



DECCAN GOLD MINES LIMITED

(CIN : L51900MH1984PLC034662)

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Update on Hutti SLPs

Bangalore
November 10, 2016

Deccan Gold Mines Limited ("DGML") (BSE Scrip Code : 512068) wishes to provide the following update on the Special Leave Petitions (SLPs) filed by its subsidiary, Deccan Exploration Services Private Limited (DESPL) with regard to its Prospecting Licence (PL) Applications over the Hutti Belt Prospects in the State of Karnataka.

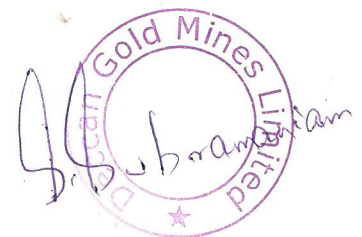
The SLPs came up for hearing on November 8 & 9, 2016 before a two member Bench of the Hon'ble Supreme Court. On November 9, 2016 when the matter was called out for hearing, we were ready to commence our submissions. However, the Counsel appearing for Hutti Gold Mines Limited sought for the matter to be passed-over since their Senior Counsel was held up in another Court.

At this stage, our Senior Counsel commenced with the submissions and impressed upon the Bench about the urgency involved in the matter. Further, the following two aspects were brought to the notice of the Court:

- (a) On two earlier occasions, the Union Government (Appellate Tribunal, Ministry of Mines, Government of India) rejected the recommendation of the State Government of Karnataka to reserve the Hutti Belt area in favour of Hutti Gold Mines Limited. This aspect is important and needs consideration in this case in the light of Section 2 of the MMDR Act, which categorically provides that the regulation of mines and the development of minerals should be under the control of the Union (Central Government) in public interest.
- (b) Pursuant to the impugned order of the High Court of Karnataka dated April 3, 2012, which has led to the present SLPs, there has been a change in law brought about by the amendment to the MMDR Act in 2015, whereby the rights of DESPL have been placed on a higher pedestal as 'absolute right' from the status of a 'preferential right'. As such there are clear grounds on which the impugned order needs to be set aside.

The Supreme Court Bench noted the above submissions. However, based on the above request from the other side i.e., Hutti Gold Mines Limited, the Bench was inclined to pass over the matter and take it up again at the end of the list. Our Senior Counsel requested that instead of a pass-over, a fixed date be given for hearing so that detailed submissions can be made and decision be pronounced. Based on the said request, the Bench adjourned the matter and posted the same for November 24, 2016 (Thursday) for final disposal.

We shall keep the stakeholders updated of further developments in this regard.



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