
DECCAN EXPLORATION SERVICES PRIVATE LIMITED
DIRECTOR'S REPORT

To the Members,
Deccan Exploration Services Private Limited
Bengaluru.

Your Directors have pleasure in submitting their 18th Annual Report of the Company together with the Audited Statements of Accounts for the year ended March 31, 2016.

1. FINANCIAL SUMMARY

Amount in ₹

Particulars	As at the end of current reporting period	As at the end of previous reporting period
Total Revenue	59,87,526	91,93,902
Total Expenses	44,26,651	95,39,084
Profit or Loss before Exceptional and Extraordinary items and Tax	15,60,875	(3,45,182)
Less: Exceptional Items	-	(3,512)
Less: Extraordinary Items	-	-
Profit or Loss before Tax	15,60,875	(3,48,694)
Less: Current Tax	-	-
Deferred Tax	7,45,157	1,15,862
Profit or Loss After Tax	8,15,718	(2,32,832)
Add: Balance as per last Balance Sheet	1,61,01,641	68,70,620
Less: Transfer to Reserves	34,29,59,346	92,31,021
Balance Transferred to Balance Sheet	35,90,60,987	1,61,01,641

2. DIVIDEND

No Dividend was declared for the current financial year.

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

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

4. REVIEW OF BUSINESS OPERATIONS AND FUTURE PROSPECTS:

Your Directors are pleased to report that the Company's Mining Lease application covering an area of 0.29 sq kms, is under the active consideration of the Government of Karnataka for issue of Letter of Intent (Lol).

The Department of Mines & Geology, Government of Karnataka (DMG) has started processing the pending Mining Lease (ML) files for compliance with their internal checklist that was notified recently through a Government Order. It may be noted that the Internal Checklist requires sign-off / certification from certain Divisions of DMG and Indian Bureau of Mines prior to the issue of the Lol.

Ganajur ML application has been taken up for processing and DMG has now received the required certification from IBM. The process for obtaining other sign-off / confirmations has been initiated and the Lol would be issued shortly.

Your Directors are pleased to note that the Bankable Feasibility Studies over the Ganajur Gold Project being undertaken by Snowden Mining Industry Consultants, Perth, Australia (Snowden) are progressing well and expected to be completed by the end of December, 2016.

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As regards the Special Leave Petitions (SLP) filed over the Hutti belt prospects, it may be noted that the same was listed for hearing on July 21, 2016. As our matter was part heard on March 29, 2016 by a Bench comprising two Judges and one of those Judges was transferred to a Constitution Bench of the Supreme Court (SC), our hearing listed for July 21, 2016 was deferred.

Our lawyers have since checked with the SC Registry and their Listing Department and were informed that our SLP will be listed before the same Bench which had heard the matter partly earlier. We understand that upon conclusion of the matter being heard by the Constitution Bench, our SLP will be taken up for final hearing by the same Judges as before. A date for such hearing will be given by the SC shortly.

There was no change in nature of the business of the Company, during the year under review.

5. MATERIAL CHANGES AND COMMITMENT IF ANY AFFECTING THE FINANCIAL POSITION OF THE COMPANY OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR TO WHICH THIS FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT

No material changes and commitments affecting the financial position of the Company occurred between the end of the financial year to which this financial statements relate on the date of this report.

6. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

The provisions of Section 134(m) of the Companies Act, 2013 do not apply to our Company. There was no foreign exchange earnings and outgo during the year under review.

7. STATEMENT CONCERNING DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT POLICY OF THE COMPANY

Keeping in mind the size and operations of the Company, the Company does not have any risk management policy.

8. DETAILS OF POLICY DEVELOPED AND IMPLEMENTED BY THE COMPANY ON ITS CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

The Company has not developed and implemented any Corporate Social Responsibility initiatives as the said provisions are not applicable.

9. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE UNDER SECTION 186 OF THE COMPANIES ACT, 2013

There were no loans, guarantees or investments made by the Company under Section 186 of the Companies Act, 2013 during the year under review and hence the said provision is not applicable.

10. PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES - NIL

11. EXPLANATION OR COMMENTS ON QUALIFICATIONS, RESERVATIONS OR ADVERSE REMARKS OR DISCLAIMERS MADE BY THE AUDITORS AND THE PRACTICING COMPANY SECRETARY IN THEIR REPORTS

There are no qualifications, reservations or adverse remarks made by the Auditors in their report. The provisions relating to submission of Secretarial Audit Report is not applicable to the Company.

12. COMPANY'S POLICY RELATING TO DIRECTORS APPOINTMENT, PAYMENT OF REMUNERATION AND DISCHARGE OF THEIR DUTIES

The provisions of Section 178(1) relating to constitution of Nomination and Remuneration Committee are not applicable to the Company

13. ANNUAL RETURN

The extracts of Annual Return pursuant to the provisions of Section 92 read with Rule 12 of the Companies (Management and Administration) Rules, 2014 is furnished in Annexure A and is attached to this Report.

14. NUMBER OF BOARD MEETINGS CONDUCTED DURING THE YEAR UNDER REVIEW

The Company has conducted 7 Board meetings during the financial year under review on the following dates – April 9, 2015; April 30, 2015; August 3, 2015; August 14, 2015; November 17, 2015; December 17, 2015 and January 6, 2016.

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15. DIRECTORS RESPONSIBILITY STATEMENT

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

- (a) in the preparation of annual accounts, applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) they had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- (c) they had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) they had prepared the annual accounts on a going concern basis;
- (e) the Company being unlisted, sub clause (e) of section 134(3) of the Companies Act, 2013 pertaining to laying down internal financial controls is not applicable to the Company; and
- (f) they had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

16. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

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

17. DEPOSITS

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

18. DIRECTORS

Dr. Moni Ramakrishnan ceased to be a Director of the Company with effect from November 18, 2015 consequent upon resignation due to preoccupation. Your Directors place on record the services rendered by Dr Ramakrishnan during the tenure of his Directorship.

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

19. DECLARATION OF INDEPENDENT DIRECTORS

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

20. ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

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

21. STATUTORY AUDITORS

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

22. DISCLOSURE OF COMPOSITION OF AUDIT COMMITTEE AND PROVIDING VIGIL MECHANISM

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

23. SHARES

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

Increase in Share Capital	Buy Back of Securities	Sweat Equity	Bonus Shares	Employees Stock Option Plan
Issue of 2899 equity shares of ₹ 10/- each	NIL	NIL	NIL	NIL

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

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

25. ACKNOWLEDGEMENT

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

For and on behalf of the Board
Deccan Exploration Services Private Limited

Place : Bengaluru
Date : August 1, 2016

S.C.R. Peshwa
Director

K. Karunakaran
Director

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FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

As on financial year ended on 31.03.2016

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

I. REGISTRATION & OTHER DETAILS:

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

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

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

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S N	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held"	"Applicable Section"
1	DECCAN GOLD MINES LIMITED	L51900MH1984PLC034662	HOLDING	100	2 (46)

IV. SHARE HOLDING PATTERN

(Equity share capital breakup as percentage of total equity)

(i) Category-wise Share Holding

Category of Shareholders	"No. of Shares held at the beginning of the year [As on 31-March-2015]"				"No. of Shares held at the end of the year [As on 31-March-2016]"				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
c) Bodies Corp.	-	9,999	9,999	98.99%		12,999	12,999	99.99%	1.00%
Sub Total (A) (2)	-	9,999	9,999	98.99%		12,999	12,999	99.99%	1.00%
B. Public Shareholding									
2. Non-Institutions									
b) (i) Individual shareholders holding nominal share capital up to Rs. 1 lakh		1	1	0.01%		1	1	0.01%	0.00%
c) Others (NRI)		101	101	1.00%		0	0	0.00%	-1.00%

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Sub-total (B)(2):-	-	101	101	1.00%	-	-	-	0.00%	-1.00%
C. Shares held by Custodian for GDRs & ADRs		NIL	-						
Grand Total (A+B+C)	-	10,101	10,101	100.00%	-	13,000	13,000	100.00%	0.00%

(ii) Shareholding of Promoter

SN	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year*
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Deccan Gold Mines Limited	9,999	98.99%	0	12,999	99.99%	0	1.00%

*Change due to increase in paid up capital

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

SN	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares	No. of shares	% of total shares
	At the beginning of the year	9,999	98.99%		
	Changes during the year	3,000		12,999	99.99%
	At the end of the year			12,999	99.99%

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

(iv) Shareholding Pattern of top ten Shareholders

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

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

(v) Shareholding of Directors and Key Managerial Personnel:

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

V. INDEBTEDNESS

NIL

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

NIL

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

NIL

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

Place : Bengaluru
Date : August 1, 2016

S.C.R. Peshwa
Director

K. Karunakaran
Director

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AUDITOR'S REPORT

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

Report on the Financial Statements:

We have audited the accompanying financial statements of DECCAN EXPLORATION SERVICES PRIVATE LIMITED, which comprise of the Balance Sheet as at 31st March, 2016 and the Statement of Profit and Loss and the Cash Flow Statement for the year ended on that date, and a summary of significant accounting policies and other explanatory information, attached thereto.

Management's Responsibility for the Financial Statements:

The Company's Board of Directors and the management are responsible under Section 134 (5) of the Companies Act, 2013 for:

- (a) Preparation and presentation of the aforesaid financial statements in accordance with the accounting principles generally accepted in India and with the Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014 and for explaining any material departures;
- (b) for selecting the accounting policies and for application of the same consistently and to make the judgments and estimates reasonably and prudently so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for the year;
- (c) to take proper and adequate care for the maintenance of the required accounting records in the manner so required under the Act for safe guarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) for preparation of the annual accounts on a going concern basis;
- (e) for laying down internal financial controls to be followed by the company and that such internal financial controls are adequate and are operating effectively; and
- (f) for devising proper systems to ensure compliance with the provisions of all applicable laws and that the same are adequate and are operating effectively.

Auditor's Responsibility:

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

We have taken into account the provisions of the Act, the Accounting and Auditing Standards and matters which are required to be included in the audit report under the provisions of the Act and the rules and regulations made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143 (10) of the Companies Act, 2013. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

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Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view, in conformity with the accounting principles generally accepted in India:

- (i) in the case of Balance Sheet, of the state of affairs of the Company as at 31st March, 2016;
- (ii) in the case of Statement of Profit and Loss, of the Profit for the year ended on that date; and
- (iii) in the case of Cash Flow Statement, of the cash flows during the year ended on that date.

Report on Other Legal and Regulatory Matters:

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

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

1. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
2. In our opinion proper books of accounts as required by law have been kept by the Company so far it appears from our examination of those books;
3. The Balance Sheet and the Statement of Profit and Loss dealt with by this report are in agreement with the books of account;
4. In our opinion, the aforesaid Financial Statements comply with the Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014;
5. On the basis of the written information received from the Directors as on 31st March, 2016 and taken on record by the Board of Directors, none of the Directors is disqualified from being appointed as a Director in terms of Section 164(2) of the Act, as on 31st March, 2016;
6. With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls our findings are given in our separate report attached herewith as "Annexure B": and
7. With respect to other matters to be included in the Auditors Report in accordance with Rule 11 of the Companies (Audit and 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 no pending litigation which may impact the Company's Financial position;
 - ii. The Company did not have any long term contracts including Derivatives Contract for which there were any material foreseeable losses; and
 - iii. There were no amounts which were required to be transferred to Investor Education & Protection fund by the Company.

For **RAO & VENKATESULU**
Chartered Accountants

K.Y. NINGOJI RAO

Partner

Membership No. : 018278

FR No. 003108S

Place : Bengaluru
Date : 30th APRIL, 2016

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ANNEXURE “A” REFERRED TO IN THE AUDIT REPORT

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

We report our following findings on the matters stated in para (3) and (4) of the Companies (Auditor’s Report) Order, 2016:

1. In respect of the Fixed Assets:
 - (a) the company has maintained proper records showing their full particulars including their quantitative details and situation;
 - (b) no immovable properties are held in the name of the company; and
 - (c) they have been physically verified at reasonable periodical interval by the management and as per the information given to us no discrepancy has been noticed.
2. In respect of Inventory:
 - (a) The management has physically verified the inventory at reasonable periodical intervals during the year; and
 - (b) No discrepancies are found during the year.
3. The company has not granted any loans to parties covered in the register maintained under section 189 of the Companies Act, 2013.
4. According to the information and explanation given to us, the company has not given any loans and advances, investments or guarantees as contemplated u/s 185 and 186 of the Act.
5. In our opinion and according to the information and explanation given to us, the Company has not accepted any deposits as contemplated under section 73 to 76 of the Companies Act, 2013.
6. That as per the information given to us by the company, the Company has not availed any term loan during the year from Financial Institutions or Banks.
7. As per our information the cost records prescribed to the company by the Central Government u/s section 148 (1) of the Companies Act, 2013 are not applicable.
8. In respect of statutory liabilities and obligations:
 - (a) The company has according to the information and explanations given to us and on the basis of such checks as we considered necessary, been regular in depositing such undisputed statutory dues with the appropriate authority, in respect of the statutory liability in respect of Central Excise Duty, Provident Fund, Employees State Insurance, Income Tax, Entry Tax, Service Tax and other statutory dues and there are no dues, which are due for more than a period of six months which remained outstanding as at 31st March 2016;
 - (b) There are no dues in respect of Central Excise Duty, Provident Fund, Employees State Insurance, Income Tax, Entry Tax, Service Tax, and Sales Tax which have remained unpaid owing to pending dispute.
9. The company did not raise any money by way of initial public offer or further public offer.
10. According to our information and to the explanations given to us no fraud by the company or on the company by its officers or employees has been noticed or reported during the year.
11. The company is not a Nidhi Company.
12. According to the information and explanations given to us and based on our examination of the company, the company has made preferential allotment of shares on private placement during the year.

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13. According to information and explanations given to us and based on our examination of the records of the company, transactions with the related parties are in compliance with sections 177 and 188 of the Act, where applicable and the details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards and Companies Act, 2013.
14. According to information and explanations given to us and based on our examination of the records of the company, the company has not entered into non-cash transactions with the directors or persons connected with them as contemplated under section 192 of the Companies Act, 2013.

For **RAO & VENKATESULU**
Chartered Accountants

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

Place : Bengaluru
Date : 30th APRIL, 2016

DECCAN EXPLORATION SERVICES PRIVATE LIMITED**ANNEXURE – B TO THE AUDITOR’S REPORT****Report on the Internal Financial Controls under (i) of Sub-Section 3 of
Section 143 of the Companies Act, 2013 (“the Act”)**

We have audited the internal financial controls over financial reporting of Deccan Exploration Services Private Limited as of 31 March 2016 in conjunction with our audit of the financial statements of the company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s Management is responsible for establishment and maintaining internal financial controls based on the internal control over financial reporting established by the company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Reporting issued by the Institute of Chartered Accountants of India (‘ICAI’).

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 its 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 Companies Act, 2013.

Auditor’s Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We Conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting and the standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. These 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 internal financial controls over financial reporting was established and maintained and that such controls operated effectively in all material respects.

Our Audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over reporting included obtaining an understanding of internal financial controls over financial reporting, 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 judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error.

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 internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company’s internal financial control over financial reporting 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 internal financial controls over financial reporting 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 authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized 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

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatement due to error or fraud that may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are

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subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial reporting issued by the Institute of Chartered Accountants of India.

For **RAO & VENKATESULU**
Chartered Accountants

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

Place : Bengaluru
Date : 30th APRIL, 2016

DECCAN EXPLORATION SERVICES PRIVATE LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2016

(Amount in '000)

Particulars	Sch No	As at 31.3.2016	As at 31.3.2015
I EQUITY AND LIABILITIES			
1 Shareholder's Funds:			
a Share Capital	1	130	18,101
b Reserves and Surpluses	2	3,59,061	16,102
c Money Received Against Share Warrants		-	-
2 Share Application Money Pending Allotment		-	5,701
3 Non-Current Liabilities:			
a Long Term Borrowings		-	-
b Deferred Tax Liabilities (Net)	3	280	-
c Other Long Term Liabilities		-	-
d Long Term Provisions		-	-
4 Current Liabilities:			
a Short Term Borrowings		-	-
b Trade Payables	4	15,060	10,358
c Other Current Liabilities	5	936	369
d Short Term Provisions	6	314	-
TOTAL		3,75,781	50,631
II ASSETS			
1 Non Current Assets:			
a Fixed Assets:			
(i) Tangible Assets	7	3,464	372
(ii) Intangible Assets	7	2,958	-
(iii) Capital work-in-progress	7	43,584	-
(iv) Intangible Assets Under Development		-	-
b Non Current Investments		-	-
c Deferred Tax Assets (net)	8	-	151
d Long Term Loans and Advances	9	1,008	282
e Other Non Current Assets	10	1,125	285
2. Current Assets:			
a Current Investments		-	-
b Inventories		-	-
c Trade Receivables	11	156	41,309
d Cash and Cash Equivalents	12	3,19,514	7,755
e Short Term Loans and Advances	13	3,972	477
f Other Current Assets		-	-
TOTAL		3,75,781	50,631

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

For and on behalf of the Board

As per our report of even date attached.

For **Rao & Venkatesulu**
Chartered AccountantsS.C.R PESHWA
DirectorK.KARUNAKARAN
DirectorK Y Ningoji Rao
Partner
Membership No. :018278Place : Bengaluru
Date : 30 April 2016

FRN: 003108S

DECCAN EXPLORATION SERVICES PRIVATE LIMITED

PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED ON 31ST MARCH, 2016

(Amount in '000)

Particulars	Sch No	For the year ended 31.3.2016	For the year ended 31.3.2015
REVENUES:			
I. Revenue From Operations	14	467	9,164
II. Other Income	14	5,520	30
III. Total Revenue (I +II)		5,988	9,194
IV. EXPENSES:			
1 Exploration Expenses	15	-	9,234
2 Changes in Inventories of Finished Goods Work-in-Progress and Stock-in-Trade		-	-
3 Employee Benefit Expense	16	450	-
4 Financial Costs	17	1,140	6
5 Depreciation and Amortization Expense	18	689	199
6 Other Expenses	19	2,148	100
Total Expenses		4,427	9,539
V. Profit Before Exceptional and Extraordinary Items & Tax		1,561	(345)
VI. Exceptional Items	20	-	4
VII. Profit Before Extraordinary Items and Tax		1,561	(349)
VIII. Extraordinary Items		-	-
IX. Profit Before Tax		1,561	(349)
X Tax Expense:			
1 Current Tax		315	-
2 Earlier Year Taxes		-	-
3 Deferred Tax		430	(116)
XI Profit (Loss) For The Period From Continuing Operations		816	(233)
XII Profit/(Loss) from Discontinuing Operations		-	-
XIII Tax Expense of Discounting Operations		-	-
XIV Profit/(Loss) From Discontinuing Operations		-	-
XV Profit/(Loss) For The Period		816	(233)
Earning Per Equity Share:			
1 Basic ₹		62.75	(23.05)
2 Diluted ₹		62.75	(23.05)

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

For and on behalf of the Board

As per our report of even date attached.

For **Rao & Venkatesulu**
Chartered Accountants

S.C.R PESHWA
Director

K.KARUNAKARAN
Director

K Y Ningoji Rao
Partner
Membership No. :018278

Place : Bengaluru
Date : 30 April 2016

FRN: 003108S

DECCAN EXPLORATION SERVICES PRIVATE LIMITED

NOTES FORMING PART OF ANNUAL ACCOUNTS

1. Share Capital:

(₹ '000)

Particulars	As At 31.3.2016	As At 31.3.2015
A. Authorized Capital:		
20,000,(P.Y. 20,000) Equity Shares of ₹ 10/- Each	200	200
3,50,000,(P.Y.3,50,000) 1% Redeemable Preference shares of ₹100/- Each	35,000	35,000
B. Issued, Subscribed & Paid Up Capital:		
13,000 (P.Y.10,101) Equity Shares of ₹ 10/- Each, Fully Paid Up	130	101
Nil (P.Y.1,80,000) 0.0001% Redeemable Preference Shares of ₹ 100/- Each, Fully Paid Up	Nil	18,000
Total	130	18,101

Reconciliation of Number of Shares:

Particulars	As At 31.3.2016	As At 31.3.2015
Equity Shares:		
Balance at the beginning	10,101	10,000
Add: Number of Shares Allotted	2,899	101
Balance at close	13,000	10,101
0.0001% Preference Shares:		
Balance at the beginning	1,80,000	Nil
Add: Number of Shares Allotted	Nil	1,80,000
Less; Number of Shares Redeemed	1,80,000	Nil
Balance at close	Nil	1,80,000

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

Particulars	As At 31.3.2016	As At 31.3.2015
Equity Shares of ₹ 10/- Each	Nil	Nil
1% Redeemable Preference Shares of ₹ 100/-	Nil	Nil

Rights, preferences and restrictions attached to each class of shares:
Equity Share of ₹ 10/- each & 0.0001% Redeemable Preference Shares of ₹ 100/- Each fully paid-up:

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

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

Name of Shareholders	As At 31.3.2016	As At 31.3.2015	% of Shares As at 31.3.2016	% of Shares As at 31.3.2015
Deccan Gold Limited	13,000	9,999	100%	98.99%

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

Name of Shareholders	As At 31.3.2016	As At 31.3.2015	% of Shares
Mr. Mahindra Ratilal Sarvaiya	Nil	1,50,000	83.33%
Mr. Samir Madhusudhan Thakur	Nil	30,000	16.67%

DECCAN GOLD MINES LIMITED

DECCAN EXPLORATION SERVICES PRIVATE LIMITED

2. Particulars of Reserves and Surpluses:

(₹ '000)

Particulars	As At 31.3.2016	As At 31.3.2015
A. Capital Reserves:	Nil	Nil
B. Capital Redemption Reserve	Nil	Nil
C. Share Premium:	3,54,052	11,999
D. Profit & Loss Account:		
Opening Balance Brought Forward	6,638	6,871
Add: Current Year Profit	816	(233)
Closing Balance Carried Forward	7,454	6,638
E. Other Reserves;		
Pre-Operative Expenditure	(2,082)	(2,082)
Preliminary Expenses	(362)	(453)
Closing Balance	(2,444)	(2,535)
Total (A+B+C+D+E)	3,59,061	16,102

3. Net Deferred Tax Assets:

Particulars	As At 31.3.2016	As At 31.3.2015
A. Deferred Tax Liability	280	Nil
B. Less; Deferred Tax Assets	Nil	Nil
Net Deferred Tax Liability	280	Nil

4. Trade Payables:

Particulars	As At 31.3.2016	As At 31.3.2015
A. Trade Creditors	14,117	10,184
B. Others	943	174
Total	15,060	10,358

5. Other Current Liabilities:

Particulars	As At 31.3.2016	As At 31.3.2015
A. Service Tax Payable	Nil	238
B. Income Tax TDS Payable	934	131
C. Others	2	Nil
Total	936	369

6. Short Term Provisions:

Particulars	As At 31.3.2016	As At 31.3.2015
A. Income Tax Payable	315	Nil
B. Others	Nil	Nil
Total	315	Nil

DECCAN EXPLORATION SERVICES PRIVATE LIMITED

7. Fixed Assets

(₹ '000)

Sl. No.	Particulars	Useful life in Yrs.	Gross Block			Accumulated Depreciation				Net Block (WDV)	
			Balance as at 01-04-2015	Additions	Disposals	Balance as at 31-03-2016	Balance as at 01-04-2015	For the year	Written back	Balance as at 31-03-2016	Balance as at 31-03-2016
I	Tangible Assets :										
1	Land		-	-	-	-	-	-	-	-	-
2	Buildings		-	-	-	-	-	-	-	-	-
3	Plant & Machinery	15	-	-	-	-	-	-	-	-	-
4	Vehicles	8	844	2,192	-	3,036	499	366	-	865	2,171
5	Furniture & Fixtures	10	-	228	-	228	-	6	-	6	222
6	Office Equipments	10	13	75	-	88	8	10	-	18	70
7	UPS	3	33	21	-	54	22	144	-	36	19
8	Computer	3	49	1,082	-	1,131	39	109	-	148	983
	SUB TOTAL (A)		939	3,598	-	4,538	567	506	-	1,074	3,464
II	Intangible Assets										
1	Software	3	-	3,142	-	3,142	-	183	-	1,83	2,958
	SUB TOTAL (B)		-	3,142	-	3,142	-	183	-	1,83	2,958
III	Capital Work-in-progress		-	43,584	-	43,584				-	43,584
	Capital Expenditure pending for allocation		-		-						
	SUB TOTAL (C)		-	43,584	-	43,584				-	43,584
IV	Intangible Assets Under Development		-		-					-	
	SUB TOTAL (D)		-	-	-	-	-	-	-	-	-
	Total Current Year [A + B + C + D]		939	50,324	-	51,263	568	689	-	1,257	50,006
	Total Previous Year		939	-	-	939	369	199	-	568	372

8. Net Deferred Tax Assets:

Particulars	As At 31.3.2016	As At 31.3.2015
A. Deferred Tax Asset	Nil	(120)
B. Less; Deferred Tax Liability	Nil	(31)
Net Deferred Tax Asset	Nil	(151)

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

Particulars	Current Year	Previous Year
Written Down Value As Per Books	6,422	372
Written Down Value As Per Income Tax	5,560	467
Difference in WDV	862	(95)
Deferred Tax Liability	280	(31)
Disallowances U/s 40(a) & 43B	Nil	Nil
Unabsorbed depreciation & Business Loss	Nil	353
Deferred Tax Asset	Nil	120
Net Deferred Tax Asset/Liability	(280)	150
Deferred Tax Provided in earlier years	(150)	35
Deferred Tax Provided(+)/Withdrawn(-) in the year	430	(116)

DECCAN GOLD MINES LIMITED

DECCAN EXPLORATION SERVICES PRIVATE LIMITED

9. Long Term Loans & Advances:

(₹ '000)

Particulars	As At 31.3.2016	As At 31.3.2015
A. Security Deposit	127	127
B. Other Loans & Advances	880	155
Total	1,007	282

10. Other Non-Current Assets:

Particulars	As At 31.3.2016	As At 31.3.2015
A. Long Term Trade Receivables	Nil	Nil
B. Advances with Revenue Authorities	1,125	285
Total	1,125	285

11. Trade Receivables:

Particulars	As At 31.3.2016	As At 31.3.2015
A. Outstanding for more than Six Months	Nil	9,351
B. Others	156	31,958
Total	156	41,309

12. Cash & Cash Equivalents::

Particulars	As At 31.3.2016	As At 31.3.2015
A. Cash In Hand	9	84
B. Bank Balance	3,19,506	7,671
Total	3,19,514	7,755

Bank Balances Include:

Particulars	As At 31.3.2016	As At 31.3.2015
i. Unpaid Dividends	Nil	Nil
ii. Margin Money	Nil	Nil
III. Deposits with not more than 12 months maturity	3,13,517	Nil
iv. Cheques & Drafts On Hand	Nil	Nil
v. Others	5,988	7,671
Total	3,19,506	7,671

13. Short Term Loans & Advances:

Particulars	As At 31.3.2016	As At 31.3.2015
A. Loans & Advances to Related Parties	Nil	Nil
B. Advances with Revenue Authorities	3,340	430
C. Other Loans & Advances	632	48
Total	3,972	477

DECCAN EXPLORATION SERVICES PRIVATE LIMITED

14. Sales & Other Incomes:

(₹ '000)

	Particulars	Current Year	Previous Year
A.	Revenue from Operation :		
	Exploration Contract	Nil	7,492
	Consultancy Receipts	467	1,169
	Total - A	467	9,164
B.	Other Incomes:		
	Interest on Deposits & Others	5,520	30
	Miscellaneous Receipts		
	Total - B	5,520	30
	Total (A + B)	5,988	9,194

15. Exploration Expenses:

	Particulars	Current Year	Previous Year
	Analysis Charges	2,514	183
	Boarding & Lodging Charges	444	9
	Electricity Charges	20	-
	Camp Expenses	546	231
	Printing & Duplicating Charges	21	1
	Field Supplies & Consumables	207	65
	Field Vehicle Maintenance	684	91
	Rent	465	231
	Land & Crop Compensation	7,561	468
	Field Travel Expenses	1,476	199
	Exploration Contract Expenses	6,670	4,234
	Telephone & Communication Expenses	85	-
	Professional & Consultancy Fees	10,783	1,402
	Freight & Transportation Charges	77	-
	Trenching, Drilling & Pitting Charges	11,918	2,104
	Other Camp Expenses	115	14
	Total	43,584	9,234
	Less: Transferred to Capital Expenditure W I P	43,584	-
	Total	-	9,234

16. Employment Benefit Expenses:

	Particulars	Current Year	Previous Year
A.	Salaries, Wages, Bonus, Gratuity, Leave Encashment	375	Nil
B.	Staff Welfare & Medical Expenses	75	Nil
	Total	450	Nil

DECCAN GOLD MINES LIMITED

DECCAN EXPLORATION SERVICES PRIVATE LIMITED

17. Financial Cost:

(₹ '000)

Particulars	Current Year	Previous Year
A Interest on Other Loans	1,107	Nil
B Bank Charges & Other Charges	33	6
Total	1,140	6

18. Depreciation Amortized Cost:

Particulars	Current Year	Previous Year
A. Depreciation	689	199
B. Preliminary Expenses Amortized	Nil	Nil
Total	689	199

19. Other Expenses:

Particulars	Current Year	Previous Year
Office Expenses	320	9
Postage & Telegrams	27	0
Filing Fees	8	0
Telephone Expenses	43	6
Printing & Stationery Expenses	47	11
Electricity Charges	110	4
Insurance Charges	46	25
Repairs & Maintenance	406	10
Professional Fees	48	6
Telephone & Communication Expenses	70	0
Rent	525	0
Vehicle Maintenance	178	0
Water Charges	25	0
Membership & Subscription	19	0
Recruitment Charges	112	0
Rates & Taxes	38	0
Preliminary Expenses Written off	91	0
AUDITORS REMUNERATION:		
For Audit	23	22
For Taxation	6	4
For Expenses	5	1
Total	2,148	100

20. Exceptional Items:

Particulars	Current Year	Previous Year
A. Penal Interest & Other Expenses	0	4
Total	Nil	4

DECCAN EXPLORATION SERVICES PRIVATE LIMITED**21. Contingent Liabilities: Nil (P.Y Nil)****22. Trade Receivables:**

Classified as Current: ₹ 1,56,097/- (P.Y. ₹ 4,13,08,714/-) includes:

(₹ '000)

Particulars	As At 31.3.2016	As At 31.3.2015
i. Debts Due for a period:		
a. more than Six Months from the due date	Nil	9,351
b. Others	156	31,958
ii. Debts considered good and secured	Nil	Nil
iii. Debts considered good but not secured (i + ii)	156	41,309
iv. Debts considered unsecured and doubtful of recovery and not provided for	Nil	Nil
v. Debts due from:	Nil	Nil
a. Directors		
b. Other Officers	Nil	Nil
c. Companies in which the Directors of the company is Directors	Nil	Nil
d. Firms in which Directors of the company are interested as partners	Nil	Nil

23. Loans and Advances:

Classified as Current: ₹ 39,71,780 /- (P.Y. ₹ 4,77,475/-) includes:

Particulars	As At 31.3.2016	As At 31.3.2015
i. Short Term Loans & Advances:		
a. Capital Advances	Nil	Nil
b. Security Deposits	Nil	Nil
c. Due From Related Parties	Nil	Nil
d. Others	3,972	477
ii. Loans and advances which are:		
a. Secured and considered good	Nil	Nil
b. Unsecured and Considered Good	3,972	477
c. Doubtful	Nil	Nil
III. Loans & Advances due from:		
a. Directors	Nil	Nil
b. Directors Relatives	Nil	Nil
c. Companies in which the Directors of the company is Directors		Nil
d. Firms in which Directors of the company are interested as partners	Nil	Nil

DECCAN GOLD MINES LIMITED

DECCAN EXPLORATION SERVICES PRIVATE LIMITED

24. Loans and Advances:

Classified as Non-Current: ₹ 10,07,434/- (P.Y. ₹ 2,82,434/-) includes:

(₹ '000)

Particulars	As At 31.3.2016	As At 31.3.2015
i. Long Term Loans & Advances:		
a. Capital Advances	Nil	Nil
b. Security Deposits	127	127
c. Due From Related Parties	Nil	Nil
d. Others	880	155
ii. Loans and advances which are:		
a. Secured and considered good	Nil	Nil
b. Unsecured and Considered Good	1,007	282
c. Doubtful	Nil	Nil
III. Loans & Advances due from:		
a. Directors	Nil	Nil
b. Directors Relatives	Nil	Nil
c. Companies in which the Directors of the company is Directors	Nil	Nil
d. Firms in which Directors of the company are interested as partners	Nil	Nil

Classified as Other Non-Current: ₹ 11,25,126/- (P.Y ₹ 2,84,552/-) includes:

Particulars	As At 31.3.2016	As At 31.3.2015
i. Long Term Loans & Advances:		
a. Capital Advances	Nil	Nil
b. Security Deposits		
c. Due From Related Parties	Nil	Nil
d. Others	1,125	285
ii. Loans and advances which are:		
a. Secured and considered good	Nil	Nil
b. Unsecured and Considered Good	1,125	285
c. Doubtful	Nil	Nil
III. Loans & Advances due from:		
a. Directors	Nil	Nil
b. Directors Relatives	Nil	Nil
c. Companies in which the Directors of the company is Directors	Nil	Nil
d. Firms in which Directors of the company are interested as partners	Nil	Nil

25. Amounts due to and From Related Parties:

Amounts due to Related Parties: Nil

Amounts due from Related Parties:

Particulars	As At 31.3.2016	As At 31.3.2015
I Deccan Gold Mines Ltd	Nil	41,248
Total	Nil	41,248

DECCAN EXPLORATION SERVICES PRIVATE LIMITED

Amounts due to Related Parties:

(₹ '000)

Particulars	As At 31.3.2016	As At 31.3.2015
I Deccan Gold Mines Ltd	10,043	Nil
Total	10,043	Nil

26. Operating Cycles of the various businesses considered by the management are:

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

27. The particulars of Gross Sales and Net of Duties are:

Particulars	Gross Value	Less: Duty	Net of Duty
I Mining Exploration Contract			
Mining Consultancy	530	62	467
Total	482	62	467

28. The particulars of Foreign Exchange Earnings and Expenditure are:

Particulars	Current Year	Previous Year
Earnings:		
I Exports	Nil	Nil
Expenditure:		
i Import of Materials	Nil	Nil
ii Import of Consumables	Nil	Nil
iii Import of Machinery	Nil	Nil
iv Travelling , Proff & consultancy	3,683	Nil
Total	Nil	Nil

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

Particulars	Current Year	Previous Year
Provident Fund	Nil	Nil
ESI Contribution	Nil	Nil
Labour Welfare Fund	Nil	Nil
Total	Nil	Nil

DECCAN GOLD MINES LIMITED

DECCAN EXPLORATION SERVICES PRIVATE LIMITED

30. RELATED PARTY TRANSACTIONS DISCLOSURES:

In ₹

Particulars	Subsidiary, Directors & Relatives	Key Management Personnel	TOTAL
Exploration & Other Expenses Paid			
Exploration Contract Receipts			
Financial Transactions:			
a. Loan Borrowed	11,600	Nil	11,600
b. Loan Repaid	11,600	Nil	11,600
c. Interest Paid	499	Nil	499
d. Equity Share Capital	3,42,082	Nil	3,42,082
e. Share Application	Nil	Nil	Nil
f. Advances Recovered	Nil	Nil	Nil
g. Advances Paid	Nil	Nil	Nil
h. Refundable Deposit paid under Joint Development agreement	Nil	Nil	Nil
Sale Of Fixed Assets	Nil	Nil	Nil
Purchase Of Fixed Assets	Nil	Nil	Nil
Receiving Of Services	7,588	Nil	Nil
Rendering Of Services	Nil	Nil	Nil
Guarantees & Collaterals:	Nil	Nil	Nil
Associated Concerns:	None		
Share Holders & Relatives:	a. M/s Deccan Gold Mines Ltd		
Key Management Personnel	a. Mr. S.C.R.Peshwa - Director		
	b. Mr. K. Karunakaran - Director		

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

32. SIGNIFICANT ACCOUNTING POLICIES :

A. REVENUE RECOGNITION:

1. Sales revenues and Contract Receipts are accounted on accrual basis goods.
2. All incomes, to the extent they are ascertained, are accounted on accrual basis.

B. EXPENDITURE RECOGNITION:

1. All expenditure relating to the purchase of goods and contract expenses are accounted on accrual basis.
2. All expenditure, to the extent they are ascertained, are accounted on accrual basis.

C. VALUATION OF INVENTORY:

Inventories of goods traded are valued at cost or net realizable value whichever is lower.

D. FIXED ASSETS:

For financial year 2015-2016 the depreciation on fixed assets is provided on estimated useful life as specified in schedule II to the Companies Act, 2013.

E. INVESTMENTS:

Investments are valued at cost.

DECCAN EXPLORATION SERVICES PRIVATE LIMITED

F. TAXES ON INCOME:

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

G. AMORTISATION OF INTAGIBLE ASSETS:

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

33. Particulars of number of employees drawing remuneration exceeding a sum of ₹ 60,00,000 per annum or ₹ 5,00,000 per month is Nil.

34. BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE:

I. Registration Details:

Registration No.	22819	State Code	08
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BALANCE SHEET AS AT 31st MARCH, 2016:

II. Capital raised during the year:

Rs. in Lakhs

Particulars	Current Year	Previous Year
Public Issue	Nil	Nil
Right Issue	Nil	Nil
Bonus Issue	Nil	Nil
Private Placement	Nil	Nil

III. Position of mobilization and deployment of funds:

Rs. in Lakhs

Total Liabilities	3,757.811	506.308
Total Assets	3757.811	506.308

Sources of Funds:

Paid Up Capital	1.300	181.010
Reserves & Surpluses	3,590.609	161.016
Share Application Money	Nil	57.010
Net Deferred Tax Liability	2.797	Nil
Non Current Liabilities	Nil	Nil
Current Liabilities	163.105	107.272

Application Of Funds:

Net Fixed Assets	500.063	3.718
Net Deferred Tax Asset	Nil	1.508
Non Current Investments	Nil	Nil
Other Non Current Assets	21.326	5.669
Current assets	3,236.422	495.413

DECCAN GOLD MINES LIMITED

DECCAN EXPLORATION SERVICES PRIVATE LIMITED

IV. Performance of the Company:

₹ in Lakhs

Total Turnover & Income	59.875	86.916
Total Expenditure	44.267	90.367
Exceptional Items	Nil	0.035
Profit Before Tax	15.608	(3.486)
Profit After Tax	8.157	(1.158)
Earning Per Share [Basic & Diluted] ₹	62.75	(23.27)
Dividend- Interim/Proposed Per Share	Nil	Nil

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

Product Description	Item Code (ITC Code)
Mining Exploration	980100.45

For and on behalf of the Board

S.C.R PESHWA
Director

K.KARUNAKARAN
Director

As per our report of even date attached.

For **Rao & Venkatesulu**
Chartered Accountants

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

Place : Bengaluru
Date : 30 April 2016

DECCAN EXPLORATION SERVICES PRIVATE LIMITED

Cash Flow For The Year Ended On 31st March, 2016

₹ in Lakhs

Cash Flow From Operating Activities:	Current Year		Previous Year	
Net Profit Before Tax & Extraordinary items Adjustments For :		15.61		(3.49)
Depreciation	6.89		1.99	
Miscellaneous Expenditure Written off	-		-	
Provision For Gratuity & Earned Leave Payable	-		-	
Profit/Loss on Sale of Investments	-		-	
Profit/Loss on Sale of Assets	-		-	
Investments Written Off	-		-	
Interest, Dividends Etc	(55.20)		(0.30)	
Finance Cost	11.40	(36.91)	0.06	1.75
Operating Profit Before Working Capital Changes Adjustments for :		(21.30)		(1.74)
Trade Receivables	411.53		(225.52)	
Inventories	-		-	
Other Receivables	(34.94)		(4.19)	
Other Current Assets	-		-	
Trade Payables & Current Liabilities	55.83	432.42	(33.68)	(263.39)
Cash Generated From Operations		411.12		(265.13)
Finance Cost	(11.40)		(0.06)	
Direct Taxes Paid	(3.15)		-	
Dividend Paid	-	(14.55)	-	(0.06)
Cash flow before extra ordinary items Sales Assets		396.57		(265.19)
Net Prior Period Expenses				
Net Cash Flow From Operating Activities		396.57		(265.19)
Cash Flow from Investing Activities	-		-	
Purchase of Fixed Assets	(503.24)		0.01	
Purchase of Investments	-		-	
Sale of Assets	-		-	
Increase In Preliminary Expenses	0.91		(25.35)	
Interest Received	55.20		0.30	
Dividend Received	-	(447.13)	-	(25.04)
Net Cash used in investing activities		(50.56)		(290.23)
Cash Flow from Financing Activities				
Other Non-Current Assets	(8.41)		4.27	
Long Term Loans & Advances	(7.25)		(0.01)	
Proceeds from issue of Capital	3,240.82		300.00	
Proceeds from issue of Share Application Money	(57.01)		57.01	
Proceeds from Long Term Borrowings	-		-	
Repayment of Finance Lease Liabilities	-		-	
Work in Capital Loan	-		-	
Investment Subsidy	-	3,168.15	-	361.27
Net Cash Used in Financing Activities		3,117.59		71.04
Net Increase/Decrease in Cash & Cash Equivalents				
Opening Balance of Cash & Cash Equivalents		77.55		6.51
Closing Balance of Cash & Cash Equivalents		3,195.14		77.55

We have verified the Cash Flow Statement of Deccan Exploration Services Private Limited derived from the Audited Statements and the Books and Records maintained by the company for the year ended on 31st March, 2016 and found the same in agreement therewith.

For and on behalf of the Board

S.C.R PESHWA
Director

K.KARUNAKARAN
Director

As per our report of even date attached.

For **Rao & Venkatesulu**
Chartered Accountants

K Y Ningoji Rao
Partner

Membership No. :018278
FRN: 003108S

Place : Bengaluru
Date : 30 April 2016