

DECCAN GOLD (TZ) PRIVATE LIMITED
FINANCIAL STATEMENTS FOR
THE YEAR ENDED 31ST MARCH 2022

Prepared by:

FINCARE AND COMPANY,

Certified Public Accountants in Public Practice.

P. O. Box 22528, Mob - 0782 011 911.

Dar Es Salaam - Tanzania

DECCAN GOLD (TZ) PRIVATE LIMITED

Report and financial statements for the year ended 31st March 2022

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DECCAN GOLD (TZ) PRIVATE LIMITED

Report and financial statements for the year ended 31st March 2022

Company Information

Board of Directors	SARADCHANDRA RAO PESHWA	Indian	Managing Director
	SUBRAMANIAM SUNDRAM	Indian	Director
	NICHOLAUS TIBYABO SLOO	Tanzanian	Director

Company Secretary NICHOLAUS TIBYABO SLOO

Registered office Survey Plaza, Ground Floor, Mwenge
P. O. Box 19096,
Dar Es Salaam

Principal bankers NMB Ltd
Miliani City Branch,
P.O.Box,
Dar Es Salaam

DIRECTORS REPORT

FOR THE YEAR ENDED 31ST MARCH, 2022

1. REPORT AND ACCOUNTS

The Directors presents this report together with audited financial statements for the year ended 31st March, 2022 which disclose the state of affairs of M/S **DECCAN GOLD (TZ) PRIVATE LIMITED** the “COMPANY”. The financial statements for the year ended 31st March, 2022 were authorized for issue in accordance with a resolution of the Board at the meeting held on 25th May, 2022.

2 PRINCIPAL ACTIVITIES

The Company’s principal business activities during the year under review were to engage in gold exploration activities in the 5 Prospecting License (PL) blocks that were granted to it during February, 2021.

3. EFFORTS TO SECURE NATIONAL BENEFITS AND SEEK NATIONAL GOAL.

It may be noted that the Company is shortly commencing geological mapping, litho-geochemical sampling followed by geophysical surveys in the 5 Prospecting License (PL) Blocks that it holds. The target areas have been prioritized based on the known geological potential. The proposed study could reveal potential targets for further detailed exploration and drilling. Based on the results of the current work program which is expected to be completed within the next two months, we will plan the next phase of work.

Recently, the Company has also paid the 2nd year’s annual rent in respect of the aforesaid 5 PL Blocks that it holds in Tanzania to the mining authorities. Further, the statutory geological reports in respect of these PL Blocks have also been lodged with the mining authorities for the quarter ended March 31, 2022.

4. RESULT AND APPROPRIATION OF PROFITS

During the year under review (2021-2022) the Company made a loss. It may be noted that the Company is in the process of exploring the 5 PL blocks as noted above. As such, the Company is in the mineral exploration stage and therefore there is no income. It is not uncommon for exploration companies like us to take time to reach production stage.

5. SOLVENCY

The business State of affairs is set out on page 8 of these audited financial statements. The Board considers the Company to be solvent within the meaning described by the company Act 2002 .The Director has reasonable expectations that the Company has adequate resources to exist for the foreseeable future.

6. FUTURE DEVELOPMENT PLAN

The Company's future plan is to explore the PL Blocks that it holds for gold and identify potential targets which can be upgraded to a mining stage in the near future.

7. DIRECTORS

The company directors at the date of the report, all of whom have served since its incorporation are:-

Name of director	Position
Mr. SARADCHANDRA RAO PESHA	Managing Director - Indian
Mr. SUBRAMANIAM SUNDARAM	Director - Indian
Mr. NICHOLAUS TIBYABO SLOO	Director - Tanzanian

8. DIRECTOR'S INTERESTS IN SHARE OF THE COMPANY.

The Directors' interests and ownership according to number of issued and fully paid shares Of the company as at 31st March, 2022 are as follows :-

Name of share holder	Number of share allotted	Nominal value	% of ownership
DECCAN GOLD MINES LIMITED	11700	175,500,000/-	99.915%
Mr. NICHOLAUS TIBYABO SLOO	10	150,000/-	0.085%
TOTAL	11710	175,650,000/-	100.000%

9. EMPLOYEES' WELFARE

The Company maintains good relations among employees, management and trade union.

The Company is convinced that equal opportunities for all, irrespective of ethnicity, race, gender, disability or religion, should be pursued.

The Company accepts that only through total commitment, loyalty and dedication of its employees will be able to achieve its goal. The Company provides various benefits to staff such best worker rewards, sports bonanza, medical services through NSSF packages as all employees are mandatory instructed to join pension fund.

The Company also provides retirement benefits amount to 10% of their basic salary through contributions publicly administered pension plans on mandatory basis which qualifies to be a defined contribution plan.

10. RELATED PARTY TRANSACTIONS

Related party include management personnel and close member of the family of key management personnel .The company related party involves Directors , Head of departments and their family members.

Related party transactions and balances if any are disclosed in notes. These comprise loans and transactions disbursement to sister companies and directors during the year.

11. POLITICAL AND CHARITABLE DONATIONS

The Company did not make any political donations during the year. Neither donation nor contributions were made to charitable organizations during the existing and previous year.

12. AUDITORS

The **M/S FINCARE AND COMPANY** has expressed their willingness to continue in office as auditors and is eligible for re-appointment. A resolution proposing the appointment of **M/S FINCARE AND COMPANY** as auditors of the Company for the year 2021-2022 will be put to the Annual General Meeting.

By Order of the Board.

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Mr. SARADCHANDRA RAO PESHA

Managing Director

DECCAN GOLD (TZ) PRIVATE LIMITED

REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

STATEMENT OF DIRECTORS RESPONSIBILITIES

The Tanzanian Companies Act, no 12 of 2002 requires the directors to prepare financial statements for each financial year that give and fair view of the state of affairs of the company as at the end of the financial year and of its statements of comprehensive income for that year. It also requires the directors to ensure that the company maintains proper accounting records that disclose, with reasonable accuracy, the financial position of the company. They also accept responsibility for:

- (i) Designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial statements;
- (ii) Selecting and applying appropriate accounting policies; and
- (iii) Making accounting estimates and judgments that are reasonable in the circumstances.
- (iv) Safe guarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud, error and other irregularities.
- (v) Maintenance of accounting records that may be relied upon in the preparation of financial statements.

The Directors are of the opinion that financial statements give a true and fair view of the state of the financial affairs of the company as at 31st March 2022 and of its statements of comprehensive income and cash flows for the year then ended.

Nothing has come to the attention of the directors to indicate that the company will not remain a going concern for least twelve months from the date of this statement.

Approved by the board of directors on 25th May 2022 and signed on its behalf by:

.....

Mr. SARADCHANDRA RAO PESHWA

Managing Director

FINCARE AND COMPANY

Certified Public Accountants in Public Practice
P. O. Box - 22528, Tel: 0782 011 911

REPORT OF THE INDEPENDENT AUDITOR TO THE DIRECTOR'S OF DECCAN GOLD (TZ) PRIVATE LIMITED

We have audited the accompanying financial statements of **DECCAN GOLD (TZ) PRIVATE LIMITED**, set out on pages 8 to 13 which comprise the statement of financial position as at 31st March 2022, and statement of Comprehensive Income, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

The Owner's responsibility for the financial statements.

The Owner is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and the requirements of the Tanzania Companies Act, 2002. This responsibility includes designing, implementing and maintaining internal relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with international Standards on Auditing (ISA). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgments, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

In making those risks assessment the auditor considers internal control relevant to the Institution's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the

purpose of expressing an opinion on the effectiveness of the Institute's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Owner, 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.

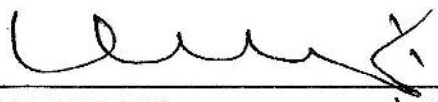
Opinion

In our opinion the accompanying financial statements give a true and fair view of the state of financial affairs of the Institute as at 31st March 2022 and of its statement of comprehensive income and cash flows for the year then ended accordance with International Financial Reporting Standards (IFRS).

Report on other legal requirements.

As required by the Tanzania Companies Act, 2002 we report to you, based on our audit, that:

- (i) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- (ii) In our opinion, proper books of account have been kept by the company, so far as appears from our examination of those books; and
- (iii) The company's statement of financial position and statement of comprehensive income are in agreement with the books of account.


CPA GODFREY N. NASARO
Fincare and Company
Certified Public Accountants in Public Practice
P.O. Box 22528,
Dar es Salaam - Tanzania

25/05/2022



DECCAN GOLD (TANZANIA) PRIVATE LIMITED

Balance Sheet as at 31st March 2022

PARTICULARS	NOTES	31.03.2022 TZS	31.03.2021 TZS
<u>NON CURRENT ASSETS</u>			
FIXED ASSETS		-	-
PRELIMINARY EXPENDITURE	3	437,200	437,200
EXPLORATION & EVALUATION ASSETS	4	165,021,348	111,530,034
TOTAL		165,458,548	111,967,234
<u>CURRENT ASSETS</u>			
Trade & Other Receivable		-	-
Cash & Bank	1	944,711	4,860,028
TOTAL		944,711	4,860,028
TOTAL ASSETS		166,403,259	116,827,262
<u>EQUITIES & LIABILITIES</u>			
AUTHORISED SHARE CAPITAL			
16,000/= Share of TZS 15,000/- Each		240,000,000	15,000,000
ISSUED & FULLY PAID UP CAPITAL			
11710/= Share of TZS 15,000/- Each		175,650,000	15,000,000
Advance towards Share Capital		-	110,100,000
Retained Earnings		(12,518,311)	(11,544,308)
Foreign Currency Translation reserve		-	-
TOTAL		163,131,689	113,555,692
<u>LIABILITIES</u>			
Current Liabilities		3,271,570	3,271,570
Trade & Others Payable		-	-
		3,271,570	3,271,570
TOTAL EQUITIES & LIABILITIES		166,403,259	116,827,262

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DIRECTOR

DECCAN GOLD (TANZANIA) PRIVATE LIMITED

Statement of Comprehensive Income for the ended 31st March 2022

Particulars	Notes	31.03.2022 Tzs	31.03.2021 Tzs
Revenue			
Sales		-	-
Total Income		-	-
 Expenses			
Operating Expenses	2	974,003	11,544,308
Total Expenses		974,003	11,544,308
 Profit Before Tax		(974,003)	(11,544,308)
 Corporate Tax			
 Profit After Tax		(974,003)	(11,544,308)

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DIRECTOR

DECCAN GOLD (TANZANIA) PRIVATE LIMITED**Statement of Changes in Equity as at 31st March 2021**

				In TZS
Particulars	Share Capital	Advance	Accumulated Retained Earning	Total Equity
Opening Balance	-	-	-	-
Share Capital	15,000,000	-	-	15,000,000
Advance towards Share Capital	-	110,100,000	-	110,100,000
Profit / (Loss) for the year	-	-	(11,544,308)	(11,544,308)
Balance As at 31st March 2021	15,000,000	110,100,000	(11,544,308)	113,555,692

In TZS

Statement of Changes in Equity as at 31st March 2022

Particulars	Share Capital	Advance	Accumulated Retained Earning	Total Equity
Opening Balance	15,000,000	110,100,000	(11,544,308)	113,555,692
Share Capital	160,650,000	-	-	160,650,000
Advance towards Share Capital	-	(110,100,000)	-	(110,100,000)
Profit / (Loss) for the year	-	-	(974,003)	(974,003)
Balance As at 31st March 2022	175,650,000	-	(12,518,311)	163,131,689

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DIRECTOR

DECCAN GOLD (TANZANIA) PRIVATE LIMITED

Cash Flow statement for the ended 31st March 2022

PARTICULARS	31.03.2022 TZS	31.03.2021 TZS
<u>Cash Flows from Operating Activities</u>		
Income / Loss before Tax	(974,003)	(11,544,308)
Depreciation		
Foreign currency translation reserve		
Operating Profit before working Capital	(974,003)	(11,544,308)
(Increase) / Decrease in Trade Debtors		-
Increase / (Decrease) in Trade Creditors	-	3,271,570
Net Cash flow from Operating Activity	(974,003)	(8,272,738)
<u>Cash Flows from Investing Activities</u>		
Preliminary Expenditure	-	(437,200)
Exploration & Evaluation Assets	(53,491,314)	(111,530,034)
Net Cash flow from Investing Activity	(53,491,314)	(111,967,234)
<u>Cash Flows from Financing Activities</u>		
Share Capital	160,650,000	15,000,000
Advance towards Share Capital	(110,100,000)	110,100,000
Net Cash flow from Financing Activity	50,550,000	125,100,000
Net Increase / (Decrease) in cash & Cash Equivalent	(3,915,317)	4,860,028
Cash & Cash Equivalent at the beginning of the year	4,860,028	-
Cash & Cash Equivalent at the end of the year	944,711	4,860,028

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DIRECTOR

DECCAN GOLD (TANZANIA) PRIVATE LIMITED

Notes to the accounts

Note No	Particulars	31.03.2022 TZS	31.03.2021 TZS
1	Cash & Bank Balance		
	Bank Account USD-22510055121	915,171	4,711,108
	Bank Account TZS-22510055120	29,540	148,920
	Cash Balance TZS		-
	Total	944,711	4,860,028
2	Operating Expenses		
	Travelling Expenses		644,800
	Bank Charges	570,707	467,210
	Exchange gain/Loss	403,296	-
	Employment Tax (Paye, W/h Tax & Others)	-	224,100
	Accounting & Legal Fees	-	700,000
	Office Expenses	-	850,000
	Misc Expenses	-	816,678
	Brela License Fees	-	5,040,000
	Secreterial Services & Stationaries	-	2,801,520
	Total	974,003	11,544,308
3	Preliminary Expenditure		
	Company Registration & Other Exp	437,200	437,200
	Total	437,200	437,200
5	Current Laibilities		
	Payable1	471,570	471,570
	Payable2	2,800,000	2,800,000
		3,271,570	3,271,570
6	Share capital		
	Paid Up capital		
	Opening	15,000,000	15,000,000
	Changes during the period	160,650,000	
	Closing Balance	175,650,000	15,000,000
4	Exploration & Evalution		
	Opening	111,530,034	111,530,034
	addition during the year	53,491,314	-
	Closing	165,021,348	111,530,034

DECCAN GOLD (TANZANIA) PRIVATE LIMITED

Notes to the accounts

Note No.4

4 Exploration & Evaluation Aests-2022

AREA (In SQ. KM)	11.76	15.00	56.88	13.99	15.81	113.44
Particulars	LICENSE NO.					Total
	PL 11524/2021	PL 11525/2021	PL 11526/2021	PL 11527/2021	PL 11528/2021	
PL fee	693,000	693,000	693,000	693,000	693,000	3,465,000
Prepration Fees	696,000	696,000	696,000	696,000	696,000	3,480,000
Annual Rent	2,728,320	3,480,000	13,196,160	3,245,680	3,667,920	26,318,080
Exploration & Evaluation Expenses	1,379,494	1,759,558	6,672,246	1,641,082	1,854,575	13,306,954
Fuel	189,189	241,313	915,057	225,064	254,343	1,824,966
Lab testing	90,686	115,670	438,622	107,882	121,917	874,777
License Acquisition Expenses	11,999,634	15,305,655	58,039,045	14,275,075	16,132,161	115,751,570
Total - A	17,776,322	22,291,197	80,650,130	20,883,782	23,419,915	165,021,347
Less:						
Ammortization	-	-	-	-	-	-
Others (If Any)	-	-	-	-	-	-
Total - B	-	-	-	-	-	-
Net - (A-B) as on 31 March 2022	17,776,322	22,291,197	80,650,130	20,883,782	23,419,915	165,021,347