



DECCAN GOLD

MINES LIMITED

(CIN : L51900MH1964PLC034682)

Corporate & Correspondence Address

No.1285, 5th Main Road, 7th Sector HSR Layout, Bengaluru-560102 Tel : +91 80 67155700 Fax : +91 80 67155701 Email : info@deccangoldmines.com Web : www.deccangoldmines.com

August 22, 2021

Corporate Relationship Department
Bombay Stock Exchange Limited
Phiroze Jeejeebhoy Towers, Dalal Street
Mumbai 400001

(BSE Scrip Code: 512068)

Dear Sirs

Sub:	Ganajur Mining Lease (ML) application of our wholly owned subsidiary viz., Deccan Exploration Services Private Limited (DESPL) – filing of Writ Petition before the Hon'ble High Court of Karnataka
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1. In continuation of our earlier Update made on 01/08/2021, we write to present the following Update on the captioned matter.

2. A Writ Petition (WP) has been formalized by our Legal Counsel with regard to Ganajur Mining Lease (ML) of DESPL. Our legal counsel will now file the writ petition in the High Court of Karnataka.

3. In the WP, we are praying for the following orders/ directions from the Hon'ble High Court:

i) issue of an appropriate writ in the nature of certiorari or any other appropriate writ or orders or directions to set aside and/or cancel and/or quash the impugned order dated 16/07/2021 passed by the Respondent No. 1 i.e. Ministry of Mines, Government of India ("MoM"); {*refers to setting aside of the order from MoM stating that the right of the Petitioner viz., DESPL has lapsed in view of the MMDR Amendment Act of 2021 wrt Section 10A(2)(b)*}

AND/OR

ii) issue of an appropriate writ including writ of mandamus or any other appropriate writ or orders or directions to the Respondent No. 2 i.e. Government of Karnataka (State Government) to execute the Ganajur Mining Lease deed in favor of the Petitioner for gold over an area of 72 acres (29 hectares) in Ganajur village, Haveri Taluk / District of State of Karnataka;

AND/OR

iii) issue of appropriate interim and/or final order/s directing the Respondents to desist from taking any coercive steps pursuant to impugned order dated 16/07/2021 passed by Respondent No. 1;

AND/OR

iv) issue of appropriate interim and/or final order/s directing the Respondents to maintain status quo in respect of the subject area i.e. an area of 72 acres (29 hectares) in Ganajur village, Haveri Taluk/District of State of Karnataka, during the pendency of the present petition before the Hon'ble Court;

AND/OR

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v) issue a writ of mandamus or any other appropriate writ or orders or directions to the effect of declaring that proviso to section 10A(2)(b) of the MMDR Act, 1957 does not apply to the petitioner and issue an appropriate writ including writ of mandamus or any other appropriate writ or orders or directions or declaration to the effect that proviso to section 10A(2)(b) of the MMDR Act, 1957 as inserted vide MMDR Amendment Act 2021 may read in a just, fair and rational manner to allow execution of mining lease deed in favor of the petitioner;

AND/OR

vi) issue a writ in the nature of mandamus or any other appropriate Writ to declare that proviso to section 10A(2)(b) of the MMDR Act, 1957 as inserted vide MMDR Amendment Act 2021 are illegal and/or unconstitutional being ultra vires and/or violative of the provisions of the MMDR Act and the Article 14 read with Article 19(1)(g) and other provisions of the Constitution of India;

vii) pass any other appropriate order(s) / direction(s) as the Hon'ble Court may deem fit and proper in the facts and circumstances of the case.

4. Whilst the Writ Petition is very detailed and contains several annexures and relevant judgements from various court cases over the years to validate our claim the key grounds on which the aforesaid orders / directions are sought are summarized hereunder.

(a) Proviso to Section 10A(2)(b) introduced vide the MMDR Amendment Act, 2021 provides that for the cases covered under that section, the right to obtain Prospecting Licence followed by a Mining Lease or a Mining Lease shall lapse from the date of commencement of the said amendment act. Respondent No 1 viz., MoM has misconstrued the declaration of lapsing contained in the proviso.

(b) A correct interpretation of the aforesaid proviso is that the declaration of lapsing does not cover the Ganajur Mining Lease where the Government of Karnataka (State Government) has recommended the grant of Mining Lease and prior approval of MoM has already been accorded during 2015/2017.

(c) Vide its letter dated 07/02/2017, MoM had specifically directed the State Government to execute the Ganajur Mining Lease in favour of DESPL expeditiously. Accordingly, DESPL's right to obtain the Ganajur Mining Lease had already been crystallized and solidified and only formal execution of the Mining Lease is pending which does not lapse under the provisions of Section 10A(2)(b) of MMDR Act, 1957. Therefore, MoM has erred in misplacing its reliance on the newly introduced proviso to Section 10A(2)(b) when considering our case as directed by the High Court of Karnataka judgement dated 12/03/2021

(d) Despite clear directions by the Hon'ble High Court of Karnataka vide its Judgment dated 12/03/2021 with regard to Ganajur ML, the MoM has not examined the case in terms of its prior approval dated 24/07/2015 and proceeded to dispose of the case and take away the rights of DESPL in a summary manner relying upon the amendments made to Section 10A(2)(b) vide MMDR Amendment Act, 2021. This is clearly in gross disregard and contradiction to the aforesaid High Court Judgment dated 12/03/2021.

(e) A bare perusal of the MoM's Order dated 16/07/2021 clearly demonstrates that averments / submissions made by DESPL at the hearing held on 28/05/2021 followed by written submissions dated 02/06/2021 have not been taken into consideration at all and the petitioner's case has been summarily decided while relying upon the irrelevant consideration i.e., amendment carried to Section 10A(2)(b) of MMDR Act, 1957 vide the amendment act of 2021.

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(f) Therefore, the MoM's Order dated 16/07/2021 is ex-facie illegal, wholly arbitrary and without jurisdiction, irrational, unfair, bad and unsustainable in the eyes of law apart from being contrary to the express directions of the Hon'ble High Court of Karnataka's Judgment dated 12/03/2021 noted above.

(g) DESPL further seeks to assail the constitutional validity of the proviso added to Section 10A(2)(b) of the MMDR Act, 1957 vide the Amendment Act, 2021 on the following grounds.

(h) Firstly, the amendment seeks to take away the vested legal rights of DESPL as crystallised and solidified as noted above.


(i) Secondly, the amendment is against the well settled principles of law that a proviso cannot subsume the main provision to which it is a proviso and thereby nullify the main provision by taking away completely the rights conferred by the main provision.

(j) Thirdly, the proviso added to Section 10A(2)(b) by the Amendment Act, 2021 that seeks to nullify the rights of the Petitioner (DESPL) is contrary to the doctrine of legitimate expectation.

(k) Lastly, the aforesaid proviso is violative of Article 14 of the Constitution of India by treating unequals as equals in as much as it does not differentiate between applicants who diligently and sincerely followed the due processes and made efforts to obtain the Mining Lease along with necessary clearances / permissions / permits / licences and applicants who were negligent about their right to obtain a Mining Lease.

We shall update our shareholders of further developments in this regard.

Yours truly





Subramaniam S
Company Secretary
ACS No 12110

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