

DECCAN EXPLORATION

**24th ANNUAL REPORT
2020-2021**

**DECCAN EXPLORATION SERVICES PRIVATE LIMITED
BENGALURU**

DECCAN EXPLORATION

Board Of Directors

**K.KARUNAKARAN
NATESHAN .C
S.C.R. PESHWA**

Auditors

**Rao & Venkatesulu
Chartered Accountants
Bengaluru**

Registered Office

**No.5,19th Main Road,4th Sector,HSR Layout,
Bengaluru - 560102**



Rao & Venkatesulu

Chartered Accountants

K. Y. NINGOJI RAO
C. VENKATESULU
ASHOKA D. S
VISHAL S. RAO

200, 3rd 'D' Cross,
2nd Block, 3rd Stage,
Basaveshwara Nagar,
Bengaluru - 560 079.
Ph : 23225376, 40927642
Mob : 7760530818 / 8217081409
8277001584
E-mail : raokyn@live.com

Ref. :

Date :

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF
Deccan Exploration Services Private Limited

Opinion

We have audited the Ind AS financial statements of **Deccan Exploration Services Private Limited** ("the Company"), which comprise the balance sheet as at 31st March 2021, the statement of Profit and Loss, statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as the Ind AS financial statements).

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Companies Act 2013 ('The Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, and the loss and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis of Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 29 and 30 in the financial statements with regard to the impact of COVID-19 and Mining Lease Related matters, which are self-explanatory.

Our opinion is not modified in respect of this matter.





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Responsibilities of Management for Ind AS Financial Statements

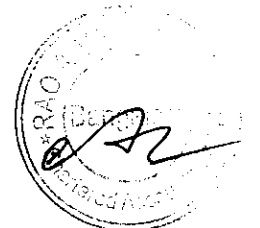
The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements, that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards (IND-AS) specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 Ind AS financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.





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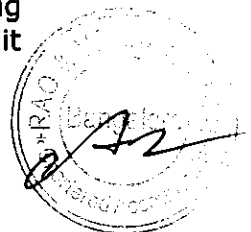
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As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit





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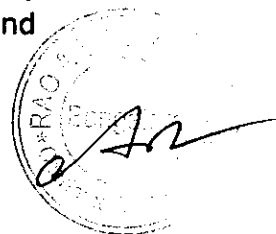
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findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Matters:

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure A" statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
 - a) 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.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) 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
 - d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards (IND-AS) specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) On the basis of the written representations received from the directors as on 31st March, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and





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Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements
- ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company

Place: Bengaluru
Date: April 30, 2021

For RAO & VENKATESULU
Chartered Accountants

ASHOKA. D.S.
Partner
Membership No. : 213524
FR No. 003108S

UDIN: 21213524AAAABG1245



Rao & Venkatesulu

Chartered Accountants

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Annexure "A" to the Auditor's Report even date
(Referred in Audit report)

1. In respect of Fixed Assets:
 - a) The Company has maintained proper records showing full quantitative details and situation of its fixed assets.
 - b) The fixed assets have been physically verified by the management at reasonable intervals during the year. We are informed that no material discrepancies were noticed by the management on such verification.
 - c) The Company does not have any immovable properties.
2. Based on our scrutiny of the company's books of accounts and other records and according to the information and explanations given to us, we are of the opinion that the company has neither purchased/sold goods during the year nor is there any opening stocks, therefore, requirement on reporting on physical verification of stocks or maintenance of inventory records, in our opinion, does not arise.
3. The Company has not granted any loans, secured or unsecured to the companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act, 2013.
4. The Company has not made any investment, granted any loans, provided any guarantees or security during the year, therefore comments under this clause has not been called for.
5. According to the information and explanations given to us, the Company has not accepted any deposits from public.
6. As informed to us, the Central Government has not prescribed the maintenance of Cost records under section 148 of the Companies Act, 2013 for any of the activities of the company.





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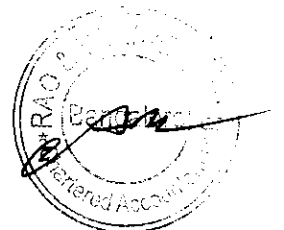
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7. In respect of Statutory Dues:
- (a) According to record of the Company produced before us, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, customs duty, excise duty, cess and other statutory dues applicable to it.
- (b) According to the information and explanations given, no undisputed amounts payable in respect of Income-Tax, sales tax, wealth tax, service tax, customs duty, excise duty/cess were outstanding as at 31.03.2021 for a period of more than six months from the date they became payable.
- (c) According to the records of the company there are no dues of Income-Tax, sales tax, wealth tax, service tax, customs duty, excise duty/cess which have not been deposited on account of any dispute
8. As per the information and explanations given to us the company has not obtained any loan from any financial institutions or banks and issued debentures.
9. According to the records of the Company, the Company has not raised any money raised by way of right issue.
10. Based upon the audit procedures performed and information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.
11. According to the records of the Company, the Company has not paid any managerial remuneration during the year.
12. In our opinion, and to the best of our information and according to the explanations provided by the management, we are of the opinion that the company is not a Nidhi Company. Hence, in our opinion, the requirements of para3 (xii) of the Order do not apply to the company.





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- 13 According to the information and explanations given to us, the Company in respect to transactions with related parties has complied provisions of sections 177 and 188 of Companies Act, 2013 and has disclosed all particulars in Financial Statements.
- 14 The company has not made any preferential allotment or private placement of shares, therefore comments under this clause are not called for
- 15 In our opinion, and to the best of our information and according to the explanations provided by the management, we are of the opinion that the company has not entered into any non-cash transaction with directors or persons connected with him and no provisions of section 192 have been contravened.
- 16 In our opinion, and to the best of our information and according to the explanations provided by the management, we are of the opinion that the company is not required to be registered under section 45-IA of the Reserve Bank of India Act,1934.

Place: Bengaluru
Date: April 30, 2021

For RAO & VENKATESULU
Chartered Accountants

ASHOKA. D.S.
Partner
Membership No. : 213524
FR No. 003108S

UDIN: 21213524AAAABG1245



Rao & Venkatesulu

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Annexure "B"

Independent Auditor's report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

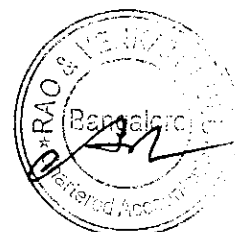
1. In conjunction with our audit of the standalone financial statements of **Deccan Exploration Services Private Limited** ("the Company") as of and for the year ended 31st March, 2021, we have audited the internal financial controls over financial reporting (IFCoFR) of the company of as of that date.

Management's Responsibility for Internal Financial Controls

2. The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the criteria being specified by management. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the company's business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's IFCoFR based on our audit. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India (ICAI) and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of IFCoFR, and the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate IFCoFR were established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the IFCoFR and their operating effectiveness. Our audit of IFCoFR included obtaining an understanding of IFCoFR, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's IFCoFR.





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Meaning of Internal Financial Controls over Financial Reporting

6. A company's IFCoFR is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's IFCoFR includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

7. Because of the inherent limitations of IFCoFR, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the IFCoFR to future periods are subject to the risk that IFCoFR may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2021, based on the criteria being specified by management.

Place: Bengaluru
Date: April 30, 2021

For RAO & VENKATESULU
Chartered Accountants

ASHOKA. D.S.
Partner
Membership No. : 213524
FR No. 003108S
UDIN: 21213524AAAABG1245

DECCAN EXPLORATION SERVICES PRIVATE LIMITED**BALANCE SHEET AS AT 31st March, 2021****(Rs. in '000)**

PARTICULARS	Note	AS at 31st March, 2021	AS at 31st March, 2020
ASSETS			
Non-current assets			
a) Property, Plant & Equipment	2	1,165	1,510
b) Capital work-in-progress	2	3,43,357	3,29,798
c) Intangible Assets	2	-	394
d) Intangible Assets under development	2	11,783	9,976
e) Financial Assets			
(i) Loans and Advance	3	28,498	892
f) Other Non-current Assets	4	6,820	68,204
		<u>3,91,623</u>	<u>4,10,774</u>
Current assets			
a) Financial Assets			
(i) Trade receivables	5	156	156
(ii) Cash and cash equivalents	6	13,241	1,762
b) Current Tax Assets	7	968	1,043
c) Other current assets	8	30,542	28,418
		<u>44,907</u>	<u>31,379</u>
TOTAL ASSETS		<u>4,36,530</u>	<u>4,42,153</u>
EQUITY AND LIABILITIES			
Equity			
a) Share Capital	9	136	136
b) Other Equity	10	4,35,709	4,37,093
		<u>4,35,845</u>	<u>4,37,229</u>
1) Non Current Liabilities			
a) Provisions	11	170	144
b) Deffered Tax Liability	12	-	-
		<u>170</u>	<u>144</u>
2) Current liabilities			
a) Financial Liabilities			
(i) Trade payables	13	393	4,666
b) Other Current Liabilities	14	119	113
c) Provisions	15	3	1
		<u>515</u>	<u>4,780</u>
TOTAL EQUITY AND LIABILITIES		<u>4,36,530</u>	<u>4,42,153</u>

Notes are integral part of the balance sheet & profit & loss account

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For and on behalf of Board of Directors

As per our report attached
For RAO & VENKATESULU
Chartered AccountantsS.C.R PESHWA
DirectorK.KARUNAKARAN
DirectorASHOKA D S
PartnerPLACE : BENGALURU
DATE: 30th April, 2021Membership No. :213524
FRN: 003108S
UDIN:21213524AAAAABG1245

DECCAN EXPLORATION SERVICES PRIVATE LIMITED

Statement of Profit and Loss for the year ended 31st March, 2021

PARTICULARS	Note	AS at 31st March, 2021	AS at 31st March, 2020
INCOME :			
Other income	16	1,041	340
Total Revenue		1,041	340
EXPENDITURE :			
Employee benefits expenses	17	495	759
Finance Costs	18	23	9
Depreciation and amortization expenses	19	739	1,143
Other expenses	20	1,194	1,789
Total Expenditures		2,450	3,700
Profit before exceptional and extraordinary items and tax		(1,409)	(3,360)
Exceptional items			
Profit before extraordinary items and tax		(1,409)	(3,360)
Extraordinary Items :			
Prior year adjustments		-	-
Profit before tax		(1,409)	(3,360)
Tax expenses :			
Current tax		-	-
Deferred tax	21	-	-
Profit (Loss) for the period from continuing operations		(1,409)	(3,360)
Profit/(Loss) from discontinuing operations		-	-
Tax expenses of discontinuing operations		-	-
Profit/(Loss) from discontinuing operations (after tax)		-	-
Profit (Loss) for the year		(1,409)	(3,360)
Other Comprehensive Income			
Items that will not be reclassified to Profit or Loss			
Defined benefit plan actuarial gains(losses)		25	(3)
Total Comprehensive Income for the Year		(1,384)	(3,362)
Earnings per equity share: Basic & Diluted (in Rs.)			
Basic		(102)	(248)
Diluted		(102)	(248)

Notes are integral part of the balance sheet & profit & loss account

For and on behalf of Board of Directors

As per our report attached
For RAO & VENKATESULU
Chartered Accountants

Suresh Chandra Rao Peshwa
S.C.R PESHWA
Director

K. Karunakaran
K.KARUNAKARAN
Director

Ashoka D S
ASHOKA D S
Partner
Membership No. :213524
FRN: 003108S
UDIN:21213524AAAABG1245

PLACE : BENGALURU
DATE: 30th April,2021

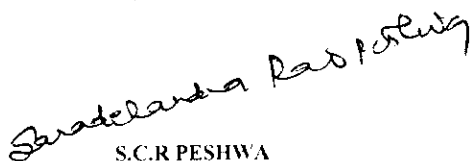
Deccan Exploration Services Private Limited

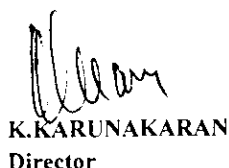
Cash Flow Statement For the year ended 31st March, 2021

(Rs. in '000)

PARTICULARS	As at 31st March, 2021	As at 31st March, 2020
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit / (Loss) before Tax and after Extraordinary items	(1,409)	(3,360)
Adjustment For :		
Depreciation	739	1,143
Provisions for gratuity	53	46
Interest & Finance charges	23	9
Interest received	(1,041)	(340)
Expenses on Employee Stock Option	-	-
Operative Profit before Working Capital Changes	(1,636)	(2,502)
Adjustment For :		
Trade Receivables	-	-
Other Receivables, Loans & Advances	31,654	(969)
Trade & Other payable	(4,267)	3,655
Cash Generation from Operations	25,751	184
Direct Taxes	75	(34)
Net Cash Flow from operating activities	25,826	150
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets and Advances	-	-
Increase in Capital Work In progress	(13,559)	(13,555)
Increase Intangible Assets under Development	(1,807)	-
Capital Advances Given	-	-
Loan Repayment Received	-	-
Interest Received	1,041	340
Net Cash used in investing activities	(14,324)	(13,215)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Share Issue	-	-
Share Application Money Received	-	-
Finance charges & Others	(23)	(9)
Net Cash used in financing activities	(23)	(9)
D. Net Change In Cash And Cash Equivalents (A+B+C)	11,479	(13,074)
Cash and Cash Equivalents (Opening)	1,762	14,836
Cash and Cash Equivalents (Closing)	13,241	1,762

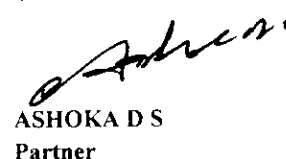
For and on behalf of Board of Directors


S.C.R PESHWA
Director


K.KARUNAKARAN
Director

PLACE : BENGALURU
DATE: 30th April, 2021

As per our report attached
For RAO & VENKATESULU
Chartered Accountants


ASHOKA D S
Partner

Membership No. :213524
FRN: 003108S
UDIN:21213524AAAAABG1245

DECCAN EXPLORATION SERVICES PRIVATE LIMITED

Notes to financial statements for the ended 31st March, 2021

Statement of Changes in Equity -

A. Equity share capital (Rs. in '000)

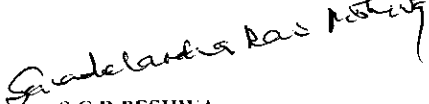
Balance as at 1 April 2019	13,555	136
Changes in equity share capital during 2019-20	-	-
Balance as at 31 March, 2020	13,555	136
Balance as at 1 April 2020	13,555	136
Changes in equity share capital during 2020-21	-	-
Balance as at 31st March, 2021	13,555	136

B. Other equity

Reserves and surplus (Rs. in '000)


	Securities premium	Retained earnings	Total other Equity
Balance as at 1 April 2019	4,41,331	(878)	4,40,453
Dividends	-	-	-
Issue of share capital on exercise of employee share option	-	-	-
On allotment of Shares	-	-	-
Profit/(Loss) for the year	-	(3,360)	(3,360)
Other comprehensive income	-	(3)	(3)
Total comprehensive income for the year	-	(3,362)	(3,362)
Balance as at 31 March 2020	4,41,331	(4,240)	4,37,093
Balance as at 1 April 2020	4,41,331	(4,240)	4,37,091
Dividends	-	-	-
Issue of share capital on exercise of employee share option	-	-	-
On allotment of Shares	-	-	-
Profit/(Loss) for the year	-	(1,384)	(1,384)
Other comprehensive income	-	-	-
Total comprehensive income for the year	-	(1,384)	(1,384)
Balance as at 31st March, 2021	4,41,331	(5,624)	4,35,709

For and on behalf of Board of Directors


S.C.R PESHWA
Director


K.KARUNAKARAN
Director

As per our report attached
For RAO & VENKATESULU
Chartered Accountants


ASHOKA D S
Partner
Membership No. ~~117657~~ 212524
FRN: 003108S
UDIN:21213524AAAABG1245

PLACE : BENGALURU
DATE: 30 APRIL,2021

DECCAN EXPLORATION SERVICES PRIVATE LIMITED

Notes to financial statements for the ended 31st March, 2021

Note - 2 : Property, plant and equipment
Details of the property, plant and equipment & Intangible Assets their carrying amounts are as follows:

	Property, plant and equipment				(Rs. in '000)
	Furniture & Fixtures	Vehicles	Office Equipment	Computer	
Gross carrying amount					
Balance as at 1 April 2019	342	3,171	185	1,454	5,152
Additions	-	-	-	-	-
Acquisition through business combination	-	-	-	-	-
Held for sale or included in disposal group	-	-	-	-	-
Net exchange differences	-	-	-	-	-
Balance as at 31 March 2020	342	3,171	185	1,454	5,152
Depreciation and impairment					
Balance as at 1 April 2019	93	1,712	113	1,325	3,242
Net exchange differences	-	-	-	-	-
Held for sale or included in disposal group	-	-	-	-	-
Depreciation	33	287	19	62	400
Balance as at 31 March 2020	126	1,999	131	1,386	3,642
Carrying amount as at 31 March 2020	216	1,172	54	68	1,510
	Furniture & Fixtures	Vehicles	Office Equipment	Computer	TOTAL
Gross carrying amount					
Balance as at 1 April 2020	342	3,171	185	1,454	5,152
Additions	-	-	-	-	-
Acquisition through business combination	-	-	-	-	-
Held for sale or included in disposal group	-	-	-	-	-
Net exchange differences	-	-	-	-	-
Balance as at 31st March, 2021	342	3,171	185	1,454	5,152
Depreciation and impairment					
Balance as at 1 April 2020	126	1,999	131	1,386	3,642
Net exchange differences	-	-	-	-	-
Held for sale or included in disposal group	-	-	-	-	-
Depreciation	32	286	13	14	345
Balance as at 31st March, 2021	158	2,284	144	1,400	3,987
Carrying amount as at 31st March, 2021	184	887	41	54	1,165

Capital Work in Progress

(Rs. in '000)

Particulars	Amount in Rs.
Development of Gold Mining Assets	
Opening Balance as on 1st April 2019	3,16,243
Expenditure during the year	13,555
Less: Adjustment during the year	-
Closing balance as on 31st March 2020	3,29,798

(Rs. in '000)

Particulars	Amount in Rs.
Development of Gold Mining Assets	
Opening Balance as on 1st April 2020	3,29,798
Expenditure during the year	13,559
Less: Adjustment during the year	-
Closing balance as on 31st March, 2021	3,43,357

Intangible Assets

Particulars	Useful Life (No. Of Years)	Gross Block			Accumulated Depreciation			Net Block				
		Balance as at 01-04-2019	Additions	Deduction	Balance as at 31/03/2020	Up to 01/04/2019	For the year	Deduction	Up to 31/03/2020	Balance as at 31/03/2020	Balance as at 31/03/2019	
Software	3	₹ 5,434	-	₹ -	₹ 5,434	₹ 4,297	₹ 743	₹ -	₹ 5,040	₹ -	₹ 394	₹ 1,137
TOTAL		₹ 5,434	-	₹ -	₹ 5,434	₹ 4,297	₹ 743	₹ -	₹ 5,040	₹ -	₹ 394	₹ 1,137

Particulars	Useful Life (No. Of Years)	Gross Block			Accumulated Depreciation			Net Block			
		Balance as at 01-04-2020	Additions	Deduction	Balance as at 31/03/2021	Up to 01/04/2020	For the year	Deduction	Up to 31/03/2021	Balance as at 31/03/2021	Balance as at 31/03/2020
Software	3	₹ 5,434	-	₹ -	₹ 5,434	₹ 5,040	₹ 394	₹ -	₹ 5,434	₹ -	₹ 394
TOTAL		₹ 5,434	-	₹ -	₹ 5,434	₹ 5,040	₹ 394	₹ -	₹ 5,434	₹ -	₹ 394

Intangible Assets under Development

(Rs. in '000)

Particulars	Amount in Rs.
Prospecting License & Mining Lease License	
Opening Balance 1st April 2019	9,976
Expenditure during the year	-
Less: Sale Proceeds	-
Closing balance as on 31st March 2020	9,976

Particulars	Amount in Rs.
Prospecting License & Mining Lease License	
Opening Balance 1st April 2020	9,976
Expenditure during the year	1,807
Less: Sale Proceeds	-
Closing balance as on 31st March, 2021	11,783

DECCAN EXPLORATION SERVICES PRIVATE LIMITED

Notes to financial statements for the ended 31st March, 2021

(Rs. in '000)

PARTICULARS	As At 31st March, 2021	As At 31st March, 2020
Note - 3 : Loans and Deposits		
Security Deposits		
Secured, considered good	-	-
Unsecured, considered good	1,142	892
Loans and advances to Holding Company		
Secured, considered good (DGML-Rate of interest on loan fixed@9%)	27,355	-
Unsecured, considered good		
Doubtful		
Less: Provision for doubtful loans and advances		
Other loans and advances	-	-
Total	28,498	892
Note - 4 : Other Non-Current Assets		
Capital Advances	6,820	68,204
Total	6,820	68,204
Note - 5 : Trade Receivables		
Unsecured, Considered Good	156	156
Total	156	156
Note - 6 : Cash and cash equivalents		
Balances with banks		
a. Balance with Banks	13,220	1,751
b. Bank deposits with not more than 12 months maturity		
c. Cheques, drafts on hand		
Cash on hand	21	10
d. Others		
Total	13,241	1,762
Note - 7 : Current Tax Assets		
Income Tax	968	1,043
Total	968	1,043
Note - 8 : Other current assets		
Advances other than Capital Advances		
To Subsidiary		
To Others	283	283
Advances with Revenue Authorities		
Other than Income Tax	29,510	28,097
Prepaid Expenses	27	29
Interest Receivable	715	-
Others	7	8
Total	30,542	28,418

DECCAN EXPLORATION SERVICES PRIVATE LIMITED

Notes to financial statements for the ended 31st March, 2021

Note : 9 Share Capital

A Authorised Share Capital	Equity Share		Preference Shares	
	Number	Amount	Number	Amount
Beginning of the year at 1 April 2019	20,000	200	3,50,000	35,000
Increase/(decrease) during the year	-	-	-	-
Total shares authorised as at 31 March 2020	20,000	200	3,50,000	35,000
Total shares authorised as at 1 April 2020	20,000	200	3,50,000	35,000
Increase/(decrease) during the year	-	-	-	-
Total authorised share capital as at 31st March, 2021	20,000	200	3,50,000	35,000

Terms/rights attached to equity shares

The company has only one class of equity shares having par value of INR 10 per share.

Terms/rights attached to equity shares

The company has only one class of 1% Redeemable preference share of Rs. 100 - each

B Issued, Subscribed & fully Paid Up	Equity Share		Preference Shares	
	Number	Amount	Number	Amount
Balance as at 1 April 2019	13,555	136	-	-
Changes during the period	-	-	-	-
Balance as at 31 March 2020	13,555	136	-	-
Balance as at 1 April 2020	13,555	136	-	-
Changes during the period	-	-	-	-
Shares issued and fully paid as at 31st March, 2021	13,555	136	-	-

C Reconciliation of Number of Shares :

Particulars	As at 31st March, 2021	As at 31st March 2020
Equity Share Capital		
Balance at the beginning	13,555	13,555
Add: Number of Shares Allotted	-	-
Balance at the end of the year	13,555	13,555
0.0001% Preference Shares		
Balance at the beginning	-	-
Add: Number of Shares Allotted	-	-
Less: Number of Shares Redeemed	-	-
Balance at the end of the year	-	-

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

Particulars	As at 31st March, 2021	As at 31st March 2020
Equity Shares of Rs. 10/- Each*	Nil	Nil

*Refer Note 15 of Notes to Financial Statement

E Shares held by holding/ultimate holding company including shares held by subsidiaries or associates of the holding company/ultimate holding company

	As at 31st March, 2021	As at 31st March 2020
Deccan Gold Mines Limited	13,555	13,555

F Details of shareholders holding more than 5% shares in the company

Name of the shareholder	As at 31st March, 2021		As at 31st March 2020	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Deccan Gold Mines Limited	13,555.00	100.00%	13,555.00	100.00%

Disclosure pursuant to Part I of Schedule III to the Companies Act, 2013

Particulars
Equity Shares :
G Fully paid up pursuant to contract(s) without payment being received in cash
Fully paid up by way of bonus shares
Shares bought back

DECCAN EXPLORATION SERVICES PRIVATE LIMITED

Notes to financial statements for the ended 31st March, 2021

(Rs. in '000)

PARTICULARS	As At 31st March, 2021	As At 31st March, 2020
Note - 10 : Other Equity		
Share Premium	4,41,331	4,41,331
Profit & Loss Account	(5,622)	(4,238)
Other Reserves	-	-
Total	4,35,709	4,37,093
Particulars		
(i) Share Premium :		
Opening Balance	4,41,331	4,41,331
Premium during the year	-	-
Closing Balance	4,41,331	4,41,331
(ii) Profit & Loss Account :		
Opening Balance	(4,238)	(878)
Profit during the year	(1,409)	(3,360)
Defined benefit plan actuarial (gains)/losses	25	(3)
Closing Balance	(5,622)	(4,238)
Note - 11 : Provisions		
Provision for Employee Benefits		
Gratuity	170	144
Total	170	144
Note - 12 : Deferred tax Liability (Net)		
Deferred tax liability		
Net Block as per Companies Act	-	-
Net Block as per Income Tax Act	-	-
Difference	-	-
Deferred tax liability (A)	-	-
Deferred tax assets		
Disallowances u/s 40(a) & 43(b)	-	-
Deferred tax assets (B)	-	-
Net Deferred Tax (Liability) (Closing)		
Net Deferred Tax (Liability) (Closing)		
Note - 13 : Trade payables		
Micro, Small and Medium Enterprises		
Due to Holding Company	-	4,232
Due to Others	393	434
Total	393	4,666
Note - 14 : Other Current Liabilities		
Statutory Dues	119	113
Loan from Directors	-	-
Advance from Holding Company	-	-
Total	119	113
Note - 15 : Provisions		
Provision for Employee Benefits		
Gratuity	3	1
Total	3	1

DECCAN EXPLORATION SERVICES PRIVATE LIMITED

Notes to financial statements for the ended 31st March, 2021

(Rs. in '000)

PARTICULARS	As At 31st March, 2021	As At 31st March, 2020
Note - 16: Other income		
Interest Income -TD	311	340
Interest Income on IT refund	2	-
Interest Income on Loan	728	-
Exploration Contract Income	-	-
Total	1,041	340
Note - 17 : Employee benefit expenses		
Salaries & wages	362	598
Gratuity	53	46
Staff welfare expenses	80	115
Total	495	759
Note - 18 : Finance costs		
Bank Charges	22	9
Interest	0	-
Total	23	9
Note - 19 : Depreciation & Amortization Expenses		
Depreciation on Tangible Assets	345	400
Depreciation on Intangible Assets	394	743
Total	739	1,143
Note - 20 : Other expenses		
Repairs & Maintenance	41	25
Office Maintaince	172	260
Communications Expenses	29	68
Miscellaneous Expenses	14	123
Insurance Charges	52	54
Electricity Charges	90	110
Membership & Subscription	11	4
Rates and Taxes	32	9
Travelling Expenses	-	-
Professional Fees	60	70
Rent	624	876
Staff Recruitement Charges	-	-
Motor Car Expenses	34	155
Auditor's remuneration	35	35
Total	1,194	1,789
Note - 21 : Deferred Tax		
Net Deferred Tax Liability(Closing)		
Less:Net Deferred Tax Liability(Opening)		

**DECCAN EXPLORATION SERVICES PRIVATE LIMITED
BENGALURU**

Notes to financial statements for the year ended 31st March, 2021

Note – 1: SIGNIFICANT ACCOUNTING POLICIES FOR THE YEAR ENDED 31st March, 2021

A. Basis of preparation of financial Statements

The standalone Ind AS financial statements of the company have been prepared in accordance with Indian Accounting Standards (Ind AS) under the historical cost convention on the accrual basis, the provision of the Companies Act, 2013 (to the extent notified) and guideline issued by Securities and Exchange Board of India (SEBI). The Ind AS are prescribed under section 133 of the Act read with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment rules, 2016.

The accounting policies adopted in the preparation of standalone Ind AS financial statement are consistent with those of previous year.

B. Use Of Estimates

The preparation of the financial statements in conformity with Ind AS requires management to make estimates, judgements and assumptions. These estimates, judgements and assumptions effect the application of the accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenue and expenditure during the period. Application of accounting policies that require critical accounting estimates involving complex and subjective judgements and the use of assumptions in these financial statements have been disclosed below. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding these estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

C. Revenue Recognition

Revenue is recognized to the extent it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

- i. Income from sale of metals obtained on exploration are recognized on despatch.
- ii. Exploration Consultancy Income is recognized when services are rendered and as per agreed terms.
- iii. Interest Income is recognized on accrual basis.
- iv. Dividend Income is accounted on accrual basis when the right to receive the dividend is established.
- v. All other income are accounted on accrual basis.

D. Property, plant and equipment:

Fixed assets are stated at cost of acquisition less accumulated depreciation if any. Costs directly attributable to acquisition are capitalized until the property, plant and equipment are ready to use, as intended by management. The company depreciates property, plant and equipment over their estimated useful lives using the straight-line method. The estimated useful lives are as follows:

Vehicles	8 Years
Computers	3 Years
Furniture	10 Years
Office Equipment	10 Years
Plant & Machinery	10 Years
Software	3 Years

DECCAN EXPLORATION SERVICES PRIVATE LIMITED
BENGALURU

Notes to financial statements for the year ended 31st March, 2021

Depreciation will be provided on estimated useful lives and residual value are reviewed periodically, including at each financial year end.

Mining Development Expenditure will be amortized or depreciated on the basis of the quantity of ore mined in proportion to the total estimated reserve.

Based on technical evaluation, the management believes that the useful lives as given above best represent the period over which management expects to use the assets. Hence the useful lives for these assets are different from the useful lives as prescribed under Part C of Schedule II of the Companies Act 2013.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets and the cost of assets not put to use before such date are disclosed under 'Capital work – in - progress' .Subsequent expenditures relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the company and the cost of the item can be measured reliably .Repairs and maintenance costs are recognized in net profit in the Statement of Profit and Loss when incurred .The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognized in the Statement of Profit and Loss. Assets to be disposed off are reported at the lower of the carrying value or the fair value less cost to sell.

E. Exploration and Evaluation Assets

Exploration and evaluation assets comprise capitalized costs which are attributable to the search for gold and related resources, pending the determination of technical feasibility and the assessment of commercial viability of an identified resource which comprises inter alia the following:

- researching and analyzing historical exploration data;
- gathering exploration data through topographical, geo chemical and geo physical studies;
- exploratory drilling, trenching and sampling;
- determining and examining the volume and grade of the resource;
- surveying transportation and infrastructure requirements;
- Conducting market and finance studies.

The above includes employee costs, cost of materials, and fuel used, other direct costs, payments to contractors etc. As the intangible component represents an insignificant/indistinguishable portion of the overall expected tangible costs to be incurred and recouped from future exploitation, these costs along with other capitalized exploration costs are recorded as exploration and evaluation asset.

Exploration and evaluation costs are capitalized on a project by project basis pending determination of technical feasibility and commercial viability of the project and disclosed as a separate line item under non-current assets. They are subsequently measured at cost less accumulated impairment/provision. Once proved reserves are determined, exploration and evaluation assets are transferred to "Development" under capital work in progress. However, if proved reserves are not determined, the exploration and evaluation asset is derecognized.

F. Development Expenditure

DECCAN EXPLORATION SERVICES PRIVATE LIMITED
BENGALURU

Notes to financial statements for the year ended 31st March, 2021

When the Technical and Commercial Feasibility are obtained and the legal rights to explore the mine are obtained the cost so incurred and capitalized as exploration and evaluation cost is recognized as assets under construction and disclosed as a component of capital work in progress under the head "Development".

G. Intangible assets:

Intangible assets are stated at cost less accumulated amortization and impairment. Intangible assets are amortized over the respective individual estimated useful lives on a straight – line basis, from the date that they are available for use. The estimated useful life of an identifiable intangible asset is based on a number of factors including the effects of obsolescence, demand, competition, and other economic factors (such as the stability of the industry, and known technological advances), and the level of maintenance expenditures required to obtain the expected future cash flows from the asset. Amortization methods and useful lives are reviewed periodically including at each financial year end.

H. Impairment of Assets

An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value. An impairment loss is charged to the profit & loss account as and when an asset is identified as impaired. The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

I. Employee Benefits

- a. Short Term Employee Benefits are recognized as an expense at the undiscounted amount in the profit and loss account of the year in which the related service is rendered.
- b. Post-employment benefits are recognized as an expense in the Profit and Loss account for the year in which the employee has rendered services. The defined benefit obligation is provided for on the basis of an actuarial valuation on projected unit cost method.
- c. Long Term employee benefits are recognized as an expense in the Profit and Loss account for the year in which the employee has rendered services. The liabilities on account of Gratuity have been provided on basis of an actuarial valuation.

J. Taxation

- a. Provision for current tax is made with reference to taxable income computed for the accounting period, for which the financial statements are prepared by applying the tax rates as applicable.
- b. The company is incurring losses and the mining operations have not yet commenced pending the Licenses from the Government. In absence of virtual certainty of sufficient future taxable income, the deferred tax asset has not been recognised by way of prudence in accordance with the Indian Accounting Standard 12 "Income Taxes" issued by the Institute of Chartered Accountants of India.

K. Borrowing Cost

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to revenue.

DECCAN EXPLORATION SERVICES PRIVATE LIMITED
BENGALURU

Notes to financial statements for the year ended 31st March, 2021

L. Provisions, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the notes to the accounts. Contingent Assets are neither recognized nor disclosed in the financial statements.

M. Segmental Reporting

The Company is mainly engaged in the business of mining and exploration of gold. Considering the nature of business and financial reporting of the Company, the Company has only one segment at present viz., Gold Mining and Exploration as reportable segment.

N. Foreign Currency

Functional Currency

The functional currency of the company is the Indian Rupee. The financial statements are presented in Indian Rupees (Rounded off to Thousands).

Transactions and translations

Foreign-currency denominated monetary assets and liabilities are translated into the relevant functional currency at exchange rates in effect at the balance sheet date. The gains or losses resulting from such translations are included in net profit in the Statement of Profit and Loss. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at fair value are translated at the exchange rate prevalent at the date when the fair value was determined. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of the transaction.

Transaction gains or losses realized upon settlement of foreign currency transactions are included in determining net profit for the period in which the transaction is settled. Revenue, expense and cashflow items denominated in foreign currencies are translated into the relevant functional currencies using the exchange rate in effect on the date of the transaction.

**DECCAN EXPLORATION SERVICES PRIVATE LIMITED
BENGALURU**

Notes to financial statements for the year ended 31st March, 2021

Note - 22: As per Indian Accounting Standard 19 “Employee benefits”, the disclosures as defined are given below:

Defined Benefit Plan:

Gratuity

1) Reconciliation of opening and closing balances of Defined Benefit Obligation

(Rs. In ‘000)

Particulars	Gratuity Funded	
	2020-21	2019-20
Defined Benefit Obligation at the beginning of the year	145	96
Current Service Cost	43	39
Interest Cost	10	7
Past Service Cost	-	-
Actuarial Gain/Loss	(25)	3
Defined Benefit Obligation at the end of the year	173	145

2) Reconciliation of opening and closing balances of fair value of Plan Assets

(Rs. In ‘000)

Particulars	Gratuity Funded	
	2020-21	2019-20
Fair Value of Plan Assets at the beginning of the year	-	-
Expected Return of Plan Assets	-	-
Actuarial (Gain)/Loss	-	-
Employer Contribution	-	-
Benefits Paid	-	-
Fair Value of Plan Assets at the end of the year	-	-
Actual Return of Plan Assets	-	-

3) Reconciliation of fair value of Assets & Obligations

(Rs. In ‘000)

Particulars	Gratuity Funded	
	2020-21	2019-20
Fair Value of Plan Assets	-	-
Present Value Obligation	173	145
Amount Recognised in Balance Sheet (Surplus/Deficit)	173	145

4) Expenses recognised during the year

(Rs. In ‘000)

Particulars	Gratuity Funded	
	2020-21	2019-20
In Income Statement	-	-
Current Service Cost	43	39
Interest Cost	10	7
Return on Plan Assets	-	-
Past Service Cost	-	-
Net Cost	53	46
In Other Comprehensive Income	-	-
Actuarial Gain/Loss	(25)	3
Net (Income/Expense) for the period Recognised in OCI	28	49

**DECCAN EXPLORATION SERVICES PRIVATE LIMITED
BENGALURU**

Notes to financial statements for the year ended 31st March, 2021

5) Actuarial Assumptions

(Rs. In '000)

Particulars	Gratuity Funded	
	2020-21	2019-20
Discount Rate (per annum)	6.05%	6.60%
Rate of Escalation in Salary (per annum)	6.00%	6.00%

6) Sensitivity Analysis

Significant Actuarial Assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and employee turnover. The sensitivity analysis below, have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The result of Sensitivity analysis is given:

(Rs. In '000)

Particulars	As at 31 st March, 2021		As at 31 st March, 2020	
	Decrease	Increase	Decrease	Increase
Change in discounting rate (delta effect of +/- 0.5%)	178	169	151	140
Change in rate of Salary increase (delta effect of +/-0.5%)	169	178	141	150

These plans typically expose the Company to actuarial risks such as: investment risk, interest risk, longevity risk and salary risk.

- Investment risk:** The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds.
- Interest risk:** A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan debt investments.
- Longevity risk:** The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
- Salary risk:** The present value of the defined plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

**Note – 23: Foreign Exchange Earnings and Expenditure
Earnings**

(Rs. In '000)

Sl. No.	Particulars	For the year ended	
		31 st March, 2021	31 st March 2020
1	Exports	-	-

**DECCAN EXPLORATION SERVICES PRIVATE LIMITED
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Expenditure

(Rs. In '000)

Sl. No.	Particulars	For the year ended	
		31 st March, 2021	31 st March 2020
1	Import of Materials	-	-
2	Professional Fees	-	-
3	Analysis Charges	-	-
4	Travelling & Other Expenses	-	-
	Total	-	-

Note – 24: Related Party Disclosure

Sl. No.	Name of Related Party	Relationship
1	Deccan Gold Mines Limited	Holding Company
2	Mr. S.C.R. Peshwa	Director
3	Mr. Karunakaran	Director
4	Mr. Natesan Chinnappan	Independent Director – (Appointed on 3 rd June, 2019)

Transactions with Related Parties

(Rs. In '000)

Transaction with holding company	For the year ended	
	31 st March, 2021	31 st March 2020
Allotment of Shares (See Note No.27)	-	-
Repayment of advances receivable from holding Company	27,356	-
Reimbursement of Exploration Expenses given to Holding Company (Excluding Taxes)	7,074	6,920

Note – 25: Contingent Liabilities Not Provided For

(Rs. In '000)

Particulars	For the year ended	
	31 st March, 2021	31 st March 2020
Contingent Liabilities Not Provided For	Nil	Nil

Note – 26: Earning Per Share

(Rs. In '000)

	Particulars	For the year ended	
		31 st March, 2021	31 st March 2020
a)	No of Shares at the beginning of the year	-	-
b)	No of Shares at the end of the year	-	-
c)	Weighted average number of Equity Shares outstanding during the year	-	-
	EPS		
a)	Net Profit available for Equity Shareholders	(1,404)	(3,360)
b)	Basic Earnings Per Share (in Rs.)	(102)	(248)
c)	Diluted Earnings Per Share (in Rs.)	(102)	(248)

Note 28 : Auditors Remuneration

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(Rs. In '000)

Particulars	As on 31.03.2021	As on 31.03.2020
Auditor's Remuneration:		
For audit	35	35
For taxation	-	-
For other matters	-	-
Total	35	35

Note 29: The Coronavirus (COVID-19) pandemic is causing significant disturbance and slowdown of economic activity globally and in India over the last one year. In many countries, businesses are being forced to cease or limit their operations for long or indefinite period of time. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services have triggered significant disruptions to businesses worldwide, resulting in an economic slowdown. The Company is no exception to this and the Covid-19 pandemic has had a significant negative impact on the day to day operations of the Company.

In addition, being an exploration company which is yet to commence gold mining operations, the inordinate delay in grant of mineral concessions (particularly the Key Ganajur ML) has had a significant impact on the Company's fund raising efforts and development of its Projects.

Note 30 : Ganajur Mining Lease (ML) Application

- Hon'ble High Court of Karnataka delivered its Judgment on 12/03/2021 (certified copy received and a BSE Update made on 12/04/2021) on the Writ Petition filed by DESPL with regard to its Ganajur Mining Lease (ML) seeking directions to Central / State Governments to grant the said ML.
- Vide its Judgment, the Hon'ble High Court has set aside the Order of the Central Government keeping its prior approval for Ganajur ML in 'abeyance'. The Central Government has been given 3 months' time to initiate action, if any, with regard to their prior approval for Ganajur ML. However, they need to afford an opportunity of hearing to DESPL before passing any orders. The State Government has to initiate steps for grant of Ganajur ML in DESPL's favour by the end of 3 months in case the Central Government does not initiate any proceedings within 3 months.

North Hutti Block Prospecting Licence (PL) applications:

The State Level Technical Committee ("Committee") has completed its review of the 8 North Hutti Block PL applications of DESPL. The proceedings of the Committee meeting have been forwarded to the Commerce & Industries Department, Government of Karnataka (C & I) for further action.

It may be noted that this Committee (constituted in accordance with the Central Government's Circular dated June 27, 2016 for review of cases for progression from Reconnaissance Permit to Prospecting Licence) comprises representatives of Department of Mines & Geology (DMG); Geological Survey of India (GSI); and Indian Bureau of Mines (IBM).

The key aspects in the Committee's proceedings are summarised hereunder (with our comments in italics):

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- I. The IBM confirmed that the RP Holder viz., Deccan Exploration Services Private Limited ("DESPL") has carried out the reconnaissance operations in accordance with the provisions of MCDR 1988 and elaborated on the details of work carried out by DESPL and confirmed the establishment of mineralization.
- II. The DMG informed that the RP holder has conducted the reconnaissance operations and submitted reports and as per the said reports, the RP holder has established the existence of mineral content.
- III. Further, GSI informed that DESPL had carried out exploration methodically by different methods and confirmed the existence of mineralization in the PL blocks.
- IV. Based on the above, the Committee has accepted the recommendations with regard to establishment of mineral contents.
- V. Out of 8 PL applications over the North Hutti Block, 5 applications have been filed before expiry of RP and technical inputs that were sought and obtained in this regard state that based on the geological anomalies found over the RP area, the applicant (DESPL) filed these PL applications. Even after filing these PL applications, the RP holder (DESPL) continued the reconnaissance operations to establish mineral contents over the RP area.
- VI. According to DMG, as regards the remaining 3 PL applications, whilst 2 applications have been filed within the time allowed by the statute (viz., within 3 months of expiry of RP), the third one was belated by a week (However, the area covered by this PL application has also been covered under another larger PL application)
- VII. Scheme of Reconnaissance and intimation regarding commencement of reconnaissance operations were not submitted within the time stipulated by the Statute: However, the Committee noted the confirmation from IBM that the aforesaid Scheme / intimation were submitted by DESPL upon receipt of advise in this regard from IBM. Whilst acknowledging submission of these documents, IBM has confirmed that reconnaissance operations were carried out as per the Scheme of Reconnaissance.

By way of background, it may be noted that DESPL's Hutti Block PL applications were being processed in terms of the favourable Supreme Court Judgment dated May 8, 2018. Since the pace of processing of was slow, DESPL had filed an Interim (Miscellaneous) Application during 2019 (MA 740 of 2019) before the Supreme court praying for directions to the Government of Karnataka to process the PL applications within a definitive time frame of two months. This was followed by an early hearing application during June, 2020 explaining the delay that has already happened and the urgency of the matter.

Vide its Counter Affidavit, the Government of Karnataka had prayed the Hon'ble Court to allow them to verify the Reports (related to our PL applications) in accordance with the conditions mentioned under Section 10A(2)(b) of MMDR Act, 1957 and dispose the applications on priority basis within an outer limit of 6 months in terms of their procedures.

The Court took the same on record and granted them a time limit of 6 months (i.e., till June 2, 2021) to process the North Hutti Block PL applications of DESPL.

Impact of MMDR Amendment Act, 2021:

As the shareholders are aware, the MMDR Amendment Act, 2021 ("Amendment Act") has become effective from March 28, 2021. Changes made to Section 10A(2)(b) vide this Amendment Act provide that in respect of cases covered under the said Section including the pending cases, the right to obtain PL followed by an ML or a ML shall lapse with effect from March 28, 2021. Further, the

**DECCAN EXPLORATION SERVICES PRIVATE LIMITED
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Notes to financial statements for the year ended 31st March, 2021

holders of RP / PL whose rights have lapsed as stated above shall be reimbursed the expenditure incurred towards reconnaissance or prospecting operations in such manner as may be prescribed by the Central Government. Further, the Amendment Act also proposes that the areas covered under such pending cases where rights have lapsed shall be put up for auction.

Whilst the status of Ganajur ML and the Hutti Block PL applications are as noted above, the Company awaits further notifications / guidelines from the Central Government as to the implementation of the provisions of the Amendment Act particularly with regard to Section 10A(2)(b) cases.

Note 31: Previous year figures have been re-grouped/reclassified wherever/necessary to make them comparable with current year.

For and on behalf of Board of Directors

Saralendra Rao Peshwa

S.C.R. PESHWA
Director

K. Karunakaran

K. KARUNAKARAN
Director

Place: BENGALURU
Date: 30th April, 2021

As per our report attached
For Rao & Venkatesulu
Chartered Accountants

Ashoka D S

ASHOKA D S

Partner

Membership No.: 213524

Firm Reg No.: 03108S

UDIN: 21213524AAAAABG1245