



## DECCAN EXPLORATION SERVICES PRIVATE LIMITED

(Formerly DECCAN GOLD EXPLORATION SERVICES PRIVATE LIMITED)

### DIRECTORS' REPORT

Your Directors have pleasure in presenting their Fourteenth Annual Report of the Company together with the audited accounts of the company for the year ended 31 March, 2011.

#### OPERATIONS AND FUTURE OUTLOOK

Your company continued to carry out exploration activities pursuant to the Agreement with Deccan Gold Mines Limited in terms of which, all expenses incurred by the company for exploration activities are reimbursed by Deccan Gold Mines Limited.

The company during the year incurred profit / (loss) of Rs. 6.30 million compared to profit / (loss) of Rs. (0.05) million during the previous year.

It may be noted during November, 2010 the ML application for 0.29 sq kms covering the Ganajur Main Gold Prospect was recommended by the Government of Karnataka to the Ministry of Mines, Government of India (MoM) for final approval. The ML application is being pursued vigorously. Further, SRK Mining Services (India) Private Limited (SRK) have been appointed in February, 2011 to undertake a comprehensive scoping (pre-feasibility) study to assess the mining potential of the Ganajur Main Gold Prospect, Haveri District, Karnataka.

#### MANAGEMENT

The Board comprises of eminent geologists and professionals. Further, Mr. S.C.R. Peshwa and Mr. K. Karunakaran are the Directors retiring by rotation and being eligible, offer themselves for re-appointment at the ensuing Annual General Meeting.

#### DIRECTORS' RESPONSIBILITY STATEMENT

Your Directors confirm that:

- a. in preparation of the annual accounts, the applicable Accounting Standards have been followed along with proper explanations relating to any material departures, if any;
- b. they have 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 as at 31 March, 2011 and of the net profit / (loss) for the year ended on that date;
- c. they had taken proper and sufficient care for maintenance of adequate accounting records as required under the Companies Act, 1956 for safeguarding the assets of the company and for prevention and detection of fraud and other irregularities; and
- d. they have prepared the Statement of Accounts for the year ended 31 March, 2011 on a going concern basis.

#### PARTICULARS OF EMPLOYEES

During the year under review, the company did not have any employee falling under the provisions of Section 217 (2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975.

#### PARTICULARS OF CONSERVATION OF ENERGY, TECHNOLOGY, ABSORPTION, FOREIGN EXCHANGE EARNING AND OUTGO

- (a) Conservation of energy and technology absorption:  
Considering the nature of the company's existing business activities, your Directors have nothing to state in connection with conservation of energy and technology absorption.
- (b) Foreign exchange earnings and outgo:  
During the year under review, the company did not have any foreign exchange earnings, but had a foreign exchange outgo of Rs.8.58 lac.

#### AUDITORS

M/s. Rao & Venkatesulu, Chartered Accountants, Bengaluru (FRN 003108S) who were appointed as Auditors of the company at the last annual general meeting, will be retiring at the conclusion of the ensuing annual general meeting. They, being eligible, have communicated their consent for re-appointment.

#### ACKNOWLEDGMENT

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

For and on behalf of the Board

Place : Bangalore  
Date : 30 May 2011

**S. C. R. PESHWA**  
Director

**K. KARUNAKARAN**  
Director

**DECCAN EXPLORATION SERVICES PRIVATE LIMITED**

(Formerly DECCAN GOLD EXPLORATION SERVICES PRIVATE LIMITED)

**AUDITORS' REPORT****To the members of****DECCAN EXPLORATION SERVICES PRIVATE LIMITED**

We have audited the Balance Sheet of DECCAN EXPLORATION SERVICES PRIVATE LIMITED as at 31<sup>st</sup> MARCH, 2011 and the annexed Profit and Loss Account for the year ended on that date. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We have conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

1. The company being not coming under the purview of the Companies (Auditor's Report) Order, 2003 issued by the central government under section 227 (4A) of the Companies Act, 1956, we have not reported our finding on the matters stated therein.
2. Further to our comments in the Annexure referred to in paragraph (1) above:
  - a. we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit.
  - b. in our opinion, proper books of account as required by the law have been kept by the Company so far as it appears from our examination of those books;
  - c. the Balance Sheet and the Profit and Loss Account dealt with by this report are in agreement with those Books of account;
  - d. in our opinion, the Profit and Loss Account and the Balance Sheet dealt with by this report comply with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956,;
  - e. on the basis of the written representations received from the Directors and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31<sup>st</sup> March, 2011 from being appointed as a director of the Company are disqualified from being appointed as a director in terms of Section 274 (1) (g) of the Companies Act, 1956; and
  - f. in our opinion and to the best of our information and according to the explanations given to us, the accounts give the information required by the Companies Act, 1956 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 the Balance Sheet, of the state of affairs of the company as at 31<sup>st</sup> March, 2011; and

in the case of the Profit and Loss Account, of the profit of the company for the year ended on that date.

For **RAO & VENKATESULU**  
**Chartered Accountants**  
**Firm Registration No. (FRN) 003108S**

Place : Bangalore  
Date : 30 May 2011

**K.Y. Ningoji Rao**  
**Partner**  
**Membership No.18278**


**DECCAN EXPLORATION SERVICES PRIVATE LIMITED**

(Formerly DECCAN GOLD EXPLORATION SERVICES PRIVATE LIMITED)

**BALANCE SHEET AS AT 31st MARCH, 2011**

|  | Schedule | As at<br>31.03.2011<br>(Rs. in '000) | As at<br>31.03.2010<br>(Rs. in '000) |
|--|----------|--------------------------------------|--------------------------------------|
| <b>A. SOURCE OF FUNDS:</b>                             |          |                                      |                                      |
| <b>SHAREHOLDERS FUNDS:</b>                             |          |                                      |                                      |
| Share Capital  | A        | 100.00                               | 100.00                               |
| Share Application Money                                |          | -                                    | -                                    |
| Reserves & Surplus                                     | B        | 6,082.16                             | -                                    |
| <b>LOAN FUNDS:</b>                                     |          |                                      |                                      |
| Secured Loans  |          | -                                    | -                                    |
| Unsecured Loans  |          | -                                    | -                                    |
| <b>Total Source of Funds</b>                           |          | <b>6,182.16</b>                      | <b>100.00</b>                        |
| <b>B. APPLICATION OF FUNDS:</b>                        |          |                                      |                                      |
| <b>FIXED ASSETS:</b>                                   |          |                                      |                                      |
| Capital Works in Progress                              |          | -                                    | -                                    |
| <b>DEFERRED TAX ASSETS</b>                             |          |                                      |                                      |
|  |          | -                                    | 92.34                                |
| <b>NET CURRENT ASSETS:</b>                             |          |                                      |                                      |
| <b>CURRENT ASSETS:</b>                                 |          |                                      |                                      |
| Inventories  | C        | 4,082.50                             | 360.00                               |
| Trade Debtors  |          | 4,943.02                             | 126.50                               |
| Cash & Bank Balances                                   |          | 1,402.28                             | 243.00                               |
| Loans & Advances                                       |          | 4,226.10                             | 519.15                               |
| <b>Total Current Assets</b>                            |          | <b>14,653.90</b>                     | <b>1,248.65</b>                      |
| <b>Less: CURRENT LIABILITIES:</b>                      |          |                                      |                                      |
| Current Liabilities                                    | D        | 5,743.64                             | 1,463.49                             |
| Provisions   |          | 2,728.03                             | -                                    |
| <b>NET CURRENT ASSETS:</b>                             |          | <b>6,182.16</b>                      | <b>(214.84)</b>                      |
| <b>Miscellaneous Expenses (ASSET)</b>                  |          |                                      |                                      |
| Preliminary Expenses (to the extent not written off) - |          | -                                    | 222.50                               |
| <b>Profit &amp; Loss Account</b>                       |          | <b>-</b>                             | <b>222.50</b>                        |
| <b>Total Application of Funds</b>                      |          | <b>6,182.16</b>                      | <b>100.00</b>                        |

Significant Accounting Policies &amp; Notes to the Accounts

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As per our report attached

For and on behalf of the Board

 For **RAO & VENKATESULU**

Chartered Accountants

**FRN 003108S**
**K.Y. Ningoji Rao**

Partner

Membership No.18278

**S.C.R. Peshwa**

Director

**K. Karunakaran**

Director

Bangalore

30 May 2011



## DECCAN EXPLORATION SERVICES PRIVATE LIMITED

(Formerly DECCAN GOLD EXPLORATION SERVICES PRIVATE LIMITED)

### PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2011

|  | Schedule | For the<br>Year ended<br>31.03.2011<br>(Rs. in '000) | For the<br>Year ended<br>31.03.2010<br>(Rs. in '000) |
|--|----------|--|--|
| <b>INCOME:</b>                             |          |  |  |
| Exploration Contract Receipts              |          | 15,250.78  | 11,434.71  |
| Drilling Contract Receipts                 |          | 27,618.58  | -  |
| Other Income                               | D        | 1,988.84   | 525.06   |
| <b>Total Income</b>                        |          | <b>44,858.20</b>                                     | <b>11,959.77</b>                                     |
| <b>EXPENDITURE:</b>                        |          |  |  |
| Exploration Expenses                       | E        | <b>39,294.80</b>                                     | <b>12,255.86</b>                                     |
| Administrative & Other Expenses            | F        | 160.87   | 95.76  |
| Financial Charges                          |          |  |  |
| Depreciation                               |          |  |  |
| <b>Total</b>                               |          | <b>39,455.67</b>                                     | <b>12,351.62</b>                                     |
| <b>Increase in Inventory</b>               | G        | <b>(3,722.50)</b>                                    | <b>(330.25)</b>                                      |
| <b>Total Expenditure</b>                   |          | <b>35,733.17</b>                                     | <b>12,021.37</b>                                     |
| <b>NET PROFIT(+)/ LOSS(-) BEFORE TAXES</b> |          | <b>9,125.03</b>                                      | <b>(61.60)</b>                                       |
| Less/Add(-): Prior Period Adjustments      |          | -  | -  |
| Less: Provision for Taxes for the year:    |          |  |  |
| Income Taxes                               |          | (2728.03)  | -  |
| Deferred Tax Assets Created                |          | (92.34)  | 11.58  |
| <b>NET PROFIT(+)/ LOSS(-) AFTER TAXES</b>  |          | <b>6,304.66</b>                                      | <b>(50.02)</b>                                       |
| Add: Balance Loss Brought Forward          |          | (222.50)   | (172.48)   |
| <b>BALANCE LOSS CARRIED FORWARD</b>        |          | <b>6,082.16</b>                                      | <b>(222.50)</b>                                      |

Significant Accounting Policies & Notes to the Accounts

H

As per our report attached

For and on behalf of the Board

For **RAO & VENKATESULU**

Chartered Accountants

**FRN 003108S**

**K.Y. Ningoji Rao**

Partner

Membership No.18278

**S.C.R. Peshwa**

Director

**K. Karunakaran**

Director

Bangalore

30 May 2011


**DECCAN EXPLORATION SERVICES PRIVATE LIMITED**

(Formerly DECCAN GOLD EXPLORATION SERVICES PRIVATE LIMITED)

**SCHEDULES FORMING PART OF ACCOUNTS**

|  | As at<br>31.03.2011<br>(Rs. in '000)<br>Current Year<br>(Rs. in '000) | As at<br>31.03.2010<br>(Rs. in '000)<br>Previous Year<br>(Rs. in '000) |
|--|---|--|
| <b>SCHEDULE A</b>  |   |  |
| <b>SHARE CAPITAL</b>   |   |  |
| <b>Authorized Share Capital:</b>                               |   |  |
| 50,000 Equity Shares of Rs.10/- Each                           | 500.00  | 500.00   |
| <b>Issued Share Capital:</b>                                   |   |  |
| 50,000 Equity Shares of Rs.10/- Each                           | 500.00  | 500.00   |
| <b>Subscribed and Paid Up Share Capital:</b>                   |   |  |
| 10000 (P.Y.10,000) Equity Shares of Rs.10/- Each Fully Paid Up | 100.00  | 100.00   |
| TOTAL Carried to Balance Sheet                                 | 100.00  | 100.00   |
| <b>SCHEDULE B</b>  |   |  |
| <b>RESERVES &amp; SURPLUS</b>                                  |   |  |
| General Reserve  | -   | -  |
| Profit & Loss Account  | 6,082.16  | -  |
| TOTAL Carried To Balance Sheet                                 | 6,082.16  | -  |
| <b>SCHEDULE C</b>  |   |  |
| <b>CURRENT ASSETS</b>  |   |  |
| Inventories:   |   |  |
| Work-In-Progress   | 4082.50   | 360.00   |
| Trade Debtors  | 4,943.02  | 126.50   |
| <b>Cash At Banks:</b>  |   |  |
| In Current Accounts  | 1,364.84  | 223.00   |
| In Other Accounts  |   |  |
| <b>Cash On Hand</b>  | 37.38   | 20.00  |
| <b>Loans &amp; Advances:</b>                                   |   |  |
| Deposits   | 255.54  | 137.43   |
| Advances Recoverable In Cash Or Kind                           | 3,970.55  | 381.72   |
| TOTAL Carried to Balance Sheet                                 | 14,653.83   | 1,248.65   |
| <b>SCHEDULE D</b>  |   |  |
| <b>CURRENT LIABILITIES</b>                                     |   |  |
| Current Liabilities:   |   |  |
| Creditors For Trade  | 5,651.03  | 1,411.74   |
| Creditors For Expenses   | 92.61   | 51.75  |
| <b>Provisions:</b>   |   |  |
| Income Tax Provision   | 2728.03   |  |
| TOTAL Carried To Balance Sheet                                 | 8,471.67  | 1463.49  |



|   | Current Year<br>(Rs. in '000) | Previous Year<br>(Rs. in '000) |
|---|-------------------------------|--------------------------------|
| <b>SCHEDULE E</b>                                 |                               |                                |
| <b>OTHER INCOME</b>                               |                               |                                |
| Consultancy Services Receipts                     | 1,984.47                      | 481.16                         |
| Interest on Income Tax Refund                     | 4.37                          | 17.00                          |
| Miscellaneous Income                              |                               | 26.90                          |
| <b>TOTAL carried To Profit &amp; Loss Account</b> | <b>1,988.84</b>               | <b>525.06</b>                  |
| <b>SCHEDULE F</b>                                 |                               |                                |
| <b>EXPLORATION EXPENSES</b>                       |                               |                                |
| Analysis Charges                                  | 2,902.24                      | 691.57                         |
| Boarding & Lodging Charges                        | 218.62                        | 150.67                         |
| Camp Expenses                                     | 237.76                        | 133.46                         |
| Diesel & fuel                                     | 237.28                        | 110.70                         |
| Duplicating Charges                               | 4.09                          | 1.50                           |
| Field Supplies & Consumables                      | 846.68                        | 92.03                          |
| Field Vehicle Maintenance                         | 233.81                        | 52.92                          |
| RP Processing Fees                                | 75.67                         | 22.40                          |
| Rent  | 104.60                        | -                              |
| Land & Crop Compensation                          | 843.58                        | 266.92                         |
| Field Travel Expenses                             | 73.03                         | 25.29                          |
| Exploration Contract Expenses                     | 5,829.98                      | 3,138.42                       |
| Food & Water Charges                              | 328.40                        | 139.66                         |
| Professional & Consultancy Fee                    | 569.80                        | 424.00                         |
| Trenching , Drilling & Pitting Charges            | 25,530.66                     | 6,900.14                       |
| Surveying Charges                                 | 1,234.00                      | 33.71                          |
| Other Camp Expenses                               | 24.60                         | 72.49                          |
| <b>TOTAL carried To Profit &amp; Loss Account</b> | <b>39,294.80</b>              | <b>12,255.86</b>               |
| <b>SCHEDULE G</b>                                 |                               |                                |
| <b>ADMINISTRATIVE &amp; OTHER EXPENSES</b>        |                               |                                |
| Advertisement Expenses                            | 5.00                          | -                              |
| Bank Charges                                      | 14.72                         | 1.84                           |
| Filing Fee  | 3.00                          | 0.15                           |
| Staff Welfare                                     | -                             | 4.46                           |
| Computer Maintenance                              | -                             | 2.25                           |
| Professional Charges                              | 6.38                          | 17.57                          |
| Miscellaneous Expenses                            | -                             | -                              |
| Postage & Telegrams                               | 4.62                          | 7.53                           |
| Printing & Stationery                             | 0.78                          | 22.92                          |
| Insurance Charges                                 | -                             | 2.30                           |
| Telephone Charges                                 | -                             | -                              |
| Travelling Expenses                               | 94.58                         | 19.83                          |
| Interest On TDS Payments                          | 2.32                          | 0.36                           |
| Preliminary Expenses Amortised                    | -                             | -                              |
| Auditors Remuneration:                            | -                             | -                              |
| For Audit   | 22.06                         | 13.24                          |
| For Tax Audit                                     | 4.41                          | -                              |
| For Other Services                                | 3.00                          | 3.31                           |
| <b>TOTAL carried To Profit &amp; Loss Account</b> | <b>160.87</b>                 | <b>95.76</b>                   |


**DECCAN EXPLORATION SERVICES PRIVATE LIMITED**

(Formerly DECCAN GOLD EXPLORATION SERVICES PRIVATE LIMITED)

**SCHEDULE H**
**INCREASE OR DECREASE IN STOCKS**
**OPENING STOCK:**

Works In Progress

360.00

29.75

**TOTAL**

360.00

29.75

**CLOSING STOCKS:**

Works In Progress

4,082.50

360.00

**TOTAL**

4,082.50

360.00

Increase(-) or Decrease(+) in Inventory

(3,722.50)

(330.25)

**SUNDRY CREDITORS**
**FOR TRADE:**

Geo Mysore Services (India) Pvt Ltd

3,701.30

1,411.74

APC Drilling &amp; Construction Co-Namakkal

1,028.58

-

Skyline Survey

721.16

-

Manyatha Developers Pvt.Ltd

200.00

-

**Total**

5,651.03

1,411.74

**FOR EXPENSES:**

Income Tax TDS Payable

66.14

20.87

Rao &amp; Venkatesulu

26.47

30.88

**Total**

92.61

51.75

**SUNDRY DEBTORS**
**FOR TRADE:**

Deccan Gold Mines Ltd

2,616.24

126.50

Ultra Tch Cments Limited

2,326.78

-

**Total**

4,943.02

126.50

**LOANS & ADVANCES**
**ADVANCES:**

Income Tax T.D.S.

3,920.61

369.44

S.B.Harish Kumar

49.95

12.28

**Total**

3,970.55

381.72

**DEPOSITS**

Security Deposit

117.43

117.43

Service Tax

98.11

-

Rent Deposit

40.00

20.00

**Total**

255.54

137.43


**NOTES FORMING PART OF ANNUAL ACCOUNTS**
**1. Trade Debtors include:**

(Rs. in '000)

| Particulars   | As At 31.3.2011 | As At 31.3.2010 |
|---|-----------------|-----------------|
| a. Debts considered good but not secured for which the company do not hold any security other than the personal security of debtors | 4,943.02        | 126.50          |
| b. Debts considered doubtful for which no provision is made   | Nil             | Nil             |
| c. Debts due from concerns in which the relatives of Directors of the company are interested  | Nil             | Nil             |
| d. Debts due from firms and companies in which the Directors of the company are interested as partners and Directors                | Nil             | Nil             |
| e. Debts due for period:  |                 |                 |
| (i) More than Six Months  | Nil             | Nil             |
| (ii) Others   | 4,943.02        | 126.50          |

**1. THE PARTICULARS OF THE DEFERRED TAX ASSET CREATED IS AS UNDER:**

| Particulars                       | As On 31.3.2011 | As On 31.3.2010 | Difference |
|-----------------------------------|-----------------|-----------------|------------|
| <b>Depreciation:</b>              |                 |                 |            |
| Written Down Value:               |                 |                 |            |
| As Per IT Rules                   | Nil             | Nil             | Nil        |
| As Per Books                      | Nil             | Nil             | Nil        |
| Difference                        | Nil             | Nil             | Nil        |
| Deferred Tax Liability            | Nil             | Nil             | Nil        |
| <b>Unabsorbed Items Under IT:</b> |                 |                 |            |
| Unabsorbed Business Loss          | Nil             | 298.83          | (298.83)   |
| Unabsorbed Depreciation           | Nil             | Nil             | Nil        |
| Total                             | Nil             | 298.83          | (298.83)   |
| Deferred Tax Asset                | Nil             | 92.34           | (92.34)    |
| Net Deferred Tax Asset:           | Nil             | 92.34           | (92.34)    |

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

1. Sales revenues are accounted on accrual basis.
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 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 realisable value which ever is lower.

**D. FIXED ASSETS:**

Depreciation on fixed assets are provided on Written Down Value Method at the rates prescribed under the Income Tax Rules, 1962.

**E. ACCOUNTING OF TAXES ON INCOME:**

- a. Current Taxes On Income is provided as per the liability computed under the Income Tax Act, 1961.
- b. The Deferred Tax Asset and liabilities is created as per AS-22 prescribed by the Institute Of Chartered Accountants of India.

**F. ACCOUNTING OF INTANGIBLE ASSETS:**

- a. All intangible Assets acquired at cost are recognized as assets.

All intangible Assets are amortized as per the norms stipulated in AS-22 issued by the ICAI.





## DECCAN EXPLORATION SERVICES PRIVATE LIMITED

(Formerly DECCAN GOLD EXPLORATION SERVICES PRIVATE LIMITED)

### BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

#### I. Registration Details:

|                    |                |
|--------------------|----------------|
| State Code         | 08             |
| Registration No.   | 22819          |
| Balance Sheet Date | 31 March, 2011 |

#### BALANCE SHEET AS AT 31 MARCH, 2011

(Rs in '000)

#### II. Capital raised during the year :

|                   |     |
|-------------------|-----|
| Public Issue      | Nil |
| Right Issue       | Nil |
| Bonus Issue       | Nil |
| Private Placement | Nil |

#### III. Position of mobilisation and deployment of funds:

|                   |      |
|-------------------|------|
| Total Liabilities | 6182 |
| Total Assets      | 6182 |

#### Source of Funds:

|                    |      |
|--------------------|------|
| Paid Up Capital    | 100  |
| Reserves & Surplus | 6082 |
| Secured Loans      | Nil  |
| Unsecured Loans    | Nil  |

#### Application of Funds:

|                           |      |
|---------------------------|------|
| Net Fixed Assets          | Nil  |
| Investments               | Nil  |
| Deferred Tax Asset        | Nil  |
| Net Current Assets        | 6182 |
| Miscellaneous Expenditure | Nil  |
| Accumulated Losses        | Nil  |

#### IV. Performance of the Company:

|   |        |
|---|--------|
| Turnover                                    | 44858  |
| Total Expenditure                           | 35733  |
| Profit Before Tax                           | 9125   |
| Profit After Tax                            | 6305   |
| Earning Per Share [Annualised]              |        |
| after reckoning Deferred Tax Asset (in Rs.) | 630.47 |
| Dividend                                    | Nil    |

#### V. Generic names of three principal products of Company (as per monetary terms):

| Product Description   | Item Code (ITC Code) |
|-----------------------|----------------------|
| a. Mining Exploration | 980100.45            |

As per our report attached

For and on behalf of the Board

For **RAO & VENKATESULU**

Chartered Accountants

**FRN 003108S**

**K.Y. Ningoji Rao**

Partner

Membership No.18278

Bangalore

30 May 2011

**S.C.R. Peshwa**

Director

**K. Karunakaran**

Director