000)
INCOME			
Operational Income		-	-
Profit on sale of Investments		-	123.93
		-	123.93
EXPENDITURE			
Administrative & Other Expenses	G	2,946.66	212.86
		2,946.66	212.86
Profit/(Loss) before taxation		(2,946.66)	(88.93)
Less: Provision for Taxation		-	2.17
Profit/(Loss) for the year		(2,946.66)	(91.10)
Add: Balance brought forward		(779.76)	(688.66)
Balance transferred to Balance Sheet		(3,726.42)	(779.76)
Earnings Per Share (in Rs.)		(0.06)	(0.04)

Notes to Accounts

H

The schedules referred to above form an integral part of the Profit and Loss Account.

As per our report of even date

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DECCAN GOLD MINES LIMITED



SCHEDULES FORMING PART OF BALANCE SHEET

	As At 31.03.2004 (Rs.'000)	As At 31.03.2003 (Rs.'000)
SCHEDULE `A`		
SHARE CAPITAL :		
Authorised 6,00,00,000 (6,00,00,000) Equity Share of Re.1/- each	60,000.00	60,000.00
	<u>60,000.00</u>	<u>60,000.00</u>
Issued,Subscribed and Paid up : 5,14,50,000 (24,50,000) Equity Share of Re.1/- each fully paid up	51,450.00	2,450.00
	<u>51,450.00</u>	<u>2,450.00</u>

Schedule `B`

(Rs. '000)

DESCRIPTION	GROSS BLOCK			DEPRECIATION			NET BLOCK		
	Cost as at 01-04-2003	Addition	Total Cost 31-03-2004	Upto 31-03-2003	For the Year	Additions	Total Upto 31-03-2004	As at 31-03-2004	As at 31-03-2003
COMPUTER	—	29.35	29.35	—	1.64	—	1.64	27.71	—
TOTAL	—	29.35	29.35	—	1.64	—	1.64	27.71	—
PREVIOUS YEAR	—	—	—	—	—	—	—	—	—

	As At 31.03.2004 (Rs.'000)	As At 31.03.2003 (Rs.'000)
SCHEDULE `C`		
CURRENT ASSETS, LOANS & ADVANCES:		
Current Assets:		
Balance with Standard Chartered Bank in Current Account	45,981.30	1,016.50
	45,981.30	1,016.50
Loans & Advances	540.76	28.59
	<u>46,522.06</u>	<u>1,045.09</u>
SCHEDULE `D`		
CURRENT LIABILITIES:		
Sundry Creditors	6,446.88	5.65
	<u>6,446.88</u>	<u>5.65</u>

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SCHEDULE 'E'

	As At 31.03.2004 (Rs.'000)	As At 31.03.2003 (Rs.'000)
MISCELLANEOUS EXPENDITURE		
PRELIMINARY EXPENSES:		
Opening Balance	630.80	-
Add: Additions during the year	-	788.50
	630.80	788.50
Less : 1/5 written off during the year	157.70	157.70
	473.10	630.80
Rights Issue Expenses	892.96	-
	1,366.06	630.80

SCHEDULE 'F'

	As At 31.03.2004 (Rs.'000)	As At 31.03.2003 (Rs.'000)
PRE-OPERATIVE EXPENDITURE		
Exploration expenses at various prospects	6,254.63	-
	6,254.63	-

SCHEDULES FORMING PART OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2004

SCHEDULE 'G'

	Year ended 31.03.2004 (Rs.'000)	Year ended 31.03.2003 (Rs.'000)
ADMINISTRATIVE & OTHER EXPENSES:		
Salaries & Other benefits	258.26	-
Staff Welfare	106.12	-
Books & Periodicals	12.36	-
Bank Charges	3.48	-
Business Promotion Expenses	5.95	-
Travelling & Conveyance	94.82	-
Electricity charges	3.73	-
Membership & Subscription	88.56	-
Repair & Maintenance	11.01	-
Telephone Expenses	27.18	-
Postage & Telegram	23.58	-
Car Expenses	7.53	-
Rent,Rates & Taxes	148.56	2.30
Advertisements	46.71	10.61
Auditors' Remuneration:		
Audit Fees	32.40	3.30
Directors' Sitting Fees	40.00	3.00
Legal & Professional Fees	1,813.50	7.25
Printing & Stationery	48.29	2.60
Listing Fee	10.00	10.00
Sundry Expenses	5.28	16.10
Depreciation	1.64	-
Preliminary Expenses w/off	157.70	157.70
	2,946.66	212.86



SCHEDULE 'H' OF SIGNIFICANT ACCOUNTING POLICIES AND NOTES ANNEXED TO BALANCE SHEET AS AT 31ST MARCH, 2004 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES:

a. Basis of accounting

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

b. Fixed Assets

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

c. Depreciation

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

d. Taxes on income

The company is not providing any deferred tax asset/liability in compliance with AS-22 "Accounting for taxes on income" issued by the Institute of Chartered Accountants of India as there are no timing differentials between financial statements and statements as per the Income Tax Act, 1961.

e. Rights Issue Expenses

During the year, the Company completed a Rights Issue of 4,90,00,000 Equity Shares of Re. 1/- each for cash at par to the share holders of the Company in the ratio of 20:1 aggregating to Rs. 4,90,00,000/-. Expenses relating to the Rights Issue have been treated as preliminary expenses.

NOTES TO THE ACCOUNTS

1. Capital Commitments Nil (Nil)
2. Claims made against the Company but not acknowledged as debts Nil (Nil)
3. Contingent Liabilities Nil (Nil)
4. Figures of the previous year has been regrouped/rearranged wherever necessary to make them comparable with current year's figures.
5. Additional information pursuant to para 3 & 4 of par ii of schedule vi of the Companies Act, 1956.
(Rs. in thousand)
 - a. Expenditure in foreign currency Nil (Nil)
 - b. Earning in foreign currency Nil (Nil)
 - c. Payment to Auditors:
- Audit Fees Rs. 32400 (Rs. 3300)
6. Disclosure as required by AS 18 related party transactions issued by ICAI. Directors' sitting fees Rs.40,000



7. Pre-operative expenses

Since the work is in progress for exploration of gold at various sites, commercial production is yet to commence and therefore it is the Company's intention to account all the exploration expenditure of Rs.62,54,630/- as mentioned in schedule 'F' to the Balance Sheet as pre-operative expenditure which will be charged to the profit & loss account as and when the commercial activities/production starts.

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

R.P. LADDHA
PARTNER
M.NO.48195

MUMBAI
31ST JULY 2004

For and on behalf of the Board

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Director

M.Ramakrishnan
Director

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2004

	Year ended 31-03-04	Year ended 31-03-03
A: CASH FLOW FROM OPERATING ACTIVITIES:		
Net Profit/(Loss) before tax & extraordinary items	(2,946.66)	(88.93)
Adjustment for:		
Add :		
Miscellaneous Expenses written off	157.70	–
Depreciation	1.64	157.70
Less :		
Profit on Sale of Investments	–	159.34
Operating Profit / (Loss) before working Capital Changes	<u>(2,787.32)</u>	<u>(55.16)</u>
Adjustment for:		
Increase in trade liabilities	6,441.23	–
Loans and Advances	(512.17)	2.65
Net Cash used in Operating Activities (A)	<u>3,141.74</u>	<u>(52.51)</u>
B: CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of Investments / Fixed Assets	(29.35)	–
Sale of Investments	–	1,843.93
Pre Operative expenses	–	(6,254.63)
Net Cash from Financing Activities (B)	<u>(6,283.98)</u>	<u>1,773.93</u>
C: CASH FLOW FROM FINANCING ACTIVITIES:		
Capital raised – Rights Issue	49,000.00	–
Loans & Advances	–	–
Miscellaneous expenditure	(892.96)	–
Net Cash from Financing Activities(C)	<u>48,107.04</u>	<u>(788.50)</u>
Net Increase/(Decrease) in cash & cash equivalents (A+B+C)	44,964.80	932.92
Cash & Cash equivalents as on 1st April 2003	1,016.50	83.58
Cash & Cash equivalents as on 31st March 2004	<u>45,981.30</u>	<u>1,016.50</u>

NOTES: FIGURES IN BRACKETS REPRESENT OUTFLOW

For **V.K. BESWAL & ASSOCIATES,**
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31ST JULY 2004



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BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. REGISTRATION DETAILS

State Code	:	11
Registration No.	:	34662
Balance Sheet Date	:	31.03.2004

II. CAPITAL RAISED DURING THE YEAR

(Amount in Rs. '000)

Public Issue	:	Nil
Rights Issue	:	49000
Bonus Issue	:	Nil
Private Placement	:	Nil

III. POSITION OF MOBILISATION AND DEVELOPMENT

(Amount in Rs. '000)

Total Liabilities	:	57896.88
Total Assets	:	57896.88

SOURCES OF FUNDS

Paid up Capital	:	51450.00
Reserves & Surplus	:	Nil
Secured Loans	:	Nil
Unsecured Loans	:	Nil

APPLICATION OF FUNDS

Net Fixed Assets	:	27.71
Investments	:	Nil
Net Current Assets	:	40075.18
Miscellaneous Expenditure	:	1366.06
Preoperative Expenditure	:	6254.63
Profit & Loss Account	:	3726.42

IV. PERFORMANCE OF THE COMPANY

(Amount in Rs. '000)

Total Income	:	--
Total Expenditure	:	2946.66
Profit / (Loss) Before Tax	:	(2946.66)
Profit / (Loss) After Tax	:	(2946.66)
Earning Per Shares in Rs. (Face Value Re. 1/-)	:	(0.06)
Dividend Rate %	:	Nil

V. GENERIC NAMES OF THREE PRINCIPAL PRODUCTS / SERVICES OF THE COMPANY

(As per monetary terms)

Item Code No. (ITC Code)	:	--
Product description	:	N.A.

DECCAN GOLD MINES LIMITED



DECCAN GOLD MINES LIMITED

Regd. Office: 49A, Nariman Bhavan, 227 Nariman Point, Mumbai 400 021

ATTENDANCE SLIP

I hereby record my presence at the 20th Annual General Meeting held on Friday, the 24th September, 2004 at 3.00 p.m. at Walchand Hirachand Hall, 4th floor LNM IMC Building, Indian Merchants' Chambers Marg, Mumbai 400 020.

Full name of the Shareholder/Proxy* attending the Meeting _____

Folio No/DP ID No. _____ Client ID No. _____

No. of Shares _____

Full name of the Shareholder _____
(If the proxy attends instead of Shareholder)

Signature of Shareholder/Proxy

*Delete whichever is not applicable.

(Member/Proxy attending the Meeting must fill in this attendance slip and hand it over at the entrance of the Meeting hall)



DECCAN GOLD MINES LIMITED

Regd. Office: 49A, Nariman Bhavan, 227 Nariman Point, Mumbai 400 021

PROXY FORM

Folio No _____ No. of shares held _____

DP ID No. _____ Client ID No. _____

I/We _____

of _____ in the district of _____

being a Member/Member of the above-named Company hereby appoint Mr./Ms. _____

_____ of _____

in the district of _____ or failing him/her

Mr./Ms. _____ of _____ in the district of _____

_____ as my/our proxy to vote for me/us on my/our behalf at the 20th Annual General Meeting of the Company to be held on Friday, 24th September, 2004 at 3.00 p.m. and at any adjournment thereof.

Signed this _____ day of _____ 2004

Affix
Re. 1.00
Revenue
Stamp

Signature of Shareholder

Note:

This proxy form, in order to be effective should be duly stamped, completed and signed and must be deposited at the Registered Office of the Company not less than 48 hours before the Meeting.