

DECCAN EXPLORATION SERVICES PRIVATE LIMITED
(FORMERLY DECCAN GOLD EXPLORATION SERVICES PRIVATE LIMITED)

DIRECTOR'S REPORT

To the Members,
Deccan Exploration Services Private Limited
Bengaluru.

Your Directors have pleasure in submitting their 18th Annual Report of the Company together with the Audited Statements of Accounts for the year ended 31st March 2015.

1. FINANCIAL SUMMARY

Amount in ₹

Particulars	As at the end of current reporting period	As at the end of previous reporting period
Total Revenue	9,193,902	18,518,928
Total Expenses	9,539,084	18,621,733
Profit or Loss before Exceptional and Extraordinary items and Tax	(345,182)	(102,805)
Less: Exceptional Items	(3,512)	(1,953)
Less: Extraordinary Items	-	-
Profit or Loss before Tax	(348,694)	(104,758)
Less: Current Tax	-	-
Deferred Tax	115,862	34,943
Profit or Loss After Tax	(232,832)	(69,815)
Add: Balance as per last Balance Sheet	68,70,620	69,40,435
Transfer to Reserves	9231,021	(69815)
Balance Transferred to Balance Sheet	1,61,01,641	68,70,620

2. DIVIDEND

No Dividend was declared for the current financial year.

3. TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND

The provisions of Section 125(2) of the Companies Act, 2013 do not apply as there was no dividend declared and paid last year.

4. REVIEW OF BUSINESS OPERATIONS AND FUTURE PROSPECTS:

Your Directors are pleased to report that the Company had received the formal communication from the Ministry of Mines, Government of India (MoM) with regard to approval of its mining lease application over an area of 72 acres for 50 years in respect of the Ganajur Gold Mine Project in the State of Karnataka.

The file will now be sent to the State Government of Karnataka (SG) for issue of a Grant Notification / Letter of Intent that would specify standard terms and conditions for the final grant order and execution of the Mining Lease. The Company looks forward to receiving the Grant Notification / Lol following which it will take necessary steps to ensure compliance.

Your Directors are of the opinion that this is an important milestone in the Company's journey towards achieving its objective of becoming a significant gold producer in India.

DECCAN GOLD MINES LIMITED

5. MATERIAL CHANGES AND COMMITMENT IF ANY AFFECTING THE FINANCIAL POSITION OF THE COMPANY OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR TO WHICH THIS FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT
No material changes and commitments affecting the financial position of the Company occurred between the end of the financial year to which this financial statements relate on the date of this report
6. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO
The provisions of Section 134(m) of the Companies Act, 2013 do not apply to our Company. There was no foreign exchange earnings and outgo during the year under review.
7. STATEMENT CONCERNING DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT POLICY OF THE COMPANY
Keeping in mind the size and operations of the Company, the Company does not have any risk management policy.
8. DETAILS OF POLICY DEVELOPED AND IMPLEMENTED BY THE COMPANY ON ITS CORPORATE SOCIAL RESPONSIBILITY INITIATIVES
The Company has not developed and implemented any Corporate Social Responsibility initiatives as the said provisions are not applicable.
9. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE UNDER SECTION 186 OF THE COMPANIES ACT, 2013
There were no loans, guarantees or investments made by the Company under Section 186 of the Companies Act, 2013 during the year under review and hence the said provision is not applicable.

10. PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES

Name of the party	Nature of relationship	Nature of transaction	Amount of transaction during the year	Closing balance as on 31.03.2015	Nature of closing balance
Deccan Gold Mines Limited	Holding company	Exploration Contract Receipts	₹ 79,94,560	₹ 79,94,560	Receivable

11. EXPLANATION OR COMMENTS ON QUALIFICATIONS, RESERVATIONS OR ADVERSE REMARKS OR DISCLAIMERS MADE BY THE AUDITORS AND THE PRACTICING COMPANY SECRETARY IN THEIR REPORTS
There are no qualifications, reservations or adverse remarks made by the Auditors in their report. The provisions relating to submission of Secretarial Audit Report is not applicable to the Company.
12. COMPANY'S POLICY RELATING TO DIRECTORS APPOINTMENT, PAYMENT OF REMUNERATION AND DISCHARGE OF THEIR DUTIES
The provisions of Section 178(1) relating to constitution of Nomination and Remuneration Committee are not applicable to the Company
13. ANNUAL RETURN
The extracts of Annual Return pursuant to the provisions of Section 92 read with Rule 12 of the Companies (Management and Administration) Rules, 2014 is furnished in Annexure A and is attached to this Report.
14. NUMBER OF BOARD MEETINGS CONDUCTED DURING THE YEAR UNDER REVIEW
The Company has conducted 9 Board meetings during the financial year under review on the following dates – April 28, 2014; May 29, 2014; September 2, 2014; November 14, 2014; December 10, 2014; February 13, 2015; February 17, 2015; March 7, 2015 and March 9, 2015.

15 DIRECTORS RESPONSIBILITY STATEMENT

In accordance with the provisions of Section 134(5) of the Companies Act, 2013 the Board of Directors state that:

- (a) in the preparation of annual accounts, applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) they had 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 at the end of the financial year and of the profit and loss of the company for that period;
- (c) they had 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;
- (d) they had prepared the annual accounts on a going concern basis;
- (e) the Company being unlisted, sub clause (e) of section 134(3) of the Companies Act, 2013 pertaining to laying down internal financial controls is not applicable to the Company; and
- (f) they had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

16 SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

The Company does not have any subsidiaries, joint ventures or associate companies.

17 DEPOSITS

The Company has neither accepted nor renewed any deposits during the year under review.

18 DIRECTORS

Dr. M.K. Devarajan and Dr. Modali Hanuma Prasad ceased to be Directors of the Company with effect from November 21, 2014 consequent upon their resignation. Your Directors place on record the services rendered by them during their tenure.

The Company is not mandatorily required to appoint any whole time Key Management Personnel (KMP).

19 DECLARATION OF INDEPENDENT DIRECTORS

The provisions of Section 149 for appointment of Independent Directors are not applicable to the Company.

20 ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

The Company has in place adequate internal financial controls with reference to financial statements. During the year under review, such controls were tested and no reportable material weakness in the design or operation were observed.

21 STATUTORY AUDITORS

M/s. Rao & Venkatesulu, Chartered Accountants were appointed as Statutory Auditors for a period of 1 year in the Annual General Meeting held in the year 2014 and are eligible for reappointment, subject to ratification of members at ensuing Annual General Meeting of the company.

22 DISCLOSURE OF COMPOSITION OF AUDIT COMMITTEE AND PROVIDING VIGIL MECHANISM

The provisions of Section 177 of the Companies Act, 2013 read with Rule 6 and 7 of the Companies (Meetings of the Board and its Powers) Rules, 2013 are not applicable to the Company.

DECCAN GOLD MINES LIMITED

23 SHARES

During the year under review, the company has undertaken following transactions:

Increase in Share Capital	Buy Back of Securities	Sweat Equity	Bonus Shares	Employees Stock Option Plan
Issue of 101 equity shares of ₹ 10/- each & 180,000 Redeemable Preference Shares of ₹ 100/- each.	NIL	NIL	NIL	NIL

24 DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS, COURTS AND TRIBUNALS

No significant and material order has been passed by the regulators, courts, tribunals impacting the going concern status and Company's operations in future.

25 ACKNOWLEDGEMENT

Your Directors acknowledge the co-operation and support extended by one and all.

For and on behalf of the Board

Place : Bangalore
Date : 14 August 2015

S.C.R. Peshwa
Director

K. Karunakaran
Director

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

As on financial year ended on 31.03.2015

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.

I. REGISTRATION & OTHER DETAILS:

1. CIN	U27205KA1997PTC022819
2. Registration Date	25-09-1997
3. Name of the Company	DECCAN EXPLORATION SERVICES PRIVATE LIMITED
4. Category/Sub-category of the Company	PRIVATE LIMITED
	INDIAN NON GOVERNMENT COMPANY
5. Address of the Registered office & contact details	No. 5, 19th Main Road,
	4th Sector, HSR Layout, Bengaluru 560102
6. Whether listed company	NO
7. Name, Address & contact details of the Registrar & Transfer Agent, if any.	Not Applicable

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

(All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Mining	7295	100

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	DECCAN GOLD MINES LIMITED	L51900MH1984PLC034662	HOLDING	98.99	2 (46)

IV. SHARE HOLDING PATTERN

(Equity share capital breakup as percentage of total equity)

(i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2014]				No. of Shares held at the end of the year [As on 31-March-2015]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
c) Bodies Corp.	-	9,999	9,999	99.99%		9,999	9,999	98.99%	1.00%
Sub Total (A) (2)	-	9,999	9,999	99.99%		9,999	9,999	98.99%	1.00%
B. Public Shareholding									
2. Non-Institutions									

DECCAN GOLD MINES LIMITED

b) (i) Individual shareholders holding nominal share capital up to Rs. 1 lakh		1	1	0.01%		1	1	0.01%	0.00%
c) Others (NRI)						101	101	1.00%	1.00%
Sub-total (B)(2):-	-	-	-	0.00%	-	101	101	1.01%	1.01%
C. Shares held by Custodian for GDRs & ADRs		NIL	-						
Grand Total (A+B+C)	-	10,000	10,000	100.00%	-	10,101	10,101	100.00%	0.00%

(ii) Shareholding of Promoter

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year*
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Deccan Gold Mines Limited	9,999	99.99%	0	9,999	98.99%	0	-1.00%
*Change due to increase in paid up capital								

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sl. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares	No. of shares	% of total shares
	At the beginning of the year	9,999	0.00%	9,999	0.00%
	Changes during the year	NO CHANGE	0.00%	NO CHANGE	0.00%
	At the end of the year	9,999	0.00%	9,999	0.00%

Note: No change in the number of shares held. Change in % due to increase in paid up capital.

(iv) Shareholding Pattern of top ten Shareholders

(Other than Directors, Promoters and Holders of GDRs and ADRs):

Sl.	For each of the Top 10 shareholders	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
Not applicable							

(v) Shareholding of Directors and Key Managerial Personnel:

K. Karunakaran - 1 equity share of Rs.10/- each as nominee of holding company.

V. INDEBTEDNESS

NIL

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

NIL

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

NIL

ANNUAL REPORT 2015

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A	COMPANY		NIL		
B	DIRECTORS		NIL		
C	OTHER OFFICERS IN DEFAULT		NIL		

For and on behalf of the Board

Place : Bangalore
Date : 14 August 2015

S.C.R. Peshwa
Director

K. Karunakaran
Director

AUDITOR'S REPORT

**TO THE MEMBERS OF
DECCAN EXPLORATION SERVICES PRIVATE LIMITED**

Report on the Financial Statements:

We have audited the accompanying financial statements of Deccan Exploration Services Private Limited, which comprise the Balance Sheet as at 31st March, 2015, the Statement of Profit and Loss and the Cash Flow Statement for the year ended on that date, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements:

The Company's Board of Directors and the management is responsible for the matters stated in Section 134 (5) of the Companies Act, 2013, with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities, selection and application of appropriate accounting policies, making judgments and estimates that are reasonable and prudent and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility:

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the Accounting and Auditing Standards and matters which are required to be included in the audit report under the provisions of the Act and the rules and regulations made thereunder. We conducted our audit in accordance with the Standards on Auditing specified under Section 143 (10) of the Companies Act, 2013. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we considered internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act 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, 2015;
- (ii) in the case of Statement of Profit and Loss, of the Loss 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.

Report on Other Legal and Regulatory Matters:

As required by Section 143 (3) of the Companies Act, 2013 and orders issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give our findings on the matters specified in the paragraph (3) and (4) of the Order, to the extent applicable in the annexure hereto.

As required by Section 143(3) of the Act, we report that:

1. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
2. In our opinion proper books of accounts as required by law have been kept by the Company so far it appears from our examination of those books;
3. The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
4. In our opinion, the aforesaid Financial Statements comply with the Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014;
5. On the basis of the written information received from the Directors as on 31st March, 2015 and taken on record by the Board of Directors, none of the Directors is disqualified from being appointed as a Director in terms of Section 164(2) of the Act, as on 31st March, 2015; and
6. In our opinion and to the best of our information and according to the explanations given to us:
 - i. the Company does not have any pending litigations which would impact its Financial position;
 - ii. The Company did not have any long term contracts including Derivatives Contract for which there were any material foreseeable losses; and
 - iii. There were no amounts which were required to be transferred to Investor Education & Protection fund by the Company.

For **RAO & VENKATESULU**
Chartered Accountants

K.Y. NINGOJI RAO
Partner
Membership No. : 018278
FR No. 003108S

Place : Bangalore
Date : 30 April 2015

DECCAN GOLD MINES LIMITED

ANNEXURE REFERRED TO IN THE AUDIT REPORT

TO THE MEMBERS OF
DECCAN EXPLORATION SERVICES PRIVATE LIMITED

We further report the following on the matters stated in para (3) and (4) of the Companies (Auditor's Report) Order, 2015:

1. In respect of the Fixed Assets:

- (a) the company has maintained proper records showing their full particulars including their quantitative details and situation;
- (b) they have been physically verified at reasonable periodical interval by the management and as per the information given to us no discrepancy has been noticed; and
- (c) the company has not sold substantial part of its fixed assets during the year.

2. In respect of Inventory:

- (a) The management has physically verified the inventory at reasonable periodical intervals during the year;
 - (b) The procedure adopted for physical verification of the inventory is, in our opinion, reasonable and adequate in relation to the size of the company and the nature of its business; and
 - (c) The company has maintained proper records of inventory. The discrepancies found thereon have been properly dealt within the accounts. The discrepancy noticed on physical verification is not significant and material.
3. The company has not granted any loans to parties covered in the register maintained under section 189 of the Companies Act, 2013.
 4. In our opinion and according to the 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 the purchase of goods and fixed assets and sale of goods. We have not noticed any continued failure to correct major deficiencies in internal control.
 5. In our opinion and according to the information and explanation given to us, the Company has not accepted any deposits from the public during the year.
 6. The prima facie verification indicates that the Company has maintained adequate cost records as prescribed by the Central Government u/s section 148 (1) of the Companies Act, 2013.
 7. In respect of statutory liabilities and obligations:
 - (a) The company has according to the information and explanations given to us and on the basis of such checks as we considered necessary, been regular in depositing such undisputed statutory dues with the appropriate authority, the statutory liability in respect of Central Excise Duty, Provident Fund, Employees State Insurance, Income Tax, Entry Tax, Service Tax and other statutory dues, and there are no dues, which are due for more than a period of six months which remained outstanding as at 31st March 2015;
 - (b) There are no dues in respect of Central Excise Duty, Provident Fund, Employees State Insurance, Income Tax, Entry Tax, Service Tax, Fringe Benefit Tax and Sales Tax which have remained unpaid owing to pending dispute; and
 - (c) The funds which were required to be transferred to Investor Education & Protection fund have been transferred by the Company within the specified time.
 8. The company has no accumulated losses as on the date of Balance Sheet dealt with by this report.
 9. That as per the information given to us by the Company, the company has not defaulted in repayment of its due to the Financial institutions or Banks.
 10. According to the information and explanation given to us, the company has not given any guarantees for loans taken by other parties from any bank or financial institution.
 11. The company has not availed term loan during the year.
 12. According to our information and to the explanations given to us no fraud on or by the company was noticed during the year.

For **RAO & VENKATESULU**
Chartered Accountants
K.Y. NINGOJI RAO
Partner
Membership No. : 018278
FR No. 003108S

Place : Bangalore
Date : 30 April 2015

DECCAN EXPLORATION SERVICES PRIVATE LIMITED
(FORMERLY DECCAN GOLD EXPLORATION SERVICES PRIVATE LIMITED)

BALANCE SHEET AS AT 31 MARCH, 2015

(Amount in '000)

Particulars	Sch No	31.3.2015	31.3.2014
I EQUITY AND LIABILITIES			
1 Shareholder's Funds:			
a Share Capital	1	18,101	100
b Reserves and Surpluses	2	16,102	6,871
c Money Received Against Share Warrants			
2 Share Application Money Pending Allotment		5,701	-
3 Non-Current Liabilities:			
a Long Term Borrowings			
b Deferred Tax Liabilities (Net)			
c Other Long Term Liabilities			
d Long Term Provisions			
4 Current Liabilities:			
a Short Term Borrowings			
b Trade Payables	3	10,358	13,619
c Other Current Liabilities	4	369	475
d Short Term Provisions		-	-
TOTAL		50,631	21,065
II ASSETS			
1 Non Current Assets:			
a Fixed Assets:			
(i) Tangible Assets	5	372	571
(ii) Intangible Assets			
(iii) Capital work-in-progress		-	-
(iv) Intangible Assets Under Development			
b Non Current Investments			
c Deferred Tax Assets (net)	6	151	35
d Long Term Loans and Advances	7	282	282
e Other Non Current Assets	8	285	711
2 Current Assets:			
a Current Investments			
b Inventories		-	-
c Trade Receivables	9	41,309	18,756
d Cash and Cash Equivalents	10	7,755	651
e Short Term Loans and Advances	11	477	58
f Other Current Assets			
TOTAL		50,631	21,065

Schedules referred to above and notes attached there to form an integral part of Balance Sheet.

For **DECCAN EXPLORATION SERVICES PRIVATE LIMITED**

As per our report of even date attached.
For **Rao & Venkatesulu**
Chartered Accountants

S.C.R PESHWA
Director

K.KARUNAKARAN
Director

K Y Ningoji Rao
Partner
Membership No. :018278
FRN: 003108S

Place : Bangalore
Date : 30 April 2015

DECCAN GOLD MINES LIMITED

DECCAN EXPLORATION SERVICES PRIVATE LIMITED
(FORMERLY DECCAN GOLD EXPLORATION SERVICES PRIVATE LIMITED)

PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED ON 31 MARCH, 2015
(Amount in '000)

Particulars	Sch No	Current Year	Previous Year
REVENUES:			
Revenue From Operations	12	7,995	18,394
Other Income	12	1,199	125
Total Revenue (I +II)		9,194	18,519
EXPENSES:			
1 Exploration Expenses	13	9,234	18,468
2 Changes in Inventories of Finished Goods Work-in-Progress and Stock-in-Trade		-	-
3 Employee Benefit Expense		-	-
4 Financial Costs	14	6	3
5 Depreciation and Amortization Expense	15	199	114
6 Other Expenses	16	100	37
Total Expenses		9,539	18,622
Profit Before Exceptional and Extraordinary Items & Tax		(345)	(103)
Exceptional Items	17	4	2
Profit Before Extraordinary Items and Tax		(349)	(105)
Extraordinary Items		-	-
Profit Before Tax		(349)	(105)
Tax Expense:			
1 Current Tax		-	-
2 Earliar Year Taxes		-	-
3 Deferred Tax		(116)	(35)
Profit (Loss) For The Perid From Continuing Operations		(282)	(70)
Profit/(Loss) from Discontinuing Operations			
Tax Expense of Discounting Operations			
Profit/(Loss) From Discontinuing Operations			
Profit/(Loss) For The Period		(282)	(70)
Earning Per Equity Share:			
1 Basic		(23.27)	6.98
2 Diluted		(23.27)	6.98

Schedules referred to above and notes attached there to form part of Profit & Loss Account

For **DECCAN EXPLORATION SERVICES PRIVATE LIMITED**

As per our report of even date attached.

For **Rao & Venkatesulu**
Chartered Accountants

S.C.R PESHWA
Director

K.KARUNAKARAN
Director

K Y Ningoji Rao
Partner
Membership No. :018278

Place : Bangalore
Date : 30 April 2015

FRN: 003108S

DECCAN EXPLORATION SERVICES PRIVATE LIMITED
(FORMERLY DECCAN GOLD EXPLORATION SERVICES PRIVATE LIMITED))

NOTES FORMING PART OF ANNUAL ACCOUNTS

1. SHARE CAPITAL:

Particulars	31.3.2015	31.3.2014
A. Authorized Capital:		
20,000,(P.Y. 10,000) Equity Shares of ₹ 10/- Each	2,00,000	100,000
3,50,000, 1% Redeemable Preference shares of ₹100/- Each	3,50,00,000	Nil
B. Issued, Subscribed & Paid Up Capital:		
10,101, Equity Shares of ₹10/- Each, Fully Paid Up	1,01,010	1,00,000
1,80,000, 0.0001% Redeemable Preference Shares of ₹100/- Each, Fully Paid Up	1,80,00,000	Nil
Total	1,81,01,010	1,00,000

Reconciliation of Number of Shares:

Particulars	31.3.2015	31.3.2014
Equity Shares:		
Balance at the beginning	10,000	10
Add: Number of Shares Allotted	101	Nil
Balance at close	10,101	10,000
0.0001% Preference Shares:		
Balance at the beginning	Nil	Nil
Add: Number of Shares Allotted	1,80,000	Nil
Balance at close	1,80,000	Nil

Number of Shares issued for consideration other wise than for cash:

Particulars	31.3.2015	31.3.2014
Equity Shares of ₹10/- Each	Nil	Nil
1% Redeemable Preference Shares of ₹100/-	Nil	Nil

Rights, preferences and restrictions attached to each class of shares:

Equity Share of ₹ 10/- each & 0.0001% Redeemable Preference Shares of ₹ 100/- Each fully paid-up:

- a Right to dividend on pari passu
- b Voting rights one vote per each share
- c No preferential rights are attached
- d No restrictions are attached.

Name of shareholders holding more than 5% of Equity Shares:

Name of Shareholders	31.3.2015	31.3.2014	% of Shares As at 31.3.2015	% of Shares As at 31.3.2014
Deccan Gold Limited	9,999	9,999	98.99%	99.99%

Name of shareholders holding more than 5% of Preference Shares:

Name of Shareholders	31.3.2015	31.3.2014	% of Shares
Mr. Mahindra Ratilal Sarvaiya	1,50,000	Nil	83.33%
Mr. Samir Madhusudhan Thakur	30,000	Nil	16.67%

DECCAN GOLD MINES LIMITED
DECCAN EXPLORATION SERVICES PRIVATE LIMITED

2. PARTICULARS OF RESERVES AND SURPLUSES:

(Amount in '000)

Particulars	31.3.2015	31.3.2014
A. Capital Reserves:	Nil	Nil
B. Capital Redemption Reserve	Nil	Nil
C. Share Premium:	11,999	Nil
D. Profit & Loss Account:		
Opening Balance Brought Forward	6,871	6,940
Add: Current Year Profit	(233)	(70)
Closing Balance Carried Forward	6,638	6,871
Other Reserves;		
Pre-Operative Expenditure	(2,082)	Nil
Preliminary Expenses	(453)	Nil
Total	16,102	6,871

3. TRADE PAYABLES:

Particulars	31.3.2015	31.3.2014
A. Trade Creditors	10,184	13,490
B. Others	174	130
Total	10,358	13,620

4. OTHER CURRENT LIABILITIES:

Particulars	31.3.2015	31.3.2014
A. Income Tax TDS Payable	237	475
B. Others	132	Nil
Total	369	475

5. FIXED ASSETS:

Fixed Assets	Useful Life	Gross Block				Accumulated Depreciation				Net Block (WDV)	
		Value at the beginning	Additions during the Year	Deduction during the Year	Value at the end 31-03-2015	Value at the beginning 01-04-2014	Additions during the Year	Deduction during the Year	Value at the end 31-03-2015	WDV as on 31-03-2015	WDV as on 31-03-2014
Tangible Assets :											
Land		-	-	-	-	-	-	-	-	-	-
Buildings		-	-	-	-	-	-	-	-	-	-
Plant & Equipment		-	-	-	-	-	-	-	-	-	-
Vehicles	3	844	-	-	844	326	173	-	499	346	518
Furniture & Fixtures		-	-	-	-	-	-	-	-	-	-
Office equipment	2	13	-	-	13	3	5	-	8	5	10
Office equipment	2	33	-	-	33	10	12	-	22	12	23
Computer	2	49	-	-	49	30	9	-	39	9	19
Sub Total (A)		939	-	-	939	369	199	-	568	372	571
Intangible Assets :											
Sub Total (B)	-	-	-	-	-	-	-	-	-	-	-
Capital Work in Progress		-	-	-	-	-	-	-	-	-	-
Sub Total (C)	-	-	-	-	-	-	-	-	-	-	-
Intangible assets under Development		-	-	-	-	-	-	-	-	-	-
Sub Total (D)	-	-	-	-	-	-	-	-	-	-	-
Current Year (A+B+C+D)		939	-	-	939	369	199	-	568	372	571
Previous Year		883	56	-	939	255	114	-	369	571	-

6. NET DEFERRED TAX ASSETS:

(Amount in '000)

Particulars	31.3.2015	31.3.2014
A. Deferred Tax Asset	120	35
B. Less; Deferred Tax Liability	(31)	Nil
C. Net Deferred Tax Asset	151	35

Particulars of Deferred Tax liability provided in the accounts are as follows:

Particulars	31.3.2015	31.3.2014
Written Down Value As Per Books	372	571
Written Down Value As Per Income Tax	467	571
Difference in WDV	(95)	Nil
Deferred Tax Liability	(31)	Nil
Disallowances U/s 40(a) & 43B	Nil	Nil
Unabsorbed depreciation & Business Loss	353	103
Deferred Tax Asset	120	35
Net Deferred Tax Asset	151	35
Deferred Tax Provided in earlier years	35	Nil
Deferred Tax Provided(+)/Withdrawn(-) in the year	116	35

7. LONG TERM LOANS & ADVANCES:

Particulars	31.3.2015	31.3.2014
A. Security Deposit	127	127
B. Loans & Advances to Related Parties	Nil	Nil
C. Other Loans & Advances	155	155
Total	282	282

8. OTHER NON-CURRENT ASSETS:

Particulars	31.3.2015	31.3.2014
A. Long Term Trade Receivables	Nil	Nil
B. Advances with Revenue Authorities	285	711
Total	284	711

9. TRADE RECEIVABLES:

Particulars	31.3.2015	31.3.2014
A. Outstanding for more than Six Months	9,351	377
B. Others	31,958	18,379
Total	41,309	18,756

10. CASH & CASH EQUIVALENTS::

Particulars	31.3.2015	31.3.2014
A. Cash In Hand	84	21
B. Bank Balance	7,671	630
Total	7,755	651

DECCAN GOLD MINES LIMITED
DECCAN EXPLORATION SERVICES PRIVATE LIMITED

BANK BALANCES INCLUDE:

(Amount in '000)

Particulars	31.3.2015	31.3.2014
i. Unpaid Dividends	Nil	Nil
ii. Margin Money	Nil	Nil
III. Deposits with more than 12 months maturity	Nil	Nil
iv. Cheques & Drafts On Hand	Nil	Nil
v. Others	7,671	630
Total	7,671	630

11. SHORT TERM LOANS & ADVANCES:

Particulars	31.3.2015	31.3.2014
A.Loans & Advances to Related Parties	Nil	Nil
B.Advances with Revenue Authorities	430	58
C.Other Loans & Advances	48	Nil
D.Total	478	58

12. SALES & OTHER INCOMES:

Particulars	31.3.2015	31.3.2014
A. Revenue from Operation :		
Exploration Contract	7,995	18,394
Total	7,995	18,394
B. Other Incomes:		
Consultancy Receipts	1,169	125
Interest on Deposits & Others	30	Nil
Miscellaneous Receipts		Nil
Total	1,199	125
Total	9,194	18,519

13. EXPLORATION EXPENSES:

Particulars	31.3.2015	31.3.2014
Analysis Charges	183	276
Boarding & Lodging Charges	9	31
Books & Periodicals	Nil	1
Camp Expenses	155	58
Diesel & Fuel	31	111
Duplicating Charges	1	37
Field Supplies & Consumables	65	141
Field Vehicle Maintenance	60	98
RP Processing Charges	190	35
Rent	231	341
Land & Crop Compensation	278	591
Field Travel Expenses	199	61
Exploration Contract Expenses	4,234	3,164

(Amount in '000)

Food & Water Charges	76	263
Professional & Consultancy Fees	1,402	1,267
Hire Charges	213	1,216
Trenching, Drilling & Pitting Charges	1,892	10,768
Other Camp Expenses	14	11
Total	9,234	18,468

14. FINANCIAL COST:

Particulars	31.3.2015	31.3.2014
Bank Charges & Other Charges	6	3
Total	6	3

15. DEPRECIATION AMORTIZED COST:

Particulars	31.3.2015	31.3.2014
Depreciation	199	114
Preliminary Expenses Amortized	Nil	Nil
Total	199	114

16. OTHER EXPENSES

Particulars	31.3.2015	31.3.2014
Office Expenses	9	2
Telephone Expenses	6	Nil
Printing & Stationery Expenses	13	5
Electricity Charges	4	Nil
Insurance Charges	25	Nil
Repairs & Maintenance	10	Nil
Professional Fees	6	3
AUDITORS REMUNERATION:		
For Audit	22	22
For Taxation	4	4
For Expenses	1	1
Total	100	37

17. EXCEPTIONAL ITEMS:

Particulars	31.3.2015	31.3.2014
Penal Interest & Other Expenses	4	2
Total	4	2

18. CONTINGENT LIABILITIES: Nil (P.Y Nil)

DECCAN GOLD MINES LIMITED
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19. TRADE RECEIVABLES:

(Amount in '000)

Classified as Current: ₹ 4,13,08,714/- (P.Y. ₹ 1,87,35,881/-) includes:

Particulars	31.3.2015	31.3.2014
i. Debts Due for a period:		
a. more than Six Months from the due date	9,351	377
b. Others	31,958	18,379
ii. Debts considered good and secured	Nil	Nil
iii. Debts considered good but not secured	41,309	18,756
iv. Debts considered unsecured and doubtful of recovery and not provided for	Nil	Nil
v. Debts due from:	Nil	Nil
a. Directors		
b. Other Officers	Nil	Nil
c. Companies in which the Directors of the company is Directors	Nil	Nil
d. Firms in which Directors of the company are interested as partners	Nil	Nil

20. LOANS AND ADVANCES:

Classified as Current: ₹.4,77,475 /- (P.Y. ₹ 58,204/-) includes:

Particulars	31.3.2015	31.3.2014
i. Short Term Loans & Advances:		
a. Capital Advances	Nil	Nil
b. Security Deposits	Nil	Nil
c. Due From Related Parties	Nil	Nil
d. Others	477	58
ii. Loans and advances which are:		
a. Secured and considered good	Nil	Nil
b. Unsecured and Considered Good	477	58
c. Doubtful	Nil	Nil
III. Loans & Advances due from:		
a. Directors	Nil	Nil
b. Directors Relatives	Nil	Nil
c. Companies in which the Directors of the company is Directors	Nil	Nil
d. Firms in which Directors of the company are interested as partners	Nil	Nil

21. LOANS AND ADVANCES:

Classified as Non-Current: ₹ 2,82,434/- (P.Y. ₹ 2,82,434/-) includes:

Particulars	31.3.2015	31.3.2014
i. Long Term Loans & Advances:		
a. Capital Advances	Nil	Nil
b. Security Deposits	127	127
c. Due From Related Parties	Nil	Nil
d. Others	155	155

(Amount in '000)

ii. Loans and advances which are:		
a. Secured and considered good	Nil	Nil
b. Unsecured and Considered Good	282	282
c. Doubtful	Nil	Nil
iii. Loans & Advances due from:		
a. Directors	Nil	Nil
b. Directors Relatives	Nil	Nil
c. Companies in which the Directors of the company is Directors	Nil	Nil
d. Firms in which Directors of the company are interested as partners	Nil	Nil

Classified as Other Non-Current: ₹ 2,84,552/- (P.Y ₹ 7,11,314/-) includes:

Particulars	31.3.2015	31.3.2014
i. Long Term Loans & Advances:		
a. Capital Advances	Nil	Nil
b. Security Deposits		
c. Due From Related Parties	Nil	Nil
d. Others	284	711
ii. Loans and advances which are:		
a. Secured and considered good	Nil	Nil
b. Unsecured and Considered Good	285	711
c. Doubtful	Nil	Nil
iii. Loans & Advances due from:		
a. Directors	Nil	Nil
b. Directors Relatives	Nil	Nil
c. Companies in which the Directors of the company is Directors	Nil	Nil
d. Firms in which Directors of the company are interested as partners	Nil	Nil

22. AMOUNTS DUE TO AND FROM RELATED PARTIES:

Amounts due to Related Parties : Nil

Amounts due from Related Parties:

Particulars	31.3.2015	31.3.2014
Deccan Gold Mines Ltd	41,248	18,754
Total	41,248	18,754

23. OPERATING CYCLES OF THE VARIOUS BUSINESSES CONSIDERED BY THE MANAGEMENT ARE:

Particulars	Period of operation cycle
Mining Exploration Contract	One Year
Mining Consultancy	Six Months

24. THE PARTICULARS OF GROSS SALES AND NET OF DUTIES ARE:

Particulars	Gross Value	Less: Duty	Net of Duty
Mining Exploration Contract	8,728	733	7,995
Mining Consultancy	1,190	21	1,169
Total	9,918	754	9,164

DECCAN GOLD MINES LIMITED
DECCAN EXPLORATION SERVICES PRIVATE LIMITED

25. The particulars of Foreign Exchange Earnings and Expenditure are: (Amount in '000)

Particulars	31.3.2015	31.3.2014
Earnings:		
i Exports	Nil	Nil
Expenditure:		
i Import of Materials	Nil	Nil
ii Import of Consumables	Nil	Nil
iii Import of Machinery	Nil	Nil
iv Travelling & Other Expense	Nil	Nil
Total	Nil	Nil

26. Particulars of amounts contributed to various funds for Employees benefit:

Particulars	31.3.2015	31.3.2014
Provident Fund	Nil	Nil
ESI Contribution	Nil	Nil
Labour Welfare Fund	Nil	Nil
Total	Nil	Nil

27. RELATED PARTY TRANSACTIONS DISCLOSURES: In ₹

Particulars	Directors Relatives/ Holding Company	Key Management Personnel	TOTAL
Exploration Contract Receipts	79,94,560	Nil	79,94,560
Financial Transactions:			
a. Loan Borrowed	Nil	Nil	Nil
b. Loan Repaid	Nil	Nil	Nil
c. Interest Paid	Nil	Nil	Nil
d. Equity Share Capital	Nil	Nil	Nil
e. Share Application	Nil	Nil	Nil
f. Advances Recovered	Nil	Nil	Nil
g. Advances Paid	Nil	Nil	Nil
h. Refundable Deposit paid under Joint Development agreement	Nil	Nil	Nil
Sale Of Fixed Assets	Nil	Nil	Nil
Purchase Of Fixed Assets	Nil	Nil	Nil
Receiving Of Services	Nil	Nil	Nil
Rendering Of Services	Nil	Nil	Nil
Guarantees & Collaterals:	Nil	Nil	Nil
Associated Concerns:	None		
Share Holders & Relatives / Holding Company	a. M/s Deccan Gold Mines Ltd		
Key Management Personnel	a. Mr. S.C.R.Peshwa-Director b. Mr.Karunakarn-Director		

28. Previous figures have been rearranged and regrouped so as to make them comparable with current figures.

29. SIGNIFICANT ACCOUNTING POLICIES :**A. REVENUE RECOGNITION:**

1. Sales revenues and Contract Receipts are accounted on accrual basis goods.
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 and contract expenses 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 realizable value whichever is lower.

D. FIXED ASSETS:

1. Upto financial year ended 31.03.2014 the depreciation on fixed assets is provided on straight line method at the rates specified in the specified in schedule XIV to the Companies Act, 1956.
2. For financial year 2014-15 the depreciation on fixed assets is provided on estimated useful life as specified in schedule II to the Companies Act, 2013.

E. INVESTMENTS:

Investments are valued at cost.

F. TAXES ON INCOME:

- a. Current Liability towards Taxes On Income is recognized as per the estimates made as per the provisions of the Income Tax.
- b. Deferred Tax Asset and liabilities is recognized as per AS 22 issued by the ICAI; and

G. AMORTISATION OF INTANGIBLE ASSETS:

All Intangible Assets are amortized as per AS 26 issued by the ICAI.

30. Particulars of number of employees drawing remuneration exceeding a sum of ₹ 24,00,000 per annum or ₹ 2,00,000 per month is Nil.

For **DECCAN EXPLORATION SERVICES PRIVATE LIMITED**

S.C.R PESHWA
Director

K.KARUNAKARAN
Director

As per our report of even date attached.

For **Rao & Venkatesulu**
Chartered Accountants

K Y Ningoji Rao
Partner
Membership No. :018278
FRN: 003108S

Place : Bangalore
Date : 30 April 2015

DECCAN GOLD MINES LIMITED

DECCAN EXPLORATION SERVICES PRIVATE LIMITED

Cash Flow for the Year Ended on 31st March, 2015

Particulars	Current Year		Previous Year	
Cash Flow From Operating Activities:				
Net Profit Before Tax & Extraordinary items Adjustments For :		(3,48,694)		(1,04,758)
Depreciation	1,98,986		1,13,792	
Miscellaneous Expenditure Written off		-		-
Provision For Gratuity & Earned Leave Payable		-		-
Profit/Loss on Sale of Investments		-		-
Profit/Loss on Sale of Assets		-		-
Investments Written Off		-		-
Interest,Dividends Etc	(30,052)		-	
Finance Cost	5,568	1,74,502	3,310	1,17,102
Operating Profit Before Working Capital Changes Adjustments for :		(1,74,192)		12,344
Trade Receivables	(2,25,52,296)		(1,30,20,754)	
Inventories		-		-
Other Receivables	(4,19,271)		(17,209)	
Other Current Assets				
Trade Payables & Current Liabilities	(33,67,590)	(2,63,39,157)	1,33,65,391	3,27,428
Cash Generated From Operations		(2,65,13,349)		3,39,772
Finance Cost	(5,568)		(3,310)	
Direct Taxes Paid		-		-
Dividend Paid	-	(5,568)	-	(3,310)
Cash flow before extra ordinary items Sales Assets		(2,65,18,917)		3,36,462
Net Prior Period Expenses				
Net Cash Flow From Operating Activities		(2,65,18,917)		3,36,462
Cash Flow from Investing Activities		-		-
Purchase of Fixed Assets	-		(56,060)	
Purchase of Investments		-		-
Sale of Assets		-		-
Increase In Preliminary Expenses & Pre Operative Expenditure	(25,35,137)			
Interest Received	30,052		-	
Dividend Received	-	(25,05,085)	-	(56,060)
Net Cash used in investing activities		(2,90,24,002)		2,80,402
Cash Flow from Financing Activities				
Other Non-Current Assets	4,26,762		1,97,949	
Long Term Loans & Advances		-		1,119
Proceeds from issue of Capital	3,00,00,000		-	
Proceeds from issue of Share Application Money	57,01,000			
Proceeds from Long Term Borrowings		-		-
Repayment of Finance Lease Liabilities		-		-
Work in Capital Loan		-		-
Investment Subsidy	-	3,61,27,762	-	1,99,068
Net Cash Used in Financing Activities		71,03,760		4,79,470
Net Increase/Decrease in Cash & Cash Equivalents				
Opening Balance of Cash & Cash Equivalents		6,51,354		1,71,884
Closing Balance of Cash & Cash Equivalents		77,55,114		6,51,354

As per our report of even date attached.

For **DECCAN EXPLORATION SERVICES PRIVATE LIMITED**

For **Rao & Venkatesulu**
Chartered Accountants

S.C.R PESHWA
Director

K.KARUNAKARAN
Director

K Y Ningoji Rao
Partner
Membership No. :018278

Place : Bangalore
Date : 30 April 2015

FRN: 003108S