



NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the next Annual General Meeting of Deccan Gold Mines Limited will be held on Friday, the 28th November, 2008 at 11.00 a.m., at Royal Room, 3rd Floor, Sunville Banquets, 9, Dr. Annie Besant Road, Mumbai – 400 018 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Profit and Loss Account for the year ended 31st March 2008 and the Audited Balance Sheet as on that date and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Dr. M. Ramakrishnan, who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint a Director in place of Prof. V.K. Gaur, who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint M/s. V.K. Beswal & Associates, Chartered Accountants, Mumbai as Auditors of the Company to hold office from the conclusion of this Annual General Meeting to the conclusion of the next Annual General Meeting of the Company and authorize the Audit Committee / Board of Directors to fix their remuneration.

SPECIAL BUSINESS:

1. To consider and, if thought fit, to pass with or without modifications the following resolution as a Special resolution:
“RESOLVED THAT in terms of the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (“SEBI Guidelines”) issued by the Securities and Exchange Board of India (“SEBI”) and pursuant to the provisions of Section 81 (1A) and all other applicable provisions of the Companies Act, 1956 (“the Act”) (including any statutory modification(s) or re-enactment of the Act or the SEBI Guidelines for the time being in force) and subject to the provisions contained in the Articles of Association of the Company and subject to such other consents, permissions, sanctions and approvals as may be required from the appropriate authorities and bodies and subject to such conditions and modifications as may be prescribed or imposed while granting such consents, permissions, sanctions and approvals which may be agreed to by the Board of Directors of the Company (hereinafter referred to as “the Board” which term shall be deemed to include a Compensation Committee or any Committee of the Board constituted by the Board to exercise its powers conferred on the Board by this resolution), consent of the Company be and is hereby accorded to the Board to create, issue, offer and allot at any time to or to the benefit of permanent employees of the Company, present and future, whether whole-time or otherwise under a new scheme titled “Deccan Gold Mines Employee Stock Option Plan 2008” (hereinafter referred to as the “ESOP” or “Scheme” or “Plan”) such number of equity shares and/or equity linked instruments (including options), and/or any other instruments or securities (hereinafter collectively referred to as Securities”) of the Company which could give rise to issue of equity shares not exceeding 30,00,000 at such price, in one or more tranches, and on such terms and conditions as may be fixed or determined by the Board in accordance with the Guidelines or other provisions of the law or guidelines issued by the relevant Authority or as may be prevailing at that time.

RESOLVED FURTHER THAT the equity shares issued upon exercise of the Options, shall rank pari-passu in all respects with the existing equity shares.

RESOLVED FURTHER THAT the issue of securities to any non-resident employee(s), non-resident Director(s) shall be subject to such approvals, permissions or consents as may be necessary in this regard.

RESOLVED FURTHER THAT the Board be and is hereby authorised to take necessary steps for listing of the Securities allotted under the Scheme, on the stock exchanges where the Company's shares are listed as per the terms and conditions of the listing agreement with the concerned stock exchanges and other applicable guidelines, rules and regulations.

RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution, the Board / Compensation Committee or any Committee of the Board be and is hereby authorised on behalf of the Company to evolve, decide upon and bring into effect the Scheme and make modifications, changes variations, alterations, revisions therein from time to time as may be deem fit or necessary or desirable for such purpose and with power on behalf of the Company to settle any questions, difficulties or doubts that may arise in this regard without requiring the Board to secure any further consent or approval of the members of the Company.”

2. To consider and, if thought fit, to pass with or without modifications the following resolution as a Special resolution:
“RESOLVED THAT in terms of the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (“SEBI Guidelines”) issued by the Securities and Exchange Board of India (“SEBI”) and pursuant to the provisions of Section 81 (1A) and all other applicable provisions of the Companies Act,



1956 ("the Act") (including any statutory modification(s) or re-enactment of the Act or the SEBI Guidelines for the time being in force) and subject to the provisions contained in the Articles of Association of the Company and subject to such other consents, permissions, sanctions and approvals as may be required from the appropriate authorities and bodies and subject to such conditions and modifications as may be prescribed or imposed while granting such consents, permissions, sanctions and approvals which may be agreed to by the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include a Compensation Committee or any Committee of the Board constituted by the Board to exercise its powers conferred on the Board by this resolution), consent of the Company be and is hereby accorded to extend the benefits of ESOP proposed in the resolution under Item No. 5 in this notice to the eligible employees/directors of the existing and/or future subsidiary companies and/or to such other persons, as may from time to time be allowed under the prevailing laws, rules and regulations, and/or amendments thereto from time to time, on such terms and conditions as may be decided by the Board.

RESOLVED FURTHER THAT the equity shares issued upon exercise of the Options, shall rank pari-passu in all respects with the existing equity shares.

RESOLVED FURTHER THAT the issue of securities to any non-resident employee(s), non-resident Director(s) of the subsidiaries shall be subject to such approvals, permissions or consents as may be necessary in this regard.

RESOLVED FURTHER THAT the Board be and is hereby authorised to take necessary steps for listing of the Securities allotted under the Scheme, on the stock exchanges where the Company's shares are listed as per the terms and conditions of the listing agreement with the concerned stock exchanges and other applicable guidelines, rules and regulations.

RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution, the Board/Compensation Committee or any Committee of the Board be and is hereby authorised on behalf of the Company to evolve, decide upon and bring into effect the Scheme and make modifications, changes variations, alterations, revisions therein from time to time as may be deem fit or necessary or desirable for such purpose and with power on behalf of the Company to settle any questions, difficulties or doubts that may arise in this regard without requiring the Board to secure any further consent or approval of the members of the Company."

By order of the Board
for **DECCAN GOLD MINES LIMITED**

Place : Bangalore
Date : 31st October, 2008

S. Subramaniam
Company Secretary

REGISTERED OFFICE:

A-303, "Prathamesh", Raghuvanshi Mills Compound,
11-12, Senapati Bapat Marg, Lower Parel,
Mumbai – 400 013.

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ALSO ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF ON A POLL ONLY. THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. Proxies, if any, in order to be effective must be received at the Company's Registered Office not later than 48 hours (forty eight hours) before the time fixed for holding the meeting.
3. The Register of Members and the Share Transfer Books of the Company will remain closed from Wednesday, the 26th November, 2008 to Friday, the 28th November, 2008 (both days inclusive).
4. The Annual Reports and Attendance slips will not be distributed at the Annual General Meeting. Shareholders / Proxies are requested to bring the same along with them.



EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

Item Nos. 5 & 6

To motivate the employees and to enable them to participate in the long term growth and financial success of the Company and with a common objective of maximizing the shareholder value, it is proposed to introduce an Employee Stock Option Plan. This would enable the Company to attract and motivate employees by rewarding performance as also retain best talents and would further enable the employees to develop a sense of ownership with the Company.

It is now proposed to introduce a Scheme called “Deccan Gold Mines Employee Stock Option Plan 2008” (hereinafter referred to as the “ESOP” or “Scheme” or “Plan”) for the benefit of the permanent employees and directors of the Company as well as the employees and directors of the subsidiary Companies.

The following is the explanatory statement which sets out the various disclosures as required by Clause 6.2 of the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (hereinafter referred to as “SEBI Guidelines” or “Guidelines”)

A) TOTAL NUMBER OF OPTIONS / SHARES TO BE ISSUED UNDER THE PLAN:

Options for up to 30,00,000 Equity shares of Re.1/- each for the Employees and Directors of the Company and its Subsidiary Companies would be available for being granted under the Plan. Each Option when exercised would be converted into one Equity Share of Re.1/- each fully paid up.

Vested options that lapse due to non-exercise or unvested options that gets cancelled due to resignation of employees or otherwise, would be available for being re-granted at a future date.

SEBI Guidelines require that in case of any corporate action(s) or change in capital structure such as rights issues, bonus issues, sub-division / consolidation of the nominal value of shares, merger and sale of division and others, a fair and reasonable adjustment needs to be made to the options granted. Accordingly, if any additional equity shares are required to be issued for making such fair and reasonable adjustment, the ceiling of 30,00,000 Equity shares shall be deemed to be increased to the extent of such additional equity shares issued/to be issued. Further, the Board and/or Compensation Committee shall in such cases also have the power to make appropriate adjustments to the number of shares to be allotted pursuant to the exercise of the Options, the Exercise price and other rights and obligations under the Options granted.

B) IDENTIFICATION OF CLASSES OF EMPLOYEES ENTITLED TO PARTICIPATE IN THE PLAN:

The present and future employees (including Directors) of the Company and its Subsidiary Companies (present and future), including foreign nationals whether working in India or outside India, but excluding the employees who belong to the promoter or promoter group, will be entitled to participate in the Plan subject to the applicable regulatory requirements and guidelines issued by SEBI in force.

C) REQUIREMENT OF VESTING AND PERIOD OF VESTING:

The Options granted shall vest so long as the employee continues to be in employment of the Company. The Compensation Committee may, at its discretion, lay down the period of time and/or specify certain performance metrics on the achievement of which the granted Options may vest (subject to the minimum vesting period as specified below). The vesting of the Options may also happen in tranches in accordance with the above mentioned conditions.

Vesting of the Options shall take place over a maximum period of 3 years with a minimum vesting period of 1 year from the date of grant of Options.

The exact proportion in which and the exact period over which the options would vest would be determined by the Board/ Compensation Committee, subject to the minimum vesting period of one year from the date of grant of Options and may be customised for individual employees.

D) MAXIMUM PERIOD WITHIN WHICH THE OPTIONS SHALL BE VESTED:

The maximum period within the options to be vested shall be three years from the date of grant.

E) EXERCISE PRICE / PRICING FORMULA:

The Options would be granted at a discount not exceeding 25% of the market price i.e. the latest available closing price on the Bombay Stock Exchange Limited prior to the date of the meeting of the Board of Directors and/or Compensation Committee in which Options are granted. Provided that the Exercise Price per option shall not be less than the par value of equity share of the Company and shall not be more than the Market price as defined in the Guidelines.

**F) EXERCISE PERIOD AND THE PROCESS OF EXERCISE:**

The employees of the Company and its Subsidiaries shall exercise their options within 12 months from the date of vesting or such other period fixed by the Compensation Committee.

The employees of the Company and its Subsidiaries can exercise the options by submitting an application in the prescribed format after which the shares would be allotted. Options not exercised within the specified exercise period will lapse and would be available for being re-granted in future.

G) APPRAISAL PROCESS FOR DETERMINING THE ELIGIBILITY:

The Board/Compensation Committee will evolve the criteria for the eligibility of an employee of the Company and its Subsidiaries for granting options under the Plan, which inter alia, includes length of service, grade, performance, merit, future potential contribution, leadership qualities, qualification and conduct of the employee of the Company and its Subsidiaries.

H) MAXIMUM NUMBER OF OPTIONS TO BE ISSUED PER EMPLOYEE AND IN AGGREGATE

The Options issued in terms of the Plan shall not exceed 30,00,000 (thirty lakhs only). All lapsed options are eligible for fresh grants.

No employee shall, during any fiscal year of the Company and its Subsidiaries and under the total tenure of the plan, be granted Options equal to or exceeding 1 % of the issued equity share capital of the company existing at the time of grant of option.

I) CONFIRMATION OF ACCOUNTING POLICIES STIPULATED IN THE GUIDELINES

The Company shall conform to the accounting policies stipulated by the SEBI under Schedule I referred to in Clause 13.1 of the SEBI Guidelines.

J) METHOD OF OPTION VALUATION:

The Company shall use the Intrinsic value method to value its options.

In case the Company calculates the employee compensation cost using the intrinsic value of the stock options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the options, shall be disclosed in the Directors' report and also the impact of this difference on profits and on EPS of the Company shall also be disclosed in the Directors' report.

As the Scheme provides for issue of shares to be offered to persons other than existing shareholders of the Company, consent of the members is sought pursuant to Section 81(1A) and all other applicable provisions, if any, of the Companies Act, 1956 and as per clause 6 of the SEBI Guidelines vide special resolution proposed under Item No. 5.

Further, the Guidelines also stipulate that a separate special resolution is required to be passed if the benefits of the Scheme are to be extended to the Employees and Directors of Subsidiary Companies. Accordingly, special resolution under Item No. 6 is placed for approval of the members.

A copy of the "Deccan Gold Mines Employee Stock Option Plan 2008" shall be available for inspection of the members during normal business hours on all working days till the date of Annual General Meeting at the registered office of the Company.

Your Directors recommend the resolutions proposed vide Item Nos. 5 & 6 for your approval.

None of the Directors of the Company, are in any way, concerned or interested in the resolution (s), except to the extent of the securities that may be offered to them under the Scheme.

By order of the Board
for **DECCAN GOLD MINES LIMITED**

Place : Bangalore
Date : 31st October, 2008

S. Subramaniam
Company Secretary

REGISTERED OFFICE:

A-303, "Prathamesh", Raghuvanshi Mills Compound,
11-12, Senapati Bapat Marg, Lower Parel,
Mumbai – 400 013.



INFORMATION ABOUT DIRECTORS SEEKING APPOINTMENT / REAPPOINTMENT AT THE ANNUAL GENERAL MEETING

(Pursuant to Clause 49 of the Listing Agreement)

1. DR. M. RAMAKRISHNAN

A brief resume and expertise of Dr. M. Ramakrishnan is given under the Section “Profile of Directors” forming part of the Annual Report.

Dr. M. Ramakrishnan holds Directorship / Committee Membership in the following Companies (other than Deccan Gold Mines Limited):

Name of the Company	Designation	Committee Chairmanship	Committee Membership
Deccan Gold Exploration Services Private Limited	Director	Nil	Nil

Further, in terms of Clause 49 of the Listing Agreement entered into with the Stock Exchange viz., BSE, the shareholders may take note that Dr. M. Ramakrishnan, a non-executive director, does not hold any shares in the Company as on 31st October, 2008 (either in his own name or held by / for other persons on a beneficial basis).

2. PROF. V. K. GAUR

A brief resume and expertise of Prof. V.K. Gaur is given under the section “Profile of Directors” forming part of the Annual Report.

In terms of Clause 49 of the Listing Agreement entered into with the Stock Exchange viz., BSE, the shareholders may take note that Prof. Gaur, a non-executive director, does not hold any shares in the Company as on 31st October, 2008 (either in his own name or held by / for other persons on a beneficial basis). Further, the shareholders may take note that Prof. V.K. Gaur does not hold Directorship or Committee Chairmanship or Membership in any other Company.



DIRECTORS' REPORT

Dear Shareholders,

We have pleasure in presenting the Annual Report on the business operations of the Company along with the Statement of Audited Accounts for the year ended 31st March 2008.

1. Financial Results

(Rs in '000)

Particulars	2007-08	2006-07
Total Income	5,090	4,503
Profit/(Loss) before Taxation	(3,540)	(3,843)
Profit/(Loss) after Tax	(3,609)	(3,912)
Balance brought forward	(18,627)	(14,716)
Balance transferred to Balance Sheet	(22,236)	(18,627)

During the year, the Company incurred Rs. 28.48 lac on exploration activities and Rs. 86.30 lac on administrative and other expenses. The cumulative amount spent on exploration activities of Rs. 407.46 lac as on 31st March, 2008 has been transferred to pre-operative expenses.

2. BUSINESS OPERATIONS AND OUTLOOK

For full details on the operations of the Company during the period under review, please refer the segment titled "Exploration Permits and Applications" and the segment titled "Report on Exploration Activities" published elsewhere in this Annual Report.

The New Mineral Policy 2008 was approved by the Indian Cabinet and was laid before the Rajya Sabha on 20th March, 2008. Many of the features contained in the Policy augur well for the industry and the Company in particular. The Policy envisages adoption of a mineral specific strategy to regulate and maximize the gains of mineral development.

The New Mineral Policy, 2008 also provides for facilitating financing of mine development and also of exploration which is integral to the mining project. It also aims to encourage early stage exploration and mining companies to access funds and would also explore differential listing requirements through segmented exchanges. Induction of foreign technology and foreign participation in exploration and mining for high value and scarce minerals would be encouraged and supported.

As the country looks to revive the mineral exploration and mining sector through foreign and Indian private investment and the proposed introduction of liberalized internationally compatible mining policies, your Company with some of the best gold prospects in the country, geologically similar to areas that have been home to major world gold discoveries, is confident of playing a leading role in this revival.

3. SUBSIDIARY COMPANY

As required under Section 212 of the Companies Act, 1956, the audited Profit and Loss Account for the year ended March 31, 2008 along with the Balance Sheet as at that date and the Reports of the Directors and Auditors thereon of Deccan Gold Exploration Services Private Limited, a subsidiary company is attached. It may be noted that the name of the subsidiary company viz. Indophil Resources Exploration Services (India) Private Limited was changed to Deccan Gold Exploration Services Private Limited with effect from 20th February, 2008.

4. CORPORATE GOVERNANCE

The Company has complied with all the mandatory requirements of Corporate Governance specified by the Securities and Exchange Board of India through Clause 49 of the Listing Agreement. As required by the said Clause, a separate Report on Corporate Governance forms part of this Annual Report. A Certificate from M/s. Rathi & Associates, Practising Company Secretaries, Mumbai regarding compliance with the conditions of Corporate Governance also forms part of this Annual Report.



Further, in terms of Clause 49(IV)(F) of the Listing Agreement, a separate report titled “Management Discussion and Analysis” forms part of this Annual Report.

5. BOARD OF DIRECTORS

Dr. M. Ramakrishnan and Prof. V.K. Gaur are the Directors who retire by rotation and being eligible, offer themselves for reappointment.

Necessary resolutions seeking the approval of the shareholders for the reappointment of the aforesaid Directors forms part of the Notice convening the Annual General Meeting. In terms of Clause 49(IV)(G)(i) of the Listing Agreement entered into with the Bombay Stock Exchange Limited, all the requisite details about the Directors seeking re-appointment at the ensuing Annual General Meeting forms part of the Notice convening the Annual General Meeting.

Further, pursuant to Clause 49(IV)(E)(iv) of the Listing Agreement, the shareholders may take note that none of the Non Executive Directors hold any shares/convertible instruments in the Company as on the date of this Report.

6. DIRECTORS’ RESPONSIBILITY STATEMENT

Pursuant to Section 217(2AA) of the Companies Act, 1956, your Directors confirm the following:

- that in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures.
- that they have selected such accounting policies and applied them consistently and made judgements 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 ended 31st March, 2008 and of the loss of the Company for that period.
- that they have 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.
- that they have prepared the attached Statement of Accounts for the year ended 31st March, 2008 on a going concern basis.

7. PERSONNEL

Your Directors place on record, their appreciation for the good work done by all the employees.

During the year under review, none of the employees of the Company was in receipt of remuneration aggregating Rs. 24,00,000/- or more per annum, if employed throughout the year, or Rs. 2,00,000/- or more per month, in case employed for part of the year. Hence, there are no particulars to be annexed to this report as required under Section 217 (2A) of the Companies Act, 1956 and the rules made there under.

8. AUDITORS

The Statutory Auditors M/s. V.K. Beswal & Associates, Chartered Accountants retire at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

9. STATUTORY AUDITORS’ REPORT

Observations made in the Statutory Auditors’ Report are self-explanatory and therefore, do not call for any further comments under Section 217(3) of the Companies Act, 1956.

10. FIXED DEPOSITS

The Company has not accepted or renewed any deposit from public during the year under review.

11. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGES EARNINGS & 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

It may be noted that during the year under review, the Company did not have any foreign exchange earnings or outgo.

12.ACKNOWLEDGEMENT

The Directors wish to express their gratitude to all the business associates and to the Investors / Shareholders for the confidence reposed in the Company and its management. The Directors also convey their appreciation to the employees at all levels for their enormous personal efforts as well as collective contribution.

For and on behalf of the Board

Place: Bangalore
Date: 31st October, 2008

Charles Devenish
Chairman



Statement pursuant to Section 212 of the Companies Act, 1956 relating to Company's interest in the Subsidiary Deccan Gold Exploration Services Private Limited.

(Rs. in '000)

1	The financial year of the subsidiary company ended on	31 st March, 2008
2	Date from which it became subsidiary	3 rd March, 2005
3	a) No. of shares held by Holding Company with its nominee in the subsidiary at the end of the financial year of the subsidiary	10,000 equity shares of Rs.10/- each
	b) Extent of interest of holding company at the end of the financial year of the subsidiary	100%
4	The net aggregate amount of subsidiary's profit (loss) so far as it concerns the members	
	a) Not dealt with in holding company's accounts:	
	i) For the financial year of the subsidiary	Nil
	ii) For the previous financial years of the subsidiary since it became the subsidiary of the company	Nil
	b) Dealt with in holding company's accounts*:	
	i) For the financial year of the subsidiary	171
	ii) For the previous financial year of the subsidiary	172
5	Changes in the holding company's interest in the subsidiary between the end of the financial year of the subsidiary and the end of the holding company's financial year	None
6	Material changes between the end of the financial year of the subsidiary and the end of the holding company's financial year in respect of:	
	a) Subsidiary's fixed assets	None
	b) Its investments	None
	c) The monies lent by it	None
	d) The monies borrowed for the purpose other than meeting current liabilities	None

*Consolidated accounts reflect the effect.

For and on behalf of the Board

Charles E.E. Devenish
Chairman

Sandeep Lakhwara
Managing Director

K. R. Krishnamurthy
Director

M. Ramakrishnan
Director

Place: Bangalore
Dated: 27th June 2008

S. Subramaniam
Company Secretary



MANAGEMENT DISCUSSION AND ANALYSIS REPORT

INTRODUCTION

Deccan Gold Mines Ltd (DGML) is the first and the only gold exploration company listed on the Bombay Stock Exchange Limited (BSE). The Company was established in 2003 by promoters with deep roots in the exploration and mining sector and brings to India, a wealth of international technical know how and experience in the gold exploration and mining sector. DGML now has a large portfolio of exploration prospects in the States of Karnataka, Andhra Pradesh and Rajasthan. It has actively undertaken exploration work in all of its exploration prospects over the years and has been successful in identifying probable gold resources at several locations.

Details on the results of DGML's exploration work has been provided under the heading "Report on Exploration Activities".

A comprehensive list of the prospects acquired by DGML and its 100% owned subsidiary Deccan Gold Exploration Services Private Limited (DGESPL) – formerly known as Indophil Resources Exploration Services (India) Private Limited, has been provided under the heading "Exploration Permits and Applications".

DGML now awaits the grant of its applications following which it will undertake detailed feasibility studies to ascertain the commerciality of gold mining operations at these locations.

It must, however, be appreciated that exploration companies, have long gestation periods between exploration and discoveries, to which DGML is no exception. This gestation period has been further impacted by the delays in grant of permits by the Government authorities.

INDUSTRY REVIEW

India is looking to revive the mineral exploration and mining sector through foreign and Indian private investment and the introduction of liberalized, internationally compatible mining policies.

The Indian Cabinet approved the National Mineral Policy in March, 2008 which has been laid before Parliament for approval. The Policy seeks to chart out strategies for optimum utilization of the country's natural mineral resources for industrial growth and aims to attract both domestic and foreign direct investment in this sector. The Policy contains some very pertinent measures like seamless transition of licenses, transferability of mineral concessions and transparency in allotment of concessions to reduce delays and discretionary powers which are seen as impediments to investment and technology flows in the mining sector in India.

Some of the salient features of the National Mineral Policy are summarized hereunder:

- a) Absolute right of a prospector to obtaining a Mining Lease in areas where they have done requisite work, implying seamless transition from reconnaissance exploration (RP) to prospecting (PL) and to mining (ML).
- b) Unbundling of prospecting from mining, whereby the prospector may invest, find and sell data.
- c) Encourage competitive exploration with state-of-art technology and investment with introduction of two new concessions viz., Non exclusive reconnaissance operations (NERP) and Large Area Prospecting Licence (LAPL).
- d) Reduce delays in the grant of mineral concessions.

PERFORMANCE

Full details of exploration work undertaken by the Company are contained in "Report on Exploration Activities" forming part of this Annual Report. The status of our applications is contained in this Annual Report under the heading "Exploration Permits and Applications".

DGML incurred a total expenditure of Rs. 407.46 lacs (cumulative) on exploration on its prospects as on 31st March 2008. The amount of exploration expenditure (cumulative) incurred as on 31st March, 2007 was Rs. 378.98 lacs.

Administrative and other costs for the year ended 31st March 2008 were Rs. 86.30 lacs compared to Rs. 83.46 lacs for the ended 31st March 2007.

The net loss of the company for the year ended 31st March 2008 was Rs. 35.39 lacs compared to Rs. 38.43 lacs for the year ended 31st March 2007.



DGML's working capital funds as at 31st March 2008 were Rs. 124.25 lacs compared to Rs. 254.77 lacs for the year ended 31st March 2007.

It is pertinent to note that exploration companies by their very nature will not generate mining revenues until commencement of mining operations.

RISKS AND CONCERNS

The business of mineral exploration involves a variety of operational, financial and regulatory risks that are typical in natural resource industry. The projects of the Company are in the exploration stage and the long term profitability of the Company's operations will be in part, directly related to the cost and success of its exploration programmes, which may be affected by a number of factors that are beyond the control of the Company.

The Company's operations may be subject to disruptions caused by unusual or unexpected fires, flooding, explosions, cave-ins, landslides, the inability to obtain suitable or adequate equipment or machinery, labour disputes or adverse weather conditions.

Mineral exploration and mining activities may be affected to varying degrees by political stability and government regulations relating to the mining industry, including restrictions on production, price controls, export controls, foreign exchange controls, taxes, environmental legislation etc., Any changes in regulations or shifts in political attitudes are beyond the Company's control and may adversely affect the Company's business.

The business of exploring for minerals involves a high degree of risk. Few properties that are explored are ultimately developed into mines. Even after the successful discovery of mineral resources, the economics of commercial production depends on many factors, including the cost of operations, the grade of the gold and any other associated minerals, proximity to infrastructure, metal prices, financing costs and Government regulations. The effect of these factors cannot be accurately predicted, but any combination of these factors could adversely affect the economics of commencement or continuation of commercial production.

The profitability of the Company's operations will be dependent, inter-alia, on the market prices of gold, which are affected by numerous factors beyond the control of the Company, including international economic and political conditions, levels of supply and demand, and international currency exchange rates.

In the absence of cash flow from operations, the Company relies on the capital markets to fund its operations. Although the Company has been successful in the past in obtaining financing through the issue of equity securities, there can be no assurance that additional funding will be available, or available under terms favourable to the Company in future. Failure to obtain such additional finance could result in delay or indefinite postponement of further exploration and the development of the Company's Projects.

All the above factors notwithstanding, your Company and its Directors believe that they have adequate experience and access to expertise and capital sources that will enable the Company to successfully develop, launch and execute its projects successfully.

OUTLOOK AND OPPORTUNITIES

Gold, the oldest metal known to man, still commands value on the world commodity platform. India was renowned for its gold mining activities in the past as evidenced by numerous ancient workings throughout the country.

However, in recent times, gold production in India has been restricted to only about 6 tons per annum. No new gold deposits of significant size have been discovered in the country due to lack of adequate exploration. Meagre budgetary allocations to the gold exploration sector controlled by the Government until about a decade ago, and an inefficient regulatory framework upon opening up of this industry to private investment have been the key factors for lack of adequate exploration.

The country nevertheless offers great potential for exploration and mining of gold as there are striking similarities in the geological environment in India and the leading gold producing countries of the world. Reason therefore dictates that should adequate amounts of exploration expenditure be spent on gold prospects in the country, it can become part of the leading gold producers club.

According to the World Gold Council gold demand trends, identifiable gold demand was 4% higher in 2007 than in 2006 at 3,547 tonnes globally. The higher demand should have a positive impact on the gold price together with other factors like Central Banks holding on to their gold and the ever-increasing gap between mined supply and demand. However, factors like sale of gold positions by hedge funds to raise cash to cope with their redemptions, decline of oil prices and the recovery



of US Dollar have a negative impact on the gold price. Nonetheless, investors are turning to gold over other commodities due to advantages of permanence, convenience and heightened fears over a global economic downturn.

Against the above backdrop, DGML, which holds some of the country's best known gold exploration areas and is supported by an experienced professional team of experts, is well poised to consolidate its position as the country's premier listed gold company in the near future.

ADEQUACY OF INTERNAL CONTROL

The Company has in place adequate internal control systems, which assure proper recording of transactions of its operations and also ensure protection against misuse or loss of the Company's assets. The Company has constituted an Audit Committee and has assigned to it tasks that will further strengthen the internal audit system.

SOCIAL RESPONSIBILITY

The Company's mission is to increase the known gold resources base of the country in a way that enhances the well being of its people, the environment, and the investors and stakeholders of the Company.

CAUTIONARY STATEMENT

Statements in the Management Discussion and Analysis Report describing the Company's objectives, projections, estimates, expectations or predictions may be "forward looking statements" within the meaning of the applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include the availability of economically viable deposits, changes in Government regulations, tax regimes, economic developments in India and other incidental factors.



PRACTISING COMPANY SECRETARIES' CERTIFICATE ON CORPORATE GOVERNANCE

To

The Members
Deccan Gold Mines Limited

We have examined the compliance of conditions of Corporate Governance by Deccan Gold Mines Limited ("the Company") for the year ended 31st March 2008 as stipulated in Clause 49 of the Listing Agreement entered into by the said Company with the Bombay Stock Exchange Limited.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examinations were limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For and on behalf of
M/s. Rathi & Associates
Company Secretaries

Place : Mumbai
Date : 31st October, 2008

Narayan Rathi
Partner
FCS No. 1433



REPORT ON CORPORATE GOVERNANCE

for the year ended and as on 31st March, 2008

Pursuant to Clause 49 of Listing Agreement

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Corporate Governance is about promoting corporate fairness, transparency and accountability. It denotes the process, structure and relationship through which the Board of Directors oversee what the management does. Your Company is committed to best corporate governance practices and believes that it is a pre-requisite for a vibrant and healthy economy.

The Company has complied with the provisions of Clause 49 of the Listing Agreement entered into with the BSE relating to corporate governance. The same are detailed below:

2. BOARD OF DIRECTORS

a) Composition and category of directors, number of other Boards and Board Committees in which they are Chairperson / Member

As on 31st March, 2008, the Board comprised of 6 Directors out of which one is an Executive Director and the other 5 are Non Executive Directors. Out of the 5 Non-Executive Directors, 3 are Independent Directors. The Chairman of the Board is a Non-Executive Director and more than one-third of the Board comprises of Independent Directors.

The Board comprises of competent professionals who are highly recognized in their respective field.

The composition of the Board and other relevant details relating to Directors are given below:

Name of the Director	Designation	Category of Director-ship	No. of Other Directorships	No. of other Committee Memberships #	
				Chairman	Member
Mr. Charles E. E. Devenish	Chairman	Promoter, Non-Executive	2	Nil	Nil
Mr. Sandeep Lakhwara	Managing Director	Executive	Nil	Nil	Nil
Mr. V. Sivakumar	Director	Non-Executive	10	Nil	Nil
Mr. K.R. Krishnamurthy	Director	Non-Executive; Independent	Nil	Nil	Nil
Dr. M. Ramakrishnan	Director	Non-Executive; Independent	1	Nil	Nil
Prof. V.K. Gaur	Director	Non-Executive; Independent	Nil	Nil	Nil
Mr. M.R. Menon*	Alternate Director*	Non-Executive; Independent	1	Nil	Nil

* to Mr. Charles E.E. Devenish

Notes:

- For the purpose of considering the limit of directorship positions, foreign companies have been excluded.
- For the purpose of considering the limit of committee membership positions, membership of only Audit Committee, Shareholders' Grievance Committee and Remuneration Committee have been considered.
- There are no inter-se relationships amongst the Directors.



b) Number of Board Meetings held & dates on which held

Four Board Meetings were held during the financial year 2007-08. These meetings were held on 30th April 2007; 31st July, 2007; 25th October, 2007; and 28th January 2008.

c) Attendance of each Director at the Board Meetings and the last Annual General Meeting:

The details of attendance of Directors in Board Meetings and in the last Annual General Meeting held on 14th December, 2007 are as follows:

Name of the Director	No. of Board Meetings Attended	Attendance at Last Annual General Meeting (Yes / No)
Mr. Charles E.E. Devenish	1	Yes
Mr. Sandeep Lakhwara	3	Yes
Mr. V. Sivakumar	2	Yes
Mr. K.R. Krishnamurthy	3	Yes
Dr. M. Ramakrishnan	2	Yes
Prof. V.K. Gaur	2	Yes
Mr. Taveesh Pandey*	1	NA

* Ceased to be a Director with effect from 21st September, 2007.

3. AUDIT COMMITTEE

a) BRIEF DESCRIPTION OF TERMS OF REFERENCE

The terms of reference of the Audit Committee as defined by the Board are as under:

- i) Hold discussions with the auditors periodically about internal control systems, the scope of audit including the observations of the auditor and review the quarterly, half-yearly and annual financial statements before submission to the Board and also ensure compliance of internal control systems.
- ii) Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- iii) Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
- iv) Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
- v) Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to:
 - (a) Matters required to be included in the Director's Responsibility Statement to be included in the Board's Report in terms of clause (2AA) of section 217 of the Companies Act, 1956.
 - (b) Changes, if any, in accounting policies and practices and reasons for the same.
 - (c) Major accounting entries involving estimates based on the exercise of judgement by management.
 - (d) Significant adjustments made in the financial statements arising out of audit findings.
 - (e) Compliance with listing and other legal requirements relating to financial statements.
 - (f) Disclosure of any related party transactions.
 - (g) Qualifications in the draft audit report.



- vi) Reviewing, with the management, the quarterly financial statements before submission to the board for approval.
- vii) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
- viii) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- ix) Discussion with internal auditors on any significant findings and follow up there on.
- x) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
- xi) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- xii) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.
- xiii) Review of information as prescribed under Clause 49 (II)(E) of the listing agreement.

POWERS OF THE AUDIT COMMITTEE

Further, the Board has delegated the following powers to the Audit Committee:

- i) Investigating any activity within its terms of reference as above, or in relation to the items specified in Section 292A of the Companies Act, 1956, or as may be referred to it by the Board, from time to time and for this purpose, it shall have full access to information contained in the records of the Company and external professional advice, if necessary
- ii) Seek information from any employee.
- iii) Obtain outside legal or other professional advice, if necessary.
- iv) Secure attendance of outsiders with relevant expertise, if it considers necessary.

b) Composition, Name of Members & Chairperson

The Committee comprises 3 Non Executive Directors, all of whom are Independent Directors. All the members of the Committee are financially literate. The Chairman of the Committee is an Independent Director and is the member with accounting or related financial management expertise.

The name of members & Chairperson of the Committee are as under:

Name of member	Designation
Mr. K.R. Krishnamurthy	Chairman
Dr. M. Ramakrishnan	Member
Prof. V.K. Gaur	Member

C) Meetings and attendance during the year

Four Audit Committee Meetings were held during the financial year 2007 – 08. These meetings were held on 30th April 2007; 31st July 2007; 25th October 2007 and 28th January, 2008.



The details of attendance in Audit Committee Meetings are as follows:

Name of Member	No. of Meetings Attended
Mr. K.R. Krishnamurthy	3
Dr. M. Ramakrishnan	2
Mr. Taveesh Pandey*	1
Prof. V.K. Gaur	3

* ceased to be a member with effect from 21st September 2007.

- d) The Company Secretary acts as Secretary to the Committee. Further, the Audit Committee invites such of the executives of the Company as it considers appropriate to be present at its meetings. The representatives of the Statutory Auditors are also invited to these meetings.

4. REMUNERATION COMMITTEE

A) BRIEF DESCRIPTION OF TERMS OF REFERENCE

Although a non-mandatory requirement, the Company has constituted a Remuneration Committee.

The terms of reference of the Committee is to review and recommend compensation payable to the Executive Directors and Senior Management of the company. It shall also administer the Company's stock option plans, if any, including the review and grant of the stock options to eligible employees under such plans. The Committee may review the performance of the Executive Directors, if any and for the said purpose may lay down requisite parameters for each of the Executive Directors at the beginning of the year.

B) COMPOSITION, NAME OF MEMBERS AND CHAIRPERSON

The Committee comprises of Non Executive Directors and the Chairman is an Independent Director.

The name of members & Chairperson of the Committee are as under:

Name of member	Designation
Mr. K.R. Krishnamurthy	Chairman
Dr. M. Ramakrishnan	Member
Mr. Charles E.E. Devenish	Member

C) ATTENDANCE DURING THE YEAR

The Remuneration Committee met once during the year 2007-08 on 30th April, 2007. Mr. K.R. Krishnamurthy and Dr. M. Ramakrishnan, members of the Committee attended the meeting. The other members Mr. Charles Devenish and Mr. Taveesh Pandey* telephonically participated in the meeting.

*Mr. Taveesh Pandey ceased to be a member with effect from 21st September, 2007

D) REMUNERATION POLICY & DETAILS OF REMUNERATION TO ALL DIRECTORS

a) Remuneration Policy & details of remuneration to all Directors

i) Management Staff :

Remuneration of employees largely consists of basic remuneration and perquisites. The components of the total remuneration vary for different grades and are governed by industry patterns, qualifications and experience of the employee, responsibilities handled, individual performance, etc.

ii) Non-Executive Directors

The Company pays sitting fees to all the Non-executive Directors of the Company for attending Board & Audit Committee Meetings. The sitting fees paid is within the limits prescribed under the Companies Act, 1956.



Details of the Sitting fees paid to Non Executive Directors during the year 2007-08 is as under:

(in Rs.)

Name of the Director / Member	Sitting Fees paid for attending meetings of	
	Board	Audit Committee
Dr. M. Ramakrishnan	10,000	5,000
Mr. K.R. Krishnamurthy	15,000	7,500
Prof. V.K. Gaur	10,000	5,000
Total	35,000	17,500

iii) Executive Directors

The aggregate of the salary paid in the financial year 2007 – 08 to Mr. Sandeep Lakhwara, Managing Director is Rs. 11,70,000/-.

5. SHAREHOLDERS'/INVESTORS' GRIEVANCE COMMITTEE

a) Name of Non Executive Director heading the Committee

Mr. K.R. Krishnamurthy, a Non Executive Director heads the Committee.

This Committee has been constituted to look into investor's complaints like transfer of shares, non-receipt of declared dividends, etc. and take necessary steps for redressal thereof. Presently, the Registrars & Share Transfer Agents of the Company are attending to the share transfer requests on a regular basis.

The Committee met 4 times during the financial year 2007 – 08. These meetings were held on 30th April, 2007; 31st July, 2007; 25th October, 2007; and 28th January, 2008.

The composition of the Shareholders/Investors' Grievance Committee and the details of attendance in meetings are as follows:

Name of Director	Designation	No. of Meetings Attended
Mr. K.R. Krishnamurthy	Chairman	3
Mr. Sandeep Lakhwara	Member	4
Mr. Taveesh Pandey*	Member	2

* Ceased to be a member with effect from 21st September, 2007

b) Compliance Officer

Mr. S. Subramaniam, Company Secretary is the Compliance Officer of the Company.

c) Shareholder Complaints

During the financial year 2007 – 08, the Company received 4 shareholder complaints, all of which were resolved. As such, there were no pending complaints as at the end of the year.



6. GENERAL BODY MEETINGS

- i) Location, time and date of holding of the last three Annual General Meetings (AGM) are given below:

Financial Year	Date	Time	Location of the Meeting
2004-05	27/12/2005	11.00 a.m.	Wodehouse Gymkhana, 182, Maharshi Karve Road, Mumbai – 400 021
2005-06	30/11/2006	11.00 a.m.	Wodehouse Gymkhana, 182, Maharshi Karve Road, Mumbai – 400 021
2006-07	14/12/2007	10.30 a.m.	The Plaza Room, Hotel Marine Plaza, 29, Marine Drive, Mumbai – 400 020.

- ii) Special Resolutions during previous three Annual General Meetings:

Date of AGM	Particulars of Special Resolutions Passed
27/12/2005	Nil
30/11/2006	Nil
14/12/2007	Reappointment of Mr. Sandeep Lakhwara as Managing Director for 3 years with effect from 1 st May, 2007.

- iii) During the financial year 2007-08, no resolutions were passed through Postal Ballot.
- iv) Resolutions if any passed by Postal Ballot shall be in accordance with the provisions of Section 192A of the Companies Act, 1956 read with Companies (Procedure for Passing of Postal Ballot) Rules, 2001.
- v) No Special resolution is proposed to be passed through Postal Ballot in the ensuing AGM.

7. DISCLOSURES

- a) The Company did not have any related party transactions, i.e. transactions of the Company of material nature, with its promoters, Directors or the Management, their subsidiaries or relatives, etc., which may have potential conflict with the interests of the Company at large. Related Party transactions have been disclosed in the Notes to Accounts in the financial statements as at March 31, 2008.
- b) There was no non-compliance in respect any matter related to the capital markets by the Company during the last 3 years. Further, there was no penalty / strictures imposed on the Company by any Stock Exchange, SEBI or any Statutory Authority on any matter related to the capital markets during the last 3 years.
- c) The Company has not implemented the Whistle Blower Policy which is a non-mandatory requirement under Clause 49 of the Listing Agreement.
- d) The Company has complied with all the mandatory requirements as contained in Clause 49 of the Listing Agreement.
- e) The Company has complied with the non-mandatory requirements relating to Remuneration Committee. The financial statements of the Company are unqualified.

8. MEANS OF COMMUNICATION

- i. The quarterly results are published in leading English and Marathi newspapers. Further, they are also submitted to the BSE upon their approval by the Board of Directors and are available on the website of BSE (www.bseindia.com).
- ii. The website of the Company (www.deccangoldmines.com) also displays official news releases issued on behalf of the Company.



iii. No presentations were made to institutional investors or to the analysts during the year under review.

9. GENERAL SHAREHOLDER INFORMATION

i. Annual General Meeting:

Day / Date : Friday, 28th November, 2008
 Time : 11.00 a.m.
 Venue : Royal Room,
 3rd Floor, Sunville Banquets,
 9, Dr. Annie Besant Road, Worli
 Mumbai – 400 018.

ii. Financial Year:

The Company follows April-March as its financial year. The results for every quarter beginning from April are declared in the month following the quarter.

iii. Date of Book Closure

26th November, 2008 to 28th November, 2008 (both days inclusive)

iv. Dividend Payment Date

Not applicable

v. Listing on Stock Exchanges

The Company's shares are listed on Bombay Stock Exchange Limited (BSE). The Company has paid the listing fees to the BSE within the prescribed time

vi. Stock Code

512068 (BSE).

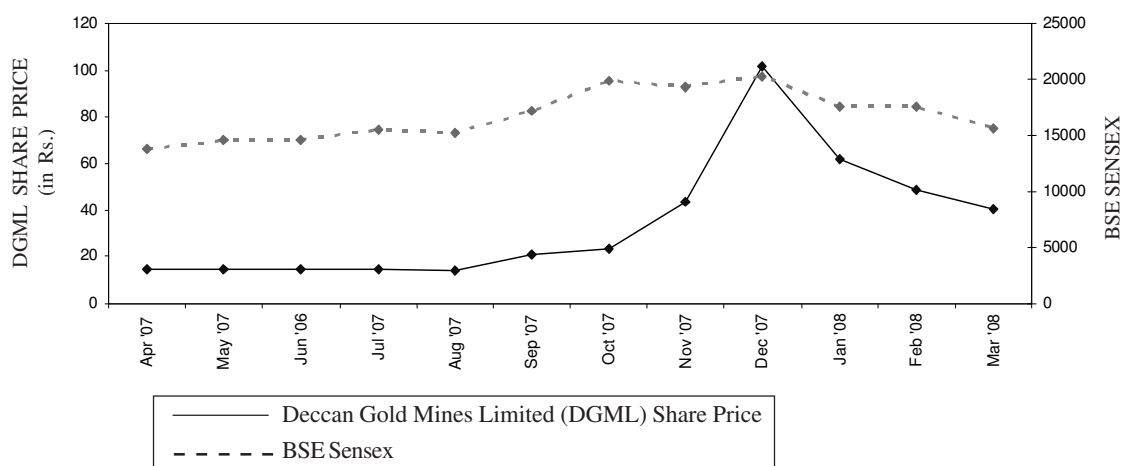
vii. MARKET PRICE DATA – HIGH & LOW DURING EACH MONTH OF LAST FINANCIAL YEAR

The monthly high and low quotations of the Company's shares traded on the BSE is as follows:

Month	BSE	
	High (Rs.)	Low (Rs.)
April 2007	15.30	12.02
May 2007	17.14	13.25
June 2007	15.98	13.75
July 2007	17.50	13.81
August 2007	17.90	12.05
September 2007	23.65	13.92
October 2007	23.35	17.00
November 2007	55.85	24.00
December 2007	101.70	41.30
January 2008	142.90	62.20
February 2008	71.80	46.60
March 2008	46.40	30.55



viii. Performance in comparison to broad-based indices of BSE Sensex



ix. REGISTRAR AND TRANSFER AGENTS

Intime Spectrum Registry Limited
Pannalal Silk Mills Compound,
C-13, L.B.S. Marg,
Bhandup (W), Mumbai – 400 078.
Tel. No. 91-22-25963838 & Fax 91-22-55555353
E-mail : isrl@vsnl.com

x. SHARE TRANSFER SYSTEM

Applications for transfer of shares held in physical form are received at the office of the Registrars and Share Transfer Agents of the Company. They attend to share transfer formalities at least once in 15 days.

Shares held in the dematerialized form are electronically traded in the Depository and the Registrars and Share Transfer Agents of the Company periodically receive from the Depository the beneficiary holdings so as to enable them to update their records for sending all corporate communications, dividend warrants, etc.

Physical shares received for dematerialization are processed and completed within a period of 21 days from the date of receipt, provided they are in order in every respect. Bad deliveries are immediately returned to Depository Participants under advice to the shareholders.



xi. SHAREHOLDING PATTERN & DISTRIBUTION OF SHAREHOLDING

a) Shareholding Pattern (as at 31st March, 2008)

Sr. No.	Category	No. of Shares held	%
1.	Promoter Group	30297738	51.84
2.	Banks/FI/FII/Mutual Funds / UTI / Central & State Govt./ Venture Capital / Foreign Venture Capital / Trusts	2600	0.00
3.	Bodies Corporate	3874800	6.63
4.	Individual shareholders (holding shares of nominal value less than or equal to Rs. 1 lac)	13960169	23.88
5.	Individual shareholders (holding shares of nominal value of more than Rs. 1 lac)	2281139	3.90
6.	Clearing Member	441013	0.75
7.	Non Resident Indians (Repatriable)	583541	1.00
8.	Foreign Nationals	9000	0.02
9.	Foreign Companies	7000000	11.98
10.	Directors / Relatives of Directors	0	0
	Total	58450000	100.00

b) Distribution of Shareholding (as at 31st March, 2008)

Shareholding of Nominal Value (Rs.)	No. of Shareholders	% of Total	Share Capital Amount (Rs.)	% of Total
1 - 5,000	20088	97.54	8775911	15.01
5,001 - 10,000	263	1.28	2041210	3.49
10,001 - 20,000	119	0.58	1697003	2.90
20,001 - 30,000	50	0.24	1261605	2.16
30,001 - 40,000	21	0.10	742066	1.27
40,001 - 50,000	12	0.06	553348	0.95
50,001 - 100,000	20	0.10	1506878	2.58
100,001 and above	21	0.10	41871979	71.64
TOTAL	20594	100.00	58450000	100.00

xii. Dematerialisation of Shares and Liquidity

About 99.69% of the shares have been dematerialized as on 31st March, 2008. The equity shares of the Company are traded at Bombay Stock Exchange Ltd. (BSE).

xiii. Outstanding GDRs / ADRs / Warrants or any Convertible Instruments conversion date and likely impact on equity:

The Company has not issued any GDRs / ADRs / Warrants or any Convertible instruments which were outstanding as of 31st March, 2008.

xiv. Plant locations

Nil. The Company does not have any manufacturing activities



xv. Address for Correspondence:

For any assistance regarding dematerialisation of shares, share transfers, transmissions, change of address, non-receipt of dividend or any other query relating to shares:

Intime Spectrum Registry Limited
Pannalal Silk Mills Compound,
C-13, L.B.S. Marg,
Bhandup (W), Mumbai – 400 078.
Tel.: 91-22-25963838 Fax.: 91-22-5555 5353
Email.: isrl@intimespectrum.com

For General Correspondence

Deccan Gold Mines Limited,
“Raja Ikon Building”, 3rd Floor,
89/1, Marathahalli Outer Ring Road, Bangalore – 400 037.
Tel : 91-80- 40428400 Fax : 91-8-40428401
e-mail : info@deccangoldmines.com

CODE OF CONDUCT DECLARATION

Pursuant to Clause 49 I (D) of the Listing Agreement entered into with the Stock Exchanges, I hereby declare that the Company has obtained affirmative compliance with the code of conduct from all the Board members and senior management personnel of the Company.

Place : Bangalore
Date : 31st October, 2008

Sandeep Lakhwara
Managing Director



AUDITORS' REPORT

To
The Members,

We have audited the attached Balance Sheet of DECCAN GOLD MINES LIMITED, as at 31st March 2008 and also the Profit and Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto. 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 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 management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

1. As required by the Companies (Auditor's Report) Order, 2003 (as amended) issued by the Central Government of India in terms of sub-section (4A) of Section 227 of The Companies Act, 1956 we enclose the annexure statement on the matters specified in paragraphs 4 and 5 of the Order.
2. Further to our comments in the Annexure referred to in Paragraph 1 above, we report that:
 - 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 law have been kept by the Company so far as it appears from our examination of those books.
 - c. The Balance Sheet, Profit & Loss Account and the Cash Flow Statement referred to in this report are in agreement with the books of account.
 - d. In our opinion the Balance Sheet, Profit & Loss Account and the Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956.
 - e. On the basis of written representations received from directors as on 31st March, 2008 and taken on record by the Board of Directors, we report that none of the Directors are disqualified as on 31st March, 2008 from being appointed as a director in terms of clause (g) of sub-section (i) of section 274 of the Companies Act, 1956.
 - f. In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the notes thereon 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 Balance Sheet, of the state of affairs of the Company as at 31st March, 2008, and
 - ii. In the case of Profit & Loss Account, of the LOSS of the company for the year ended on that date, and
 - iii. In the case of Cash Flow Statement, of the Cash flows for the year ended on that date.

For **V. K. BESWAL & ASSOCIATES**
CHARTERED ACCOUNTANTS

R.P. LADDHA
PARTNER
Membership Number: 48195

Place : Mumbai
Dated : 27th June, 2008



DECCAN GOLD MINES LIMITED

(FORMERLY WIMPER TRADING LIMITED)

ANNEXURE TO THE AUDITOR'S REPORT OF EVEN DATE

(Referred to in paragraph 1 thereof)

1. In respect of Fixed Assets -

- a) The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - b) The fixed assets have been physically verified by the management at reasonable intervals during the year. We are informed that no material discrepancies were noticed by the management on such verification.
 - c) Based on our scrutiny of the records of the company and the information & explanation received by us, we report that there were no sales of fixed assets during the year. Hence, the question of reporting whether the sale of any substantial part of fixed assets has affected the going concern of the company does not arise.
2. As the company has not purchased or sold any goods during the year, nor does the company have any opening stock, therefore the requirement to report the physical verification of stocks or maintenance of inventory records in our opinion, does not arise
 3. The company has not granted or taken any loans to/from companies, firms or other party covered in the register maintained u/s.301 of the Companies Act, 1956.
 4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchases of fixed assets. During the course of audit, we have not observed any continuing failure to correct major weaknesses in internal control.
 5. In our opinion and according to the information and explanations given to us, the company activities do not include purchase of inventory and sale of goods Further, on the basis of our examination of the books and records of the company, carried out in accordance with the auditing standards generally accepted in India and according to the information and explanations given to us, we have neither come across nor have we been informed of any continuing failure to correct weaknesses in the aforesaid internal control system.
 - a) Based on the audit procedures applied by us and the information and explanations provided by the management, we are of the opinion that the transactions that need to be entered into the register maintained under section 301 have been so entered.
 - b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 and exceeding the value of Rs. 5 lacs in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
 6. In our opinion and according to the information and explanations given to us since the company has not accepted any deposits from public within the meaning of section 58-A, 58AA or any other provision of the Act, the question of compliance with the provisions of section 58A, 58AA or any other provisions of the Act does not arise.
 7. In our opinion the Company has an internal audit system commensurate with its size and nature of its business.
 8. As informed to us, the Central Government has not prescribed the maintenance of Cost records under section 209(1)(d) of the Companies Act, 1956.
 9.
 - a) According to the records of the company, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues, including Provident Fund, Employees State Insurance, Income Tax, Sales Tax, Wealth Tax, Custom Duty, Excise Duty, Service Tax, Cess and other statutory dues applicable to it.
 - b) According to information & explanation given there were no undisputed amounts payable in respect of income tax, wealth tax, service tax, sales tax, custom duty, excise duty, service tax cess & other statutory dues which remained outstanding as at 31st March, 2008 for a period more than six months from the date they became payable.



10. The accumulated losses of the company are not more than 50% of its net worth as at 31st March 2008. The company has incurred a cash loss of Rs. 17,13,086 in the current financial year and Rs. 24,48,926 in the financial year (immediately preceding financial year).
11. According to the records of the company, the company has not borrowed from financial institutions or banks or issued any debentures during the year. Hence in our opinion, the question of reporting on defaults in repayment of dues to financial institutions or banks or debenture holders does not arise.
12. According to the information and explanation given to us the company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures or other securities.
13. In our opinion, and to the best of our information and according to the explanations provided by the management, we are of the opinion that the company is neither a Chit Fund nor a nidhi /mutual benefit society. Hence, in our opinion, the requirements of para 4 (xiii) of the Order do not apply to the company.
14. As per records of the company and information and explanations given to us by the management, company is not dealing or trading in shares, securities, and debentures and other investments.
15. The company has not given guarantee in connection with loans taken by others from banks.
16. According to the records of the company, the Company has not taken any term loan. Hence, comments under the clause are not required.
17. According to the information and explanations given to us and, on an overall examination of the balance sheet of the company, we report that no funds raised on short-term basis have been used for long-term investment by the company.
18. According to the records of the company and the information and explanations provided by the management, the company has not made any preferential allotment of shares to parties and companies covered in the register maintained u/s.301 of the Act.
19. No debentures have been issued by the Company during the year and hence, the question of creating securities in respect thereof does not arise.
20. The company has not raised any money by public issues during the period covered by our audit report.
21. Based upon the audit procedures performed and information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

For **V. K. BESWAL & ASSOCIATES**
CHARTERED ACCOUNTANTS

R.P. LADDHA
PARTNER
Membership Number: 48195

Place : Mumbai
Dated : 27th June, 2008



DECCAN GOLD MINES LIMITED

(FORMERLY WIMPER TRADING LIMITED)

BALANCE SHEET AS AT 31st MARCH, 2008

	Schedule	As at 31.03.2008 (Rs. '000)	As at 31.03.2007 (Rs. '000)
A. SOURCES OF FUNDS:			
Share Capital	A	58,450.00	58,450.00
Monies Pending Allotment		-	16,726.31
Reserves & Surplus	B	113,256.11	96,529.80
TOTAL		171,706.11	171,706.11
B. APPLICATIONS OF FUND:			
FIXED ASSETS:			
Gross Block	C	12,117.94	8,015.16
Less: Depreciation		6,487.66	4,661.24
Net Block		5,630.28	3,353.92
INVESTMENTS			
	D	90,669.05	86,350.00
CURRENT ASSETS, LOANS & ADVANCES			
Cash & Bank Balances	E	9,443.93	20,833.89
Loans & Advances		4,673.16	6,949.48
		14,117.09	27,783.37
Less: Current Liabilities & Provisions	F	1,692.09	2,306.38
NET CURRENT ASSETS		12,425.00	25,476.99
Misc. Expenditure	G	-	-
(to the extent not written off or adjusted)			
Pre-Operative Expenditure	H	40,745.95	37,897.88
		40,745.95	37,897.88
Profit & Loss Account		22,235.83	18,627.32
TOTAL		171,706.11	171,706.11
Significant Accounting Policies & Notes to the Accounts	K		

As per our report of even date,

For V. K. BESWAL & ASSOCIATES,
CHARTERED ACCOUNTANTS
For and on behalf of the board
R.P.LADDHA
 PARTNER
 M.No.48195

Charles E.E. Devenish
 Chairman

Sandeep Lakhwara
 Managing Director

K. R. Krishnamurthy
 Director

M. Ramakrishnan
 Director

 Place: Mumbai
 Dated: 27th June 2008

 Place: Bangalore
 Dated: 27th June 2008

S. Subramaniam
 Company Secretary



DECCAN GOLD MINES LIMITED

(FORMERLY WIMPER TRADING LIMITED)

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2008

	Schedule	Year Ended 31.03.2008 (Rs. '000)	Year Ended 31.03.2007 (Rs. '000)
INCOME			
Other Income	I	5,090.37	4,503.49
		<u>5,090.37</u>	<u>4,503.49</u>
EXPENDITURE			
Administrative & Other Expenses	J	8,629.87	8,346.39
		<u>8,629.87</u>	<u>8,346.39</u>
Profit/(Loss) before Taxation		(3,539.50)	(3,842.89)
Less: Provision for Fringe Benefit Tax		69.00	68.70
Profit/(Loss) for the Year		(3,608.50)	(3,911.59)
Add: Balance brought forward		(18,627.33)	(14,715.73)
Balance transferred to Balance sheet		<u>(22,235.83)</u>	<u>(18,627.32)</u>
Basic EPS		(0.07)	(0.07)
Diluted EPS		(0.07)	0.00

Significant Accounting Policies & Notes to the Accounts

K

As per our report of even date,
For V. K. BESWAL & ASSOCIATES,
CHARTERED ACCOUNTANTS

For and on behalf of the board

R.P.LADDHA
 PARTNER
 M.No.48195

Charles E.E. Devenish
 Chairman

Sandeep Lakhwara
 Managing Director

K. R. Krishnamurthy
 Director

M. Ramakrishnan
 Director

Place: Mumbai
 Dated: 27th June 2008

Place: Bangalore
 Dated: 27th June 2008

S. Subramaniam
 Company Secretary



DECCAN GOLD MINES LIMITED

(FORMERLY WIMPER TRADING LIMITED)

SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31st MARCH, 2008

	As at 31.03.2008 (Rs. '000)	As at 31.03.2007 (Rs. '000)
SCHEDULE 'A'		
Share Capital:		
Authorised		
100,000,000 Equity Share of Re.1/- each	100,000.00	100,000.00
	<u>100,000.00</u>	<u>100,000.00</u>
Issued, Subscribed and paid up:		
5,84,50,000 Equity Share of Re.1/- each fully paid up	58,450.00	58,450.00
	<u>58,450.00</u>	<u>58,450.00</u>
SCHEDULE 'B'		
Reserves & Surplus		
Securities Premium	96,529.80	98,700.00
Less : Miscellaneous Expenditure	-	2,170.20
	<u>96,529.80</u>	<u>96,529.80</u>
Capital Reserve	16,726.31	-
	<u>113,256.11</u>	<u>96,529.80</u>

SCHEDULE 'C'

FIXED ASSETS SCHEDULE AS ON 31.03.08

(Rs in '000)

Sl. No.	PARTICULARS	GROSS BLOCK			DEPRECIATION			NET BLOCK	
		Cost as at 01.04.07	Addition during the year	Total Cost as at 31.03.08	As at 01.04.07	For the Year	Upto 31.03.08	As at 31.03.08	As at 31.03.07
1	COMPUTERS	70.78	320.89	391.68	54.84	83.45	138.29	253.38	15.95
2	PLANT & MACHINERY	7,246.27	-	7,246.27	4,288.03	889.90	5,177.93	2,068.34	2,958.24
3	VEHICLE	502.09	-	502.09	250.00	65.45	315.44	186.65	252.09
4	OFFICE EQUIPMENT	16.77	435.52	452.29	4.12	51.63	55.75	396.54	12.65
5	FURNITURE & FIXTURE	179.24	482.32	661.55	64.25	101.41	165.66	495.89	114.99
6	LEASE HOLD IMPROVEMENTS	-	2,864.06	2,864.06	-	634.65	634.59	2,229.47	-
	TOTAL	8,015.16	4,102.78	12,117.94	4,661.24	1,826.48	6,487.66	5,630.28	3,353.92
	PREVIOUS YEAR	8,015.16	-	8,015.16	3,267.27	1,393.96	4,661.24	3,353.92	-

SCHEDULE 'D'

INVESTMENTS

Share of Wholly owned subsidiary

Deccan Gold Exploration Services Private Limited , formerly
known as Indophil Resources Exploration Services (India) Pvt Ltd
(10,000) equity shares of Rs 10 each, fully paid)

ABN Amro Money Plus Fund

	100.00	100.00
	90,569.05	86,250.00
	<u>90,669.05</u>	<u>86,350.00</u>



	As at 31.03.2008 (Rs. '000)	As at 31.03.2007 (Rs. '000)
<u>SCHEDULE 'E'</u>		
CURRENT ASSETS, LOANS & ADVANCES:		
Current Assets:		
Cash on hand	6.46	60.15
Balance with Banks		
- Current Accounts	437.47	3,773.74
- Term Deposits	9,000.00	17,000.00
	9,443.93	20,833.89
Loans & Advances:		
(Unsecured, Considered good)		
Advances recoverable in cash or kind or for value to be received	4,673.16	6,949.48
	4,673.16	6,949.48
<u>SCHEDULE 'F'</u>		
<u>CURRENT LIABILITIES:</u>		
Sundry Creditors	1,535.39	2,218.68
<u>PROVISIONS:</u>		
Provision for FBT	156.70	87.70
	1,692.09	2,306.38
<u>SCHEDULE 'G'</u>		
MISCELLANEOUS EXPENDITURE		
<i>Preliminary expenses</i>		
Opening balance	-	1,218.23
Less: 1/5 written off during the year	-	-
	-	1,218.23
Add: Other expenses	-	951.96
	-	2,170.20
Less : Adjusted against Securities Premium Account	-	-
	-	2,170.20
	-	-
<u>SCHEDULE 'H'</u>		
<i>Pre-Operative expenses</i>		
Exploration expenses	40,745.95	37,897.88
	40,745.95	37,897.88



DECCAN GOLD MINES LIMITED

(FORMERLY WIMPER TRADING LIMITED)

SCHEDULES FORMING PART OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2008

	Year Ended 31.03.2008 (Rs. '000)	Year Ended 31.03.2007 (Rs. '000)
<u>SCHEDULE 'I'</u>		
<u>Other Income</u>		
Interest	771.31	4,503.49
Dividend	3,279.74	-
Short Term Capital Gain	1,039.31	-
	5,090.37	4,503.49
<u>SCHEDULE 'J'</u>		
<u>ADMINISTRATIVE & OTHER EXPENSES:</u>		
Salaries & Other benefits	2,651.34	1,730.60
Staff welfare	35.31	23.86
Books & Periodicals	5.48	15.28
Bank charges	2.08	6.76
Business promotion expenses	99.63	13.10
Travelling & Conveyance	349.41	394.76
Electricity charges	120.72	31.20
Repairs & Maintenance	242.42	871.95
Communication expenses	6.00	205.97
Rent, rate & taxes	1,653.16	1,216.05
Advertisement expenses	38.78	16.67
Audit fee	89.89	84.27
Directors Sitting Fees	52.50	47.50
Professional & Consultancy fee	598.30	1,638.13
Fees-Filing & Listing	55.30	97.73
Sundry Expenses	803.13	558.60
Depreciation	1,826.42	1,393.96
	8,629.87	8,346.39

**SCHEDULE 'K'****SIGNIFICANT ACCOUNTING POLICIES AND NOTES ANNEXED TO BALANCE SHEET
AS AT 31st MARCH, 2008****STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES:****A. Basis of accounting:**

The financial statements are prepared under the historical cost convention and comply with the applicable accounting standards issued by the Institute of Chartered Accountants of India and the relevant provisions of the Companies Act, 1956.

B. Fixed Assets:

Fixed Assets are stated at cost of acquisition less depreciation. All costs relating to the acquisition and installation of fixed assets are capitalised.

C. Depreciation:

- i) Depreciation is provided as per Written Down Value prescribed under Schedule XIV of the Companies Act, 1956.
- ii) Depreciation on Leased Premises is provided over a period of 5 years i.e. the term of the lease.

D. Foreign Currency transactions:

Transactions of foreign currencies are recorded at the exchange rates prevailing on the date of the transaction or at the exchange rate under related forward exchange contracts. The realized exchange gains/losses are recognized in the Profit & Loss Account. All foreign currency, assets / liabilities are translated in rupees at the rates prevailing on the date of Balance Sheet.

E. Investments:

Investments are valued at cost.

F. Taxes on income:

- i. Current year tax is determined in accordance with Income Tax Act, 1961 at the Current Tax rates based on assessable income.
- ii. The Company has carried forward losses under Tax Laws. In absence of virtual certainty of sufficient future taxable income, deferred tax asset has not been recognized by way of prudence in accordance with Accounting Standard 22 "Accounting for taxes on income" issued by The Institute of Chartered Accountants of India.

G. Impairment of Assets:

At each balance sheet date, the carrying amounts of fixed assets are reviewed by the management to determine whether there is any indication that those assets suffered an impairment loss. If any such indication exists, the recoverable amount of the assets, is estimated in order to determine the extent of impairment loss. Recoverable amount is the higher of an assets net selling price and value in use.

NOTES TO THE ACCOUNTS:

	31st March 2008 (Rs '000)	31st March 2007 (Rs '000)
1. Capital Commitments	Nil	700
2. Claims made against the company but not acknowledged as debts	Nil	Nil
3. Contingent Liabilities	Nil	Nil
4. Figures of the previous year have been regrouped/rearranged wherever necessary to make them comparable with current year's figures.		
5. Additional information pursuant to para 3 & 4 of para ii of schedule VI of the Companies Act, 1956.		
a) Expenditure in foreign currency	Nil	781.95
b) Earning in foreign currency	Nil	Nil
c) Payment to Auditors:		
- Audit Fees	89.89	84.27

**6 Related Party Disclosure :****a. Name of related parties and relationship**

Sl No.	Name of the Party	Relationship
1	Deccan Gold Exploration Services Private Limited	Wholly owned subsidiary
2	Mr. Sandeep Lakhwara	Managing Director
3	Mr. Charles E.E.Devenish	Chairman
4	Mr. K.R.Krishnamurthy	Director
5	Dr. M. Ramakrishnan	Director
6	Prof. V. K. Gaur	Director
7	Australian Indian Resources Pty. Ltd.,	Having common Director
8	Rama Mines NL (Australia)	Having common Director
9	Lakhwara Consultants Pty Ltd.,	Having Common Director
10	Rama Mines (Mauritius) Limited	Holding Company
11	Western Goldsmiths Pty Ltd	Having Common Director
12	The Paramount Mining Corporation Limited	Having Common Director

b. The company had transactions with the following related parties :-

Dr. M. Ramakrishnan, Mr. K. R. Krishnamurthy, Prof. V. K. Gaur, Mr. Sandeep Lakhwara and Deccan Gold Exploration Services Private Limited (Formerly Indophil Resources Exploration Services (India) Pvt Ltd.,)

c. Transactions with related parties :-

Sr. No.	Nature	Year ended 31st March 2008 (Rs '000)
1	Reimbursement of Exploration Expenses to Subsidiary	843.68
2	Managerial Remuneration	1,170.00
3	Directors Sitting & Audit Committee Fees	52.50

7. The Company undertook activities for exploration of gold at various sites. Commercial production of gold has not commenced and therefore it is the Company's intention to account for all the exploration expenditure of Rs.4,07,45,950 as noted in schedule 'H' to the Balance Sheet as Pre-operative expenditure which will be charged to the Profit and Loss Account as and when the commercial activities / production commences.

8. Computation of Earning per Share (Annualised)

(Rs '000)

Particulars		For the year ended	
		31st March 2008	31st March 2007
a	Net Profit (Loss) after Tax available for Equity Share holders	(3,608.50)	(3,911.59)
b	Weighted average number of equity shares of Rs 1 each outstanding during the period	58,450.00	58,450.00
c	Basic earning per share (in Rupees)	(0.07)	(0.07)
d	Diluted earning per share (in Rupees)	(0.07)	0.00



9. Sun Mining and Exploration Ltd, Cyprus (Sun), which was issued 110,77,027 convertible warrants at a price of Rs 15.10/- per warrant on May 01, 2006, did not opt to convert the said warrants into equity shares within the time limit of 18 months (on or before October 31, 2007) in terms of Chapter XIII of the SEBI DIP Guidelines, 2000 (Guidelines). Accordingly, the upfront payment of Rs 1.67 crore made by Sun, being 10% of the Issue Price of the 110,77,027 convertible warrants was forfeited in terms of the Guidelines and is transferred to the capital reserve account.

As per our report of even date

For V. K. BESWAL & ASSOCIATES,
CHARTERED ACCOUNTANTS

For and on behalf of the board

R.P.LADDHA
PARTNER
M.No.48195

Charles E.E. Devenish
Chairman

Sandeep Lakhwara
Managing Director

K. R. Krishnamurthy
Director

M. Ramakrishnan
Director

Place: Mumbai
Dated: 27th June 2008

Place: Bangalore
Dated: 27th June 2008

S. Subramaniam
Company Secretary



DECCAN GOLD MINES LIMITED

(FORMERLY WIMPER TRADING LIMITED)

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2008

	For the year ended 31.03.2008 (Rs.'000)	For the year ended 31.03.2007 (Rs.'000)
A: CASH FLOW FROM OPERATING ACTIVITIES:		
Net Profit/(Loss) before tax & extraordinary items	(3,539.50)	(3842.90)
Adjustment for:		
Add :		
Depreciation	1,826.42	1,393.97
Operating Profit / (Loss) before Working Capital Changes	(1,713.09)	(2,448.93)
Adjustment for:		
Increase / (Decrease) in Trade Liabilities	(683.29)	(2,120.72)
(Increase) / Decrease in Loans and Advances	2,276.32	(5,498.52)
Net Cash used in Operating Activities (A)	(120.06)	(10,068.16)
B: CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of Investments / Fixed Assets	(8,421.83)	(86,250.00)
Pre Operative expenses	(2,848.07)	(5,089.47)
Net Cash flow from Investing Activities (B)	(11,269.90)	(91,339.47)
C: CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds From issue of Shares	-	105,700.00
Share Issue Expenses	-	(951.96)
Proceeds From issue of Shares Warrants	-	16,726.31
Net Cash flow from Financing Activities (C)	-	121,474.35
Net Increase/(Decrease) in cash & cash equivalents (A+B+C)	(11,389.96)	20,066.72
Cash & Cash equivalents at the beginning of the year	20,833.89	767.17
Cash & Cash equivalents at the end of the year	9,443.93	20,833.89

As per our report of even date

For V. K. BESWAL & ASSOCIATES,
CHARTERED ACCOUNTANTS

For and on behalf of the board

R.PLADDHA
PARTNER
M.No.48195Charles E.E. Devenish
ChairmanSandeep Lakhwara
Managing DirectorK. R. Krishnamurthy
DirectorM. Ramakrishnan
DirectorPlace: Mumbai
Dated: 27th June 2008Place: Bangalore
Dated: 27th June 2008S. Subramaniam
Company Secretary



DECCAN GOLD MINES LIMITED

(FORMERLY WIMPER TRADING LIMITED)

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

A. REGISTRATION DETAILS

State Code	:	11
Registration Number	:	34662
Balance Sheet Date	:	31st March, 2008
CIN	:	L51900MH1984PLC034662

B. CAPITAL RAISED DURING THE YEAR

(Amount in '000)

Public Issue	:	NIL
Right Issue	:	NIL
Bonus Issue	:	NIL
Private Placement	:	NIL

C. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS

Total Liability	:	173,398
Total Assets	:	173,398

SOURCE OF FUNDS

Paid up Capital	:	58,450
Reserves & Surplus	:	1,13,256
Monies pending allotment	:	-
Unsecured Loans	:	-

APPLICATION OF FUNDS

Net fixed Assets	:	5,630
Investment	:	90,669
Net Current Assets	:	12,425
Miscellaneous Expenses	:	62,982

D. PERFORMANCE OF THE COMPANY

Total Income	:	5,090
Total Expenditure	:	8,630
Profit/(Loss) Before Tax	:	(3,540)
Profit/(Loss) After Tax	:	(3,609)
Earning per share in Rs.	:	(0.07)
Dividend Rate %	:	-

E. GENERIC NAMES OF THREE PRINCIPAL PRODUCTS / SERVICES OF THE COMPANY

(as per Monetary terms)

Item Code No. (ITC Code)	:	-
Product Description	:	N.A

As per our report of even date

For **V. K. BESWAL & ASSOCIATES,**
CHARTERED ACCOUNTANTS

For and on behalf of the board

R.PLADDHA
PARTNER
M.No.48195**Charles E.E. Devenish**
Chairman**Sandeep Lakhwara**
Managing Director**K. R. Krishnamurthy**
Director**M. Ramakrishnan**
DirectorPlace: Mumbai
Dated: 27th June 2008Place: Bangalore
Dated: 27th June 2008**S. Subramaniam**
Company Secretary



DECCAN GOLD EXPLORATION SERVICES PRIVATE LIMITED

(Formerly INDOPHIL RESOURCES EXPLORATION SERVICES (INDIA) PRIVATE LIMITED)

DIRECTORS' REPORT

Your Directors have pleasure in presenting their ELEVENTH Annual Report of the company together with the audited accounts of the company for the year ended 31st MARCH 2008.

CHANGE OF NAME OF THE COMPANY

During the year the name of the company has been altered to Deccan Gold Exploration Services Private Limited as per the fresh Certificate of Incorporation consequent upon change of name issued by the Registrar of Companies, Kamataka dated 20th February 2008.

WORKING OF THE COMPANY

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 Mine Limited.

The company during the year incurred profit of Rs.0.001 Million of after adjustments of Deferred Taxes as compared to loss of Rs.0.004 Million during the previous year.

MANAGEMENT

That during the year the board comprised of Dr. M. Ramakrishnan and Mr. K. Karunakaran.

DIRECTORS RESPONSIBILITY STATEMENT

Your Directors confirm that:

- a. In preparation of the annual accounts, the application Accounting Standards have been followed along with proper explorations relating to any material departures, if any;
- b. Your Directors 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 31st March 2008 and of the net profit 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. Your Directors have taken proper and sufficient care for the maintenance of the adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- e. Your Directors have prepared the Statement of Accounts for the year ended 31st March 2008 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 and outgo.



AUDITORS

M/s Rao & Venkatesulu, Chartered Accountants, Bangalore, who were appointed as the 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 their reappointment.

ACKNOWLEDGEMENT

You Directors acknowledge the co-operation extended by you all.

For and on behalf of the Board

Place : Bangalore
Date : 5th April 2008

M. Ramakrishnan
Director

K. Karunakaran
Director

**DECCAN GOLD EXPLORATION SERVICES PRIVATE LIMITED**

(Formerly INDOPHIL RESOURCES EXPLORATION SERVICES (INDIA) PRIVATE LIMITED)

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

We have audited the Balance Sheet of DECCAN GOLD EXPLORATION SERVICES PRIVATE LIMITED as at 31st MARCH, 2008 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 31st March, 2008 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 31st March, 2008; and
 - (ii) 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

Place : Bangalore
Date : 5th April 2008

K.Y. Ningoji Rao
Partner
Membership No.18278



DECCAN GOLD EXPLORATION SERVICES PRIVATE LIMITED
(Formerly INDOPHIL RESOURCES EXPLORATION SERVICES (INDIA) PRIVATE LIMITED)

BALANCE SHEET AS AT 31ST MARCH, 2008

	Schedule	As at 31.03.2008 (Rs. in '000)	As at 31.03.2007 (Rs. in '000)
A. SOURCES OF FUNDS:			
SHAREHOLDERS FUNDS:			
Share Capital	A	100.00	100.00
LOAN FUNDS:		-	-
Secured Loans		-	-
Unsecured Loans			
Total Sources of Funds		100.00	100.00
B. APPLICATION OF FUNDS:			
FIXED ASSETS:			
Capital Works In Progress		-	-
DEFERRED TAX ASSETS		80.76	79.79
NET CURRENT ASSETS:			
CURRENT ASSETS:	B		
Inventories		-	361.78
Trade Debtors		843.68	439.57
Cash & Bank Balances		160.33	31.53
Loans & Advances		307.62	263.82
Total Current Assets		1,311.63	1,096.70
Less: CURRENT LIABILITIES:	C		
Current Liabilities		1,464.16	1,248.68
NET CURRENT ASSETS:		(152.53)	(151.98)
Misc. Expenses (ASSET)			
Preliminary Expenses (To the extent not written off)		-	-
Profit & Loss Account		171.78	172.19
Total Application of Funds		100.00	100.00
Significant Accounting Policies & Notes to the Accounts	G		

As per our report attached
For **RAO & VENKATESULU**
Chartered Accountants

For and on behalf of the Board

K.Y. Ningoji Rao
Partner
Membership No.18278

M. Ramakrishnan
Director

K. Karunakaran
Director

Bangalore
5th April 2008



DECCAN GOLD EXPLORATION SERVICES PRIVATE LIMITED
(Formerly INDOPHIL RESOURCES EXPLORATION SERVICES (INDIA) PRIVATE LIMITED)

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2008

	Schedule	For the Year ended 31.03.2008 (Rs. in '000)	For the Year ended 31.03.2007 (Rs. in '000)
INCOME:			
Exploration charges Recovered		986.72	1,096.25
Total Income		986.72	1,096.25
EXPENDITURE:			
Exploration Expenses	D	591.34	1,413.17
Administrative & Other Expenses	E	34.15	46.39
Total		625.49	1,459.56
Increase in Inventory	F	361.78	(361.78)
Total Expenditure		987.27	1,097.78
NET PROFIT(+)/LOSS(-) BEFORE TAXES		(0.55)	(1.53)
Less/Add(-): Prior Period Adjustments		-	(2.46)
Add: Deferred Tax Assets Created		0.97	0.02
NET PROFIT(+)/LOSS(-) AFTER TAXES		0.42	(3.97)
Add: Balance Loss Brought Forward		(172.19)	(168.23)
BALANCE LOSS CARRIED FORWARD		(171.77)	(172.19)

Significant Accounting Policies &
Notes to the Accounts

G

As per our report attached
For **RAO & VENKATESULU**
Chartered Accountants

For and on behalf of the Board

K.Y. Ningoji Rao
Partner
Membership No.18278

M. Ramakrishnan
Director

K. Karunakaran
Director

Bangalore
5th April 2008



DECCAN GOLD EXPLORATION SERVICES PRIVATE LIMITED
(Formerly INDOPHIL RESOURCES EXPLORATION SERVICES (INDIA) PRIVATE LIMITED)

SCHEDULES FORMING PART OF ACCOUNTS

	As at 31.03.2008 (Rs. in '000)	As at 31.03.2007 (Rs. in '000)
SCHEDULE 'A'		
SHARE CAPITAL		
AUTHORISED CAPITAL:		
50000 (PY 50000) Equity shares of Rs.10/- Each	500.00	500.00
ISSUED, SUBSCRIBED AND PAID UP:		
10000 (P.Y.10000) Equity shares of Rs.10/- Each Fully paid up	100.00	100.00
TOTAL	100.00	100.00
SCHEDULE 'B'		
CURRENT ASSETS		
Inventories :		
Work in Progress	-	361.78
Trade Debtors	843.68	439.57
Cash at Bank:		
In Current Accounts	152.30	29.55
Cash on Hand	8.03	1.98
Loans & Advances:		
Deposits	109.93	109.93
Advances Recoverable in Cash or kind	197.68	153.89
TOTAL	1,311.62	1,096.70
SCHEDULE 'C'		
CURRENT LIABILITIES		
Creditors for Trade	1,420.08	1,193.46
Creditors for Expenses	44.08	55.22
TOTAL	1,464.16	1,248.68
SCHEDULE 'D'	Current Year (Rs. in '000)	Previous Year (Rs. in '000)
EXPLORATION EXPENSES		
Analysis charges	2.33	560.97
Boarding & Lodging charges	29.93	53.28
Camp Expenses	26.94	26.71
Diesel & Fuel Expenses	32.30	47.21
Duplicating charges	0.78	2.06
Field Supplies & Consumables	12.50	18.30
Field Vehicle Maintenance	2.59	22.24
RP/PL/ML Processing Expenses	35.54	50.29
Land Compensation	-	123.18
Field Travel Expenses	22.82	15.70
Professional & Consultancy fee	396.00	465.00
Trenching & Pitting Charges	26.65	20.90
Other Camp Expenses : Telephone	2.95	7.33
TOTAL	591.33	1,413.17


DECCAN GOLD EXPLORATION SERVICES PRIVATE LIMITED

(Formerly INDOPHIL RESOURCES EXPLORATION SERVICES (INDIA) PRIVATE LIMITED)

	Current Year (Rs. in '000)	Previous Year (Rs. in '000)
SCHEDULE 'E'		
ADMINISTRATIVE & OTHER EXPENSES:		
Advertisement Expenses	-	10.00
Bank Charges	0.59	1.38
Filling Fee	16.53	10.88
Postage & Telegrams	-	0.94
Printing & Stationery	2.44	2.99
Interest on TDS Payments	-	-
Preliminary Expenses Amortised	-	3.72
Auditors Remuneration:		
For Audit	11.22	11.22
For Tax Audit	-	-
For Other Services	3.37	3.80
TOTAL	34.15	46.39
SCHEDULE 'F'		
INCREASE OR DECREASE IN STOCKS		
OPENING STOCK :		
Work in progress	361.78	-
TOTAL	361.78	-
CLOSING STOCK		
Work in progress	-	361.78
TOTAL	-	361.78
Increase (-) or Decrease (+) in Inventory	361.78	(361.78)

SCHEDULE 'G'
NOTES FORMING PART OF ANNUAL ACCOUNTS
1 Trade Debtors include:

	Particulars	As At 31.03.2008 (Rs. in '000)	As At 31.03.2007 (Rs. in '000)
a.	Debts considered good but not secured for which the Company do not hold any security other than the personal security of debtors	843.68	439.57
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	843.68	439.57



DECCAN GOLD EXPLORATION SERVICES PRIVATE LIMITED

(Formerly INDOPHIL RESOURCES EXPLORATION SERVICES (INDIA) PRIVATE LIMITED)

2. The particulars of the Deferred Tax Asset created is as under:

(Rs.'000)

Particulars	As On 31.03.2008	As On 31.03.2007	Difference
Depreciation:			
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

Particulars	As On 31.03.2008	As On 31.03.2007	Total
Unabsorbed Items Under IT:			
Unabsorbed Business Loss	237.59	237.04	0.55
Unabsorbed Depreciation	Nil	Nil	Nil
Total	237.59	237.04	0.55
Deferred Tax Asset	80.76	79.79	0.97
Net Deferred Tax Asset:	80.76	79.79	0.97

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


DECCAN GOLD EXPLORATION SERVICES PRIVATE LIMITED

(Formerly INDOPHIL RESOURCES EXPLORATION SERVICES (INDIA) PRIVATE LIMITED)

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE:
I. Registration Details:

State Code	08
Registration No.	22819
Balance Sheet Date	31st March, 2008

BALANCE SHEET AS AT 31ST MARCH, 2008:

(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	100
Total Assets	100

Sources of Funds:

Paid Up Capital	100
Reserves & Surplus	Nil
Secured Loans	Nil
Unsecured Loans	Nil

Application of Funds:

Net Fixed Assets	Nil
Investments	Nil
Deferred Tax Asset	81
Net Current Assets	(153)
Miscellaneous Expenditure	Nil
Accumulated Losses	172

IV. Performance of the Company:

Turnover	986.7
Total Expenditure	987.2
Profit Before Tax	(1)
Profit After Tax	1
Earning Per Share [Annualised]	
After reckoning Deferred Tax Asset (in Rs.)	4
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

SIGNATURES TO SCHEDULES 'A' AND 'G'

As per our report attached
For **RAO & VENKATESULU**
Chartered Accountants

For and on behalf of the Board

K.Y. Ningoji Rao
Partner
Membership No.18278

M. Ramakrishnan
Director

K. Karunakaran
Director

Bangalore
5th April 2008



AUDITORS' REPORT

Auditors Report to the Board of Directors of **DECCAN GOLD MINES LIMITED** on the consolidated financial statements of **Deccan Gold Mines Limited** and its wholly owned subsidiary **Deccan Gold Exploration Services Private Limited** (formerly known Indophil Resources Exploration Services (India) Private Limited).

1. We have examined the attached consolidated balance sheet of DECCAN GOLD MINES LIMITED and its subsidiary as at 31st March, 2008 and the consolidated profit and loss account and consolidated cash flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the management of DECCAN GOLD MINES LIMITED. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with generally accepted Accounting Standards in India. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are prepared, in all material respects, in accordance with an identified financial reporting framework and are free of material misstatements. An audit includes, examining on a test basis, evidence supporting the amounts includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements. We believe that our audit provides a reasonable basis for our opinion.
3. We have not conducted the audit of the financial statements of the subsidiary, whose financial statement has been audited by other auditors, and on which we have relied for the purpose of our examination of the consolidated financial statement.
4. We report that:
 - a) The consolidated financial statements has been prepared by the Company in accordance with the requirements of Accounting Standard (AS) 21, "Consolidated Financial Statements" issued by the Institute of Chartered Accountants of India and on the basis of the separate audited financial statements of **DECCAN GOLD MINES LIMITED** and its subsidiary.
 - b) The consolidated cash flow statement has been. prepared on the basis of consolidated financial statement.
5. On the basis of the information and explanation given to us and on consideration of the separate audit report on individual audited financial statements of **DECCAN GOLD MINES LIMITED** and its aforesaid subsidiary, we are of the opinion that the said consolidated financial statements give a true and fare view in conformity with the accounting principles generally accepted in India:
 - i) In case of the *consolidated Balance Sheet*, of consolidated statement of affairs of **DECCAN GOLD MINES LIMITED** and its subsidiary as at 31st March, 2008
 - ii) In case of *consolidated Profit and Loss Account* of the consolidated results of operations of **DECCAN GOLD MINES LIMITED**, and its subsidiary for the year ended on that date; and
 - iii) In case of the *consolidated Cash Flow Statement*, of **DECCAN GOLD MINES LIMITED** and its subsidiary for the year ended on that date.

For **V.K. BESWAL & ASSOCIATES**
CHARTERED ACCOUNTANTS

R.P.LADDHA
(PARTNER)
Membership Number - 48195

Place: Mumbai
Dated: 27th June, 2008



DECCAN GOLD MINES LIMITED
(FORMERLY WIMPER TRADING LIMITED)

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2008

	Schedule	As at 31.03.2008 (Rs.'000)	As at 31.03.2007 (Rs.'000)
SOURCES OF FUNDS :			
Share holders fund : Share Capital	A	58,450.00	58,450.00
Monies pending Allotment		-	16,726.31
Reserves & Surplus	B	113,256.11	96,526.08
TOTAL		171,706.11	171,702.39
APPLICATIONS OF FUND:			
FIXED ASSETS:			
Gross Block	C	12,117.94	8,015.16
Less: Depreciation		6,487.66	4,661.24
Net Block		5,630.28	3,353.92
GOODWILL		197.26	197.26
INVESTMENTS	D	90,569.05	86,250.00
CURRENT ASSETS, LOANS & ADVANCES			
Inventories	E	-	361.78
Cash & Bank Balances		9,604.26	20,865.43
Loans and Advances		4,980.79	7,213.30
		14,585.05	28,440.51
Less: Current Liabilities & Provisions	F		
Current Liabilities		2,312.57	3,115.50
NET CURRENT ASSETS		12,272.48	25,325.01
Misc. Expenditure (to the extent not written off or adjusted)	G	-	-
Pre-operative Expenditure	H	34,914.66	32,062.88
		34,914.66	32,062.88
Profit & Loss Account		28,041.62	24,433.53
Deferred Tax Assets		80.76	79.79
TOTAL		171,706.11	171,702.39
Significant Accounting Policies & Notes to the Accounts	L		

As per our report of even date
For V. K. BESWAL & ASSOCIATES,
CHARTERED ACCOUNTANTS

For and on behalf of the board

R.PLADDHA
PARTNER
M.No.48195

Charles E.E. Devenish
Chairman

Sandeep Lakhwara
Managing Director

K. R. Krishnamurthy
Director

M. Ramakrishnan
Director

Place: Mumbai
Dated: 27th June 2008

Place: Bangalore
Dated: 27th June 2008

S. Subramaniam
Company Secretary



DECCAN GOLD MINES LIMITED
(FORMERLY WIMPER TRADING LIMITED)

CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2008

	Schedule	For the Year ended 31.03.2008 (Rs.'000)	For the Year ended 31.03.2007 (Rs.'000)
<u>INCOME</u>			
Operational Income	I	624.94	1,096.25
Interest on Term Deposit		771.31	4,503.49
Other Income	J	4,319.05	-
Increase/Decrease in Inventory		-	361.78
		5,715.30	5,961.52
<u>EXPENDITURE</u>			
Exploration Expenses		591.34	1,413.17
Administrative & Other Expenses	K	8,664.03	8,389.06
		9,255.37	9,802.23
Profit/(Loss) before taxation		(3,540.07)	(3,840.71)
Less : Provision for FBT		69.00	68.70
		(3,609.07)	(3,909.41)
Add : Provision for Deferred Tax		0.97	0.03
		(3,608.10)	(3,909.38)
Add : Prior Period Adjustment		-	(2.46)
Net Profit/(Loss) for the year		(3,608.10)	(3,911.84)
Add: Balance brought forward		(24,433.52)	(20,521.69)
Balance transferred to Balance Sheet		(28,041.62)	(24,433.53)
Basic Earnings Per Share (in Rs.)		(0.06)	(0.07)
Diluted Earnings Per Share (in Rs.)		(0.06)	(0.07)

Significant Accounting Policies &
Notes to the Accounts

L

As per our report of even date
For V. K. BESWAL & ASSOCIATES,
CHARTERED ACCOUNTANTS

For and on behalf of the board

R.P.LADDHA
PARTNER
M.No.48195

Charles E.E. Devenish
Chairman

Sandeep Lakhwara
Managing Director

K. R. Krishnamurthy
Director

M. Ramakrishnan
Director

Place: Mumbai
Dated: 27th June 2008

Place: Bangalore
Dated: 27th June 2008

S. Subramaniam
Company Secretary



DECCAN GOLD MINES LIMITED
(FORMERLY WIMPER TRADING LIMITED)

SCHEDULES FORMING PART OF CONSOLIDATED ACCOUNTS AS AT 31st MARCH, 2008

	As at 31.03.2008 (Rs.'000)	As at 31.03.2007 (Rs.'000)
<u>SCHEDULE 'A'</u>		
SHARE CAPITAL:		
Authorised 10,00,00,000 (PY 10,00,00,000) Equity Shares of Re.1/- each	1,00,000.00	1,00,000.00
	<u>1,00,000.00</u>	<u>1,00,000.00</u>
Issued, Subscribed and Paid up : 5,84,50,000 (PY 5,84,50,000) Equity Shares of Re.1/- each fully paid up	58,450.00	58,450.00
	<u>58,450.00</u>	<u>58,450.00</u>
<u>SCHEDULE 'B'</u>		
Reserves & Surplus		
Securities Premium	96,529.80	98,700.00
Less : Miscellaneous Expenditure	-	2,173.92
Capital Reserve	16,726.31	-
	<u>113,256.11</u>	<u>96,526.08</u>
	-	-

SCHEDULE 'C'
FIXED ASSETS

(Rs.'000)

Sl. No.	PARTICULARS	GROSS BLOCK			DEPRECIATION			NET BLOCK	
		As at 01.04.07	Addition during the year	As at 31.03.08	As at 01.04.07	For the Year	Up to 31.03.08	As at 31.03.08	As at 31.03.07
1.	COMPUTERS PRINTER	70.78	320.89	391.68	54.84	83.45	138.29	253.38	15.95
2.	PLANT & MACHINERY	7,246.27	-	7,246.27	4,288.03	889.90	5,177.93	2,068.34	2,958.24
3.	VEHICLE	502.09	-	502.09	250.0	65.45	315.44	186.65	252.09
4.	OFFICE EQUIP	16.77	435.52	452.29	4.12	51.63	55.75	396.54	12.65
5.	FURNITURE & FIX.	179.24	482.32	661.55	64.25	101.41	165.66	495.89	114.99
6.	LEASEHOLD PREMISES	-	2,864.06	2,864.06	-	634.65	634.59	2,229.47	-
TOTAL		8,015.16	4,102.78	12,117.94	4,661.24	1,826.48	6,487.66	5,630.28	3,353.92
PREVIOUS YEAR		8,015.16	-	8,015.16	3,267.28	1,393.96	4,661.24	3,353.92	-

SCHEDULE 'D'

INVESTMENTS

ABN Amro Money Plus Fund

90,569.05	86,250.00
<u>90,569.05</u>	<u>86,250.00</u>

SCHEDULE 'E'

CURRENT ASSETS, LOANS & ADVANCES:

Current Assets:

Inventories

Cash & Bank Balance:

Cash on Hand

Balance with Bank (Current Account)

Term Deposit

-	361.78
14.49	62.14
589.77	3,803.29
9,000.00	17,000.00
<u>9,604.26</u>	<u>21,227.20</u>



	As at 31.03.2008 (Rs.'000)	As at 31.03.2007 (Rs.'000)
<u>Loans & Advances</u>		
(Unsecured, considered good)		
Advances recoverable in cash or kind or for value to be received	4,980.79	7,213.30
	<u>4,980.79</u>	<u>7,213.30</u>
<u>SCHEDULE 'F'</u>		
CURRENT LAIBILITIES:		
Sundry Creditors	2,155.87	3,027.80
PROVISIONS:		
Provision for FBT	156.70	87.70
	<u>2,312.57</u>	<u>3,115.50</u>
<u>SCHEDULE 'G'</u>		
MISCELLANEOUS EXPENDITURE		
Preliminary expenses		
Opening balance	-	1,218.23
Less: 1/5 written off during the year	-	-
	-	1,218.23
Add: Other expenses	-	955.69
	-	2,173.92
Less : Adjusted against Securities Premium Account (refer note no 11 of notes to accounts)	-	2,173.92
	-	-
<u>SCHEDULE 'H'</u>		
Pre-Operative expenses		
Exploration expenses	34,914.66	32,062.88
	<u>34,914.66</u>	<u>32,062.88</u>



DECCAN GOLD MINES LIMITED
(FORMERLY WIMPER TRADING LIMITED)

SCHEDULES FORMING PART OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2008

	For the year ended 31.03.2008 (Rs.'000)	For the year ended 31.03.2007 (Rs.'000)
SCHEDULE 'I'		
Operational Income		
Drilling Income	624.94	1,096.25
Less : Service tax	-	-
	<u>624.94</u>	<u>1,096.25</u>
 SCHEDULE 'J'		
Other Income		
Dividend	3,279.74	-
Short term Capital Gain	1,039.31	-
	<u>4,319.05</u>	<u>-</u>
 SCHEDULE 'K'		
ADMINISTRATIVE & OTHER EXPENSES:		
Salaries & other benefits	2,651.34	1,730.60
Staff welfare	35.31	23.86
Books & Periodicals	5.48	15.28
Bank charges	2.67	8.15
Business promotion expenses	99.63	13.10
Travelling & conveyance	349.41	394.76
Electricity charges	120.72	31.20
Repairs & Maintenance	242.42	871.95
Postage, Telegram & Telephone	6.00	61.44
Rent, rate & taxes	1,653.16	1,217.51
Advertisement expenses	38.78	26.67
Audit fee	104.48	99.30
Directors Sitting Fees	52.50	47.50
Professional & consultancy fee	598.30	1,638.13
Fees-Filing & Listing	71.83	108.60
Sundry Expenses	805.58	707.05
Depreciation	1,826.42	1,393.97
	<u>8,664.03</u>	<u>8,389.06</u>



SCHEDULE 'L'

SIGNIFICANT ACCOUNTING POLICIES AND NOTES

ANNEXED TO CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2008

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of accounting

The financial statements are prepared under the historical cost convention and comply with the applicable accounting standards issued by the Institute of Chartered Accountants of India and the relevant provisions of the Companies Act, 1956.

B. Fixed Assets:

Fixed Assets are stated at cost of acquisition less depreciation. All costs relating to the acquisition and installation of fixed assets are capitalized.

C. Depreciation:

Depreciation is provided as per Written Down Value prescribed under Schedule XIV of the Companies Act, 1956.

D. Foreign Currency transactions :

Transactions of foreign currencies are recorded at the exchange rates prevailing on the date of the transaction or at the exchange rate under related forward exchange contracts. The realized exchange gains/losses are recognized in the Profit & Loss Account. All foreign currency assets / liabilities are translated in Rupees at the rates prevailing on the date of Balance Sheet.

E. Investments:

Investments are valued at cost.

F. Taxes on income:

- i. Current year tax is determined in accordance with Income Tax Act, 1961 at the Current Tax rates based on assessable income.
- ii. The Company has carried forward losses under Tax Laws. In absence of virtual certainty of sufficient future taxable income, deferred tax asset has not been recognized by way of prudence in accordance with Accounting Standard 22 "Accounting for taxes on income" issued by the Institute of Chartered Accountants of India.

G. Impairment of Assets:

At each balance sheet date, the carrying amounts of fixed assets are reviewed by the management to determine whether there is any indication that those assets suffered an impairment loss. If any such indication exists, the recoverable amount of the assets is estimated in order to determine the extent of impairment loss. Recoverable amount is the higher of an assets net selling price and value in use.

NOTES TO THE ACCOUNTS:

	31st March, 2008 (Rs. '000)	31st March, 2007 (Rs. '000)
1. Capital Commitments (Net of Advance)	Nil	(700)
2. Claims made against the company but not acknowledged as debts	Nil	Nil
3. Contingent Liabilities	Nil	Nil
4. Figures of the previous year have been regrouped/rearranged wherever necessary to make them comparable with current year's figures.		
5. Additional information pursuant to para 3 & 4 of para ii of schedule VI of the Companies Act, 1956.		
a. Expenditure in foreign currency	Nil	781.95
b. Earning in foreign currency	Nil	Nil
c. Payment to Auditors:		
- Audit Fees	104.48	99.30



6. Related party disclosure

a. Name of related parties and relationship

Sl No.	Name of the party	Relationship
1	Deccan Gold Exploration Services Private Limited (Formerly Indophil Resources Exploration Services (India) Pvt. Ltd.	Wholly owned subsidiary
2	Charles E.E.Devenish	Chairman
3	Sandeep Lakhwara	Managing Director
4	K.R.Krishnamurthy	Director
5	Dr. M. Ramakrishnan	Director
6	Prof. V.K.Gaur	Director
7	Rama Mines (Mauritius) Limited	Holding Company
8	Australian Indian Resources Pty. Ltd.	Having Common Director
9	Rama Mines NL (Australia)	Having common Director
10	Lakhwara Consultants Pty. Ltd.	Having Common Director
11	Western Goldsmiths Pty. Ltd.	Having Common Director
12	The Paramount Mining Corporation Limited	Having Common Director

- b. The Company had transactions with the following related parties :-
Dr. M. Ramakrishnan, K.R. Krishnamurthy, V.K. Gaur, Sandeep Lakhwara and Deccan Gold Exploration Services (India) Pvt Ltd.,

c. Transactions with related parties :-

Sl. No.	Nature	For the year ended 31st March, 2008 (Rs. in '000)
1	Reimbursement of Exploration Expenses to Subsidiary	843.68
2	Managerial Remuneration	1,170.00
3	Directors Sitting and Audit Committee Fees	52.50

7. The Company undertook activities for exploration of gold at various sites. Commercial production of gold has not commenced and therefore it is the Company's intention to account for all the exploration expenditure of Rs.34,914.66 (in thousands) as noted in Schedule 'H' to the Balance as pre-operative expenditure which will be charged to the Profit and Loss Account as and when the commercial activities / production commences.

8. Computation of Earning per Share (Annualised) (Rs. '000)

Particulars	For the year ended	
	31st March, 2008	31st March, 2007
a Net Profit (Loss) after Tax available for Equity Share holders	(3,608.10)	(3,909.37)
b Weighted average number of equity shares of Rs 1 each outstanding during the period	58,450.00	58,450.00
c Basic earning per share	(0.06)	(0.07)
d Diluted earning per share	(0.06)	(0.07)

As per our report of even date
For V. K. BESWAL & ASSOCIATES,
CHARTERED ACCOUNTANTS

For and on behalf of the board

R.PLADDHA
PARTNER
M.No.48195

Charles E.E. Devenish
Chairman

Sandeep Lakhwara
Managing Director

K. R. Krishnamurthy
Director

M. Ramakrishnan
Director

Place: Mumbai
Dated: 27th June 2008

Place: Bangalore
Dated: 27th June 2008

S. Subramaniam
Company Secretary



DECCAN GOLD MINES LIMITED
(FORMERLY WIMPER TRADING LIMITED)

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2008

	For the year ended 31.03.2008 (Rs.'000)	For the year ended 31.03.2007 (Rs.'000)
A: CASH FLOW FROM OPERATING ACTIVITIES:		
Net Profit/(Loss) before tax & extraordinary items	(3,540.07)	(3,843.16)
Adjustment for:		
Add :		
Depreciation	1,826.42	1,393.97
Operating Profit / (Loss) before Working Capital Changes	(1,713.65)	(2,449.19)
Adjustment for:		
Increase / (Decrease) in Inventories	361.78	(361.78)
Increase / (Decrease) in trade liabilities	(871.93)	(2,027.99)
(Increase) / Decrease in Loans and Advances	2,232.52	(5,494.45)
Net Cash used in Operating Activities (A)	8.72	(10,333.41)
B: CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of Investments / Fixed Assets	(8,421.91)	(86,250.00)
Pre Operative expenses	(2,866.98)	(5,089.46)
Net Cash flow from Investing Activities (B)	(11,288.89)	(91,339.46)
C: CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds From issue of Shares	-	105,700.00
Share Issue Expenses	-	(951.96)
Proceeds From issue of Shares Warrants	-	16,726.31
Net Cash flow from Financing Activities(C)	-	121,474.35
Net Increase/(Decrease) in cash & cash equivalents (A+B+C)	(11,280.17)	19,801.48
Cash & Cash equivalents at the beginning of the year	20,865.43	1,063.95
Cash & Cash equivalents at the end of the year	9,585.26	20,865.43

As per our report of even date
For V. K. BESWAL & ASSOCIATES,
CHARTERED ACCOUNTANTS

For and on behalf of the board

R.PLADDHA
PARTNER
M.No.48195

Charles E.E. Devenish
Chairman

Sandeep Lakhwara
Managing Director

K. R. Krishnamurthy
Director

M. Ramakrishnan
Director

Place: Mumbai
Dated: 27th June 2008

Place: Bangalore
Dated: 27th June 2008

S. Subramaniam
Company Secretary



DECCAN GOLD MINES LIMITED

(FORMERLY WIMPER TRADING LIMITED)

CONSOLIDATED BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

A. REGISTRATION DETAILS

State Code	:	11
Registration Number	:	34662
Balance Sheet Date	:	31st March, 2008

B. CAPITAL RAISED DURING THE YEAR**(Amount in '000)**

Public Issue	:	NIL
Right Issue	:	NIL
Bonus Issue	:	NIL
Private Placement	:	NIL

C. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS

Total Liability	:	174,019
Total Assets	:	174,019

SOURCE OF FUNDS

Paid up Capital	:	58,450
Reserves & Surplus	:	1,13,256
Monies pending allotment	:	-
Unsecured Loans	:	-

APPLICATION OF FUNDS

Net fixed Assets	:	5,630
Investment	:	90,766
Net Current Assets	:	12,272
Miscellaneous Expenses	:	63,037

D. PERFORMANCE OF THE COMPANY

Total Income	:	5,715
Total Expenditure	:	9,255
Profit/(Loss) Before Tax	:	(3,540)
Profit/(Loss) After Tax	:	(3,608)
Earning per share in Rs.	:	(0.06)
Dividend Rate %	:	-

E. GENERIC NAMES OF THREE PRINCIPAL PRODUCTS / SERVICES OF THE COMPANY

(as per Monetary terms)

Item Code No. (ITC Code)	:	-
Product Description	:	N.A

As per our report of even date

For V. K. BESWAL & ASSOCIATES,
CHARTERED ACCOUNTANTS

For and on behalf of the board

R.PLADDHA
 PARTNER
 M.No.48195

Charles E.E. Devenish
 Chairman

Sandeep Lakhwara
 Managing Director

K. R. Krishnamurthy
 Director

M. Ramakrishnan
 Director

 Place: Mumbai
 Dated: 27th June 2008

 Place: Bangalore
 Dated: 27th June 2008

S. Subramaniam
 Company Secretary



EXPLORATION REPORT

THE NEW KARADIPPARA GOLD PROSPECT IN ATTAPPADY RP BLOCK, KERALA STATE:

The results of earlier exploration in Attappady RP block in Kerala State is depicted in Fig.1. A new zone of gold mineralization which we have named “KARADIPPARA PROSPECT” has emerged as a potential target (Fig.2). Ground checking of magnetic anomalies and 84 stream sediment samples reported Au assay values ranging from <10 ppb to 1251 ppb. Significant rock chip sample results were obtained in Paravalavu (0.60 g/t Au), Mundapura south (8.48 g/t), Tumbapara (3.82 g/t) and Nakkupathi (2.27 g/t Au) prospects.

After a review of the results, it was decided to concentrate exploration in about 13 sq km area in the southwestern extension of GSI's Puttumala block, which covers parts of Karadippara, the NSS farm and Govt Tribal farm.

In the Puttumala-Karadippara area, a band of garnet – sulphide bearing chert is exposed intermittently for nearly 800m with thickness varying from 2m to 5m. Disseminations of pyrites are observed along with azurite and chalcocite in the chert band.

Quartz veins have been emplaced between the amphibolite and the chert bands and are exposed at places along the ridge axis. The quartz veins extend for about 350m intermittently along ENE-WSW and dip steeply to NNW. These veins also show gossanous nature at places with box work after pyrite and local development of limonite. The width of the quartz vein varies from 30cm to 2 meters.

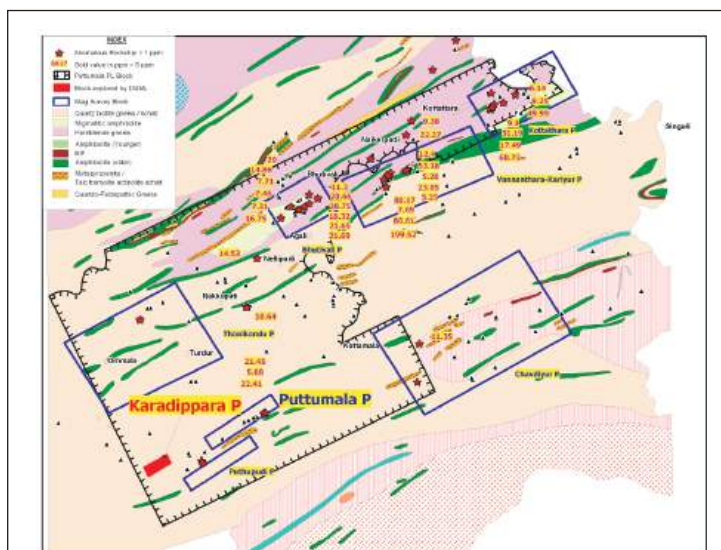


Fig.1 Geological map of the Attappady RP block highlighting Kardippara Gold Prospect, Kerala State.

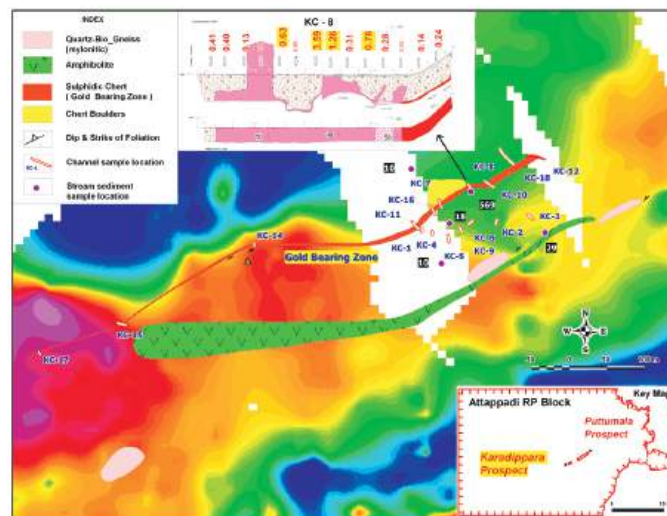


Fig.2 Geological map of the Karadippara Prospect superimposed on Magnetic map, showing locations of stream sediment, rock-chip and channel rock-chip samples

The quartz veins and the sulphidic chert were exposed through trenching. Five trenches (KC-1 through 5) were made in the quartz veins and two trenches (KC-7 and 8) were made in the sulphidic chert. The distance between the trenches was kept around 30m. Fourteen samples were collected from the quartz veins and fifteen samples were collected from the sulphidic chert.

The results show good indications of gold mineralization in the entire 7m width of the sulphidic chert sampled in Trench No.8. In this trench the maximum gold value obtained is 3.59g/t. Trench no.7, located about 30m west of Trench No.8, also shows good indications of Au mineralization. Panning of sulphidic chert and quartz indicated visible gold. The geological setting of this new zone is favourable for gold mineralization and it also happens to be the south western strike extension of the well known Puttumala prospect drilled by the GSI.

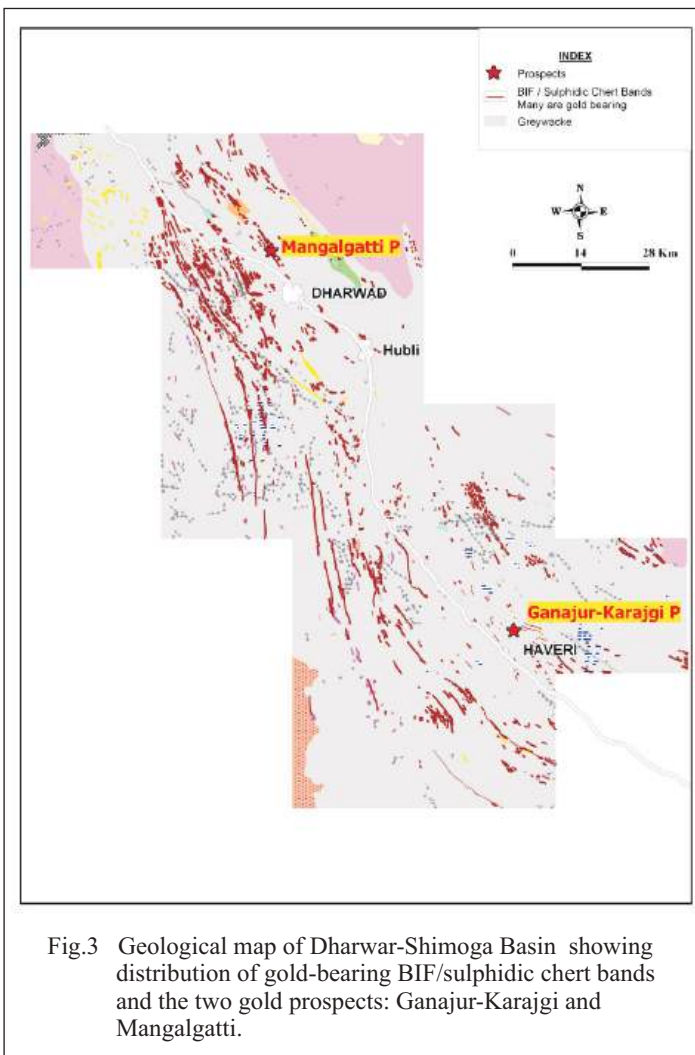


Fig.3 Geological map of Dharwar-Shimoga Basin showing distribution of gold-bearing BIF/sulphidic chert bands and the two gold prospects: Ganajur-Karajgi and Mangalgatti.

DGML has drawn up plans to carry out detailed ground geophysical surveys, detailed channel sampling in the Karadippara prospect. If the results are encouraging we would go ahead with a programme of reconnaissance drilling.

NEW TARGETS IN GANAJUR KARAJGI PL APPLICATION BLOCK:

Exploration so far carried out in the 5000 sq km area of Dharwar-Shimoga basin in the NW part of Karnataka has revealed a number of gold bearing sulphidic banded chert formations (Fig.3). A total of 7 PL and 2 ML applications cover most of the potential gold bearing blocks. These are under various stages of processing at the State and Central Governments.

DGML has been pursuing exploration in the Dharwar-Shimoga particularly in areas applied for PL. The focus was on tracing the extensions of the gold bearing sulphidic chert bands between Ganajur main block and Karajgi main block. Drilling at the Ganajur main block has indicated an open pittable resource which has been tentatively proposed for mining (Fig.4). Ground magnetic surveys, geological mapping and follow up sampling in areas of mag anomalies have yielded encouraging results. Several new targets have

come into focus. Amongst them, new gold bearing sulphidic chert bands within the 2.3 sq km Ganajur-Karajgi PL block are worthy of highlighting (Fig.5).

Ground magnetic survey over an area of 10 sq km involving 90 line km has revealed a 3.6 km long high magnetic anomaly in the extensions of Ganajur Main and Karajgi prospects. A PL application has been filed covering the new extensions. Another magnetic anomaly was noticed at 1.5 km NNE of the Ganajur Main prospect that extends along WNW for about 1.5 km.

Field checking and sampling of the magnetic anomalies have indicated several significant gold values eg. 5m x 2.7g/t; 3.5m x 4.99g/t; 2.5m x 1.29g/t; 3.55m x 1.19g/t; 2.6m x 1.9g/t; 3.9m x 1.5g/t and 2m x 9.8 g/t (Fig.6).

The results of exploration are pointing to the existence of several small scale open pittable targets which would constitute our future focus of exploration.

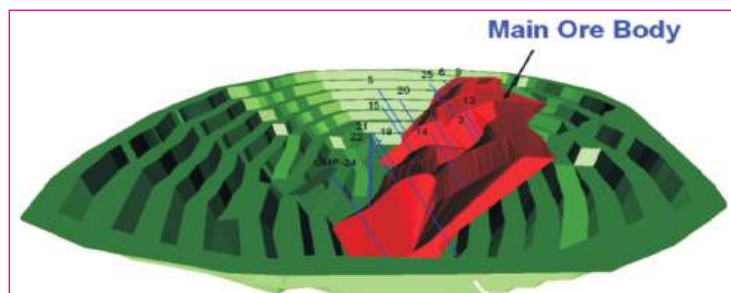


Fig.4 Ganajur Gold bearing sulphidic chert proposed for open pit mining subject to additional drilling and feasibility studies.

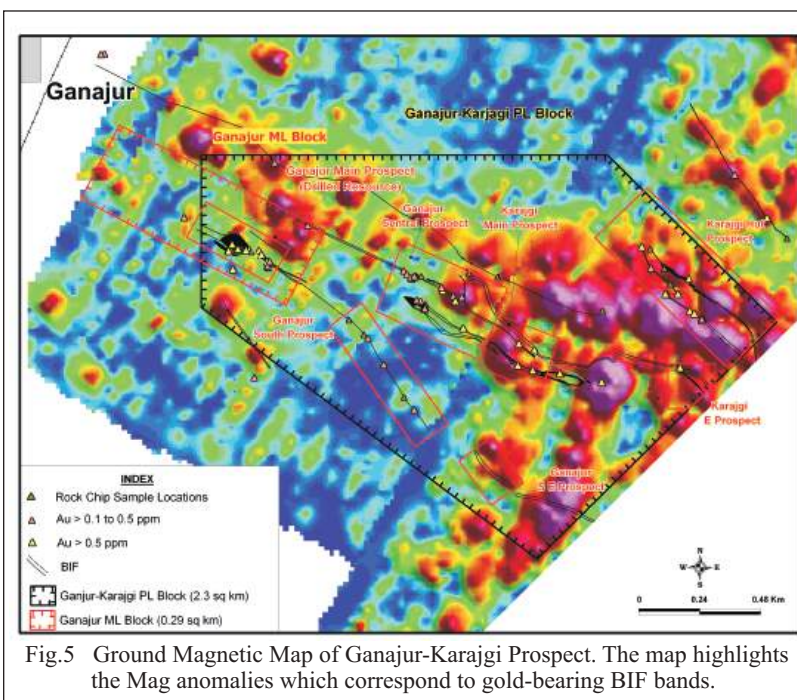


Fig.5 Ground Magnetic Map of Ganajur-Karajgi Prospect. The map highlights the Mag anomalies which correspond to gold-bearing BIF bands.

BADAMGATTI-BELAVATTI PROSPECT:

On the basis of earlier results another prospect viz. Badamgatti-Belavatti prospect in the Dharwar-Shimoga basin was taken up for investigation. This prospect lies in the southern extensions of the GSI-drilled Lakkikoppa block. Geological mapping and sampling of sulphidic chert in this prospect have yielded gold values in the range of 0.28 to 6.42 g/t.

GEOPHYSICAL SURVEYS HAVE REVEALED ADDITIONAL 1.2 KM STRIKE LENGTH IN HIRENAGNUR GOLD PROSPECT:

A highlight of our previous work has been the discovery of the Hirenagnur prospect located 5km to southeast of Hutti Gold Mines (Fig 7). A resource has been established through RC drilling at Hirenagnur as reported earlier. Four mineralized zones have been delineated of which the eastern most zone i.e. Zone-III has a strike length of 600m drill hole data was processed using DATAMINE software. It is intended to mine this resource (Fig.8) subject to the results of detailed drilling

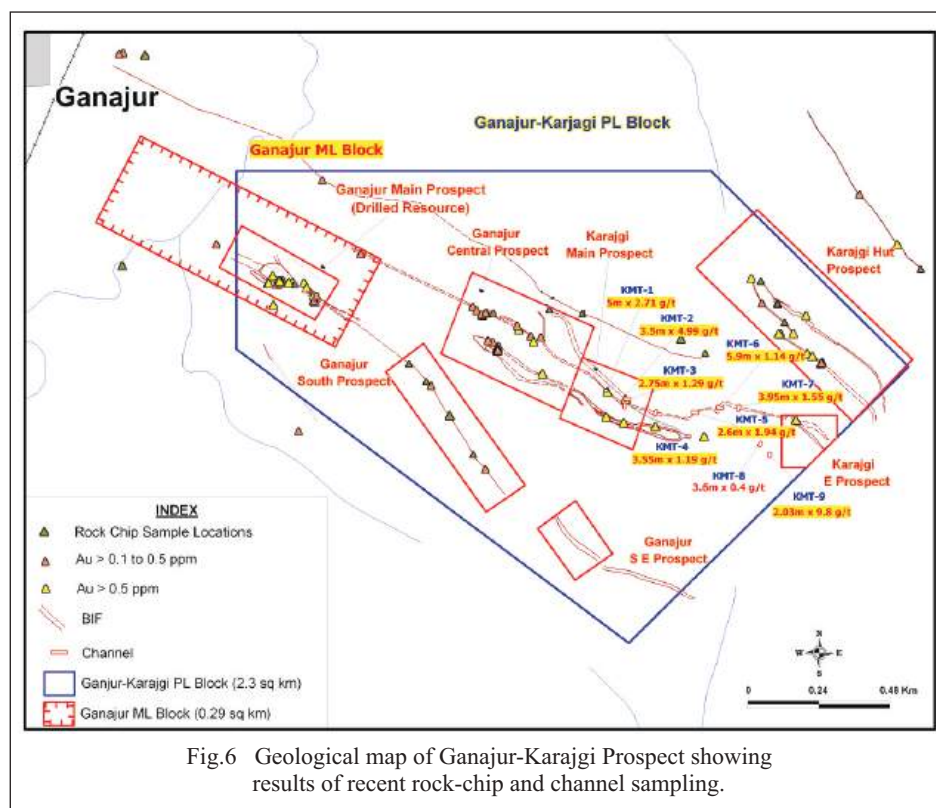


Fig.6 Geological map of Ganajur-Karajgi Prospect showing results of recent rock-chip and channel sampling.

proposed to be carried out under a Prospecting Licence.

An earlier attempt of ground magnetic survey over Hirenagnur prospect was helpful in picking up a mag anomaly of 1.2 km strike length of the mineralized zone. Therefore, as a follow up, detailed mag survey was carried out over an area of 14.5 sq km involving 425 line km. This effort was successful in tracing an additional 1.2 km of the southern extension of the known Hirenagnur prospect (Fig.9). Mag survey was followed up by a SP-Resistivity survey involving

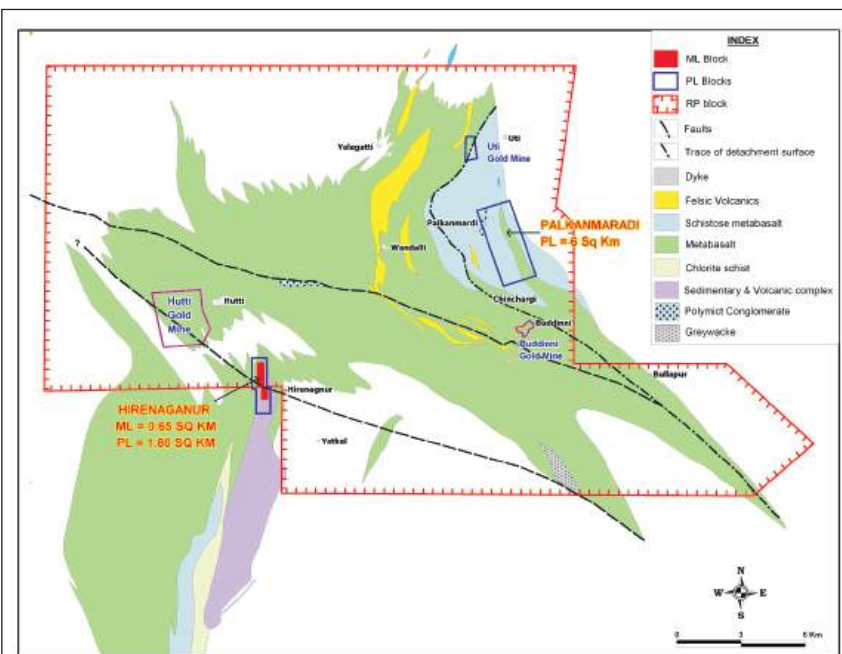


Fig.7 Geological map of Hutti-Schist belt showing Hirenaganur and Palkanmardi gold prospects.

6.5 line km length. The survey revealed a 700 metre long low SP, low resistivity anomaly which coincided with the magnetic anomaly, thus confirming the potentiality of this new target.

GROUND MAGNETIC SURVEY IN PALKANMARDI-CHINCHERGI BLOCK:

This block is located south of the Uti gold mines being operated by M/s Hutti Gold Mines Ltd. During the initial stage of exploration in the North Hutti RP block, a significant stream geochemical anomaly was observed in the Chincherg-Palkanmardi area. Encouraged by this anomaly, we targeted a prospective zone along the contact between conglomerate and meta volcanic units.

DGML carried out a detailed magnetic survey covering 30 sq km consisting of 245 line km. The data indicates a 2.0 km long NS trending magnetic anomaly. Interestingly the southern portion of this anomaly coincides with geochemical anomaly.

A NE-SW trending mag anomaly is also noticed for 3.0 km that appears to be the extension of the mineralization seen in the Uti South and SE blocks.

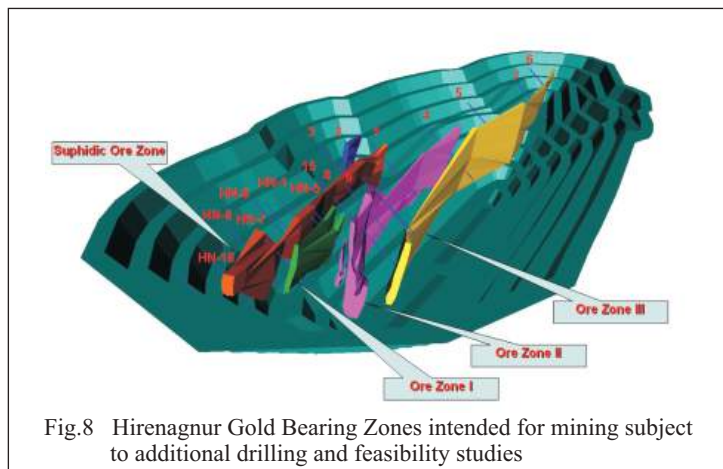


Fig.8 Hirenaganur Gold Bearing Zones intended for mining subject to additional drilling and feasibility studies

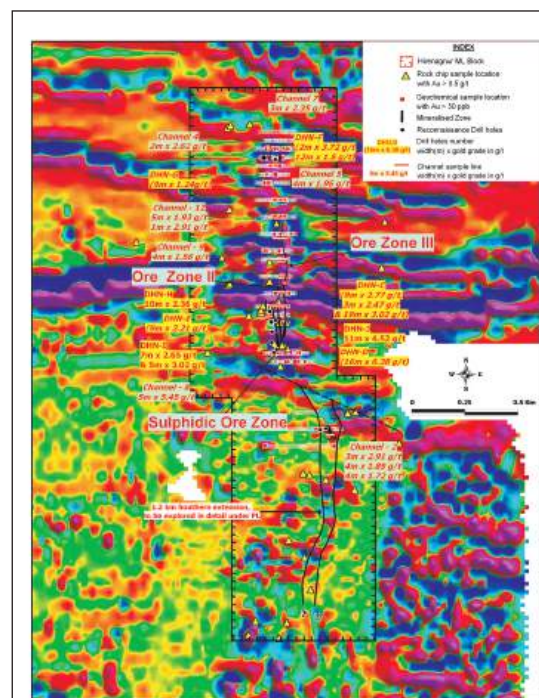


Fig.9 Ground Magnetic (TMI) map of Hirenaganur Prospect, highlighting the newly discovered 1.2 km southern extension.



EXPLORATION PERMITS & APPLICATIONS

Status of Applications

DECCAN GOLD MINES LTD. (DGML) RP APPLICATIONS BY DECCAN GOLD MINES IN INDIA

RP Nos.	Block Name	District	State	Area in sq km	Date of Application	Ref.No.	Status
DGML.RP-1	Attappadi	Palakkad	Kerala	417	12.1.2004	R.P. Notification No.G.O.(Ms) No.140/05/ID	RP granted and executed on 3.1.2006. DGML is carrying out exploration work in this area.
DGML.RP-2	Hutti South	Raichur	Karnataka	1000	26.2.2004	No.DMG/04 ARP 2004/19221	Under processing at DMG, Bangalore.
DGML.RP-3	Hiriyur	Chitradurga & Tumkur	Karnataka	596	17.3.2004	No.DMG/07 ARP 2004/19751	Under processing at DMG, Bangalore.
DGML.RP-4	Harapanahalli	Chitradurga, Bellary & Dharwad	Karnataka	1370	3.3.2004	No.DMG/05 ARP 2004/19298	Under processing at DMG, Bangalore.
DGML.RP-5	Ramagiri	Anantapur	Andhra Pradesh	2430	19.6.2004	No.F.No.17808/R4-3/04	Under processing at DMG, Hyderabad.
DGML.RP-7	Mangalur-Jainapur	Gulbarga	Karnataka	408	3.8.2004	No.DMG/11 ARP 2004/5781	Recommended to MoM, New Delhi by Government of Karnataka vide letter no.CI.67:MMM.2007, dt.7.5.2008 . The free area is 243.34 sq km.
DGML.RP-8	Mavinahole	Shimoga	Karnataka	188	10.1.2005	No.01 ARP/2005/16065	Under processing at DMG, Bangalore.
DGML.RP-9	Nilambur	Malappuram	Kerala	1200	7.3.2005	No.1862/M1/2005	Pending decision in Kerala Government in view of the reservation of the area for investigation by GSI
DGML.RP-10	Ranibennur	Haveri, Bellary & Chitradurga	Karnataka	2685	5.1.2006	No.01 ARP 06/12342	Under processing at DMG, Bangalore.
9 RPs		TOTAL		10,294			

RP = Reconnaissance Permit



DECCAN GOLD MINES LTD. (DGML)
PL APPLICATIONS BY DECCAN GOLD MINES LTD.

PL No.	Block Name	District	Area in sq km	Date of Application	Ref. No.	Status
KARNATAKA STATE						
DGML.PL-1	Kempinkote	Hassan	4	9.8.2003	No. 30 APL 03/11181	Under processing at DMG, Bangalore.
DGML.PL-4	Karajgi Extension	Haveri	21	30.10.2007	No.102APL 07/10680, dt.2.11.2007	Under processing at DMG, Bangalore.
2 PLs		TOTAL	25			
KERALA STATE						
DGML.PL-2	Puttumala	Palakkad	81	7.3.2005	No.1863/M1/2005	Under processing at State Government of Kerala.
DGML.PL-3	Maruda	Malappuram	9	1.2.2006	No.983/M1/2006	Pending decision in Kerala Government in view of the reservation of the area for investigation by MECL
2 PLs		TOTAL	90			



**PL APPLICATIONS OF
DECCAN GOLD EXPLORATION SERVICES PVT. LTD. (DGES)
& GEOMYSORE SERVICES (INDIA) PVT.LTD. (GMSI)**

PL Nos.	Block Name	District	Area in sq km	Date of Application	Ref.No.	Status
KARNATAKA STATE						
DGES.PL-1	Hutti North	Raichur	5	1.8.2003	No.24 APL 03	Court decision is pending.
DGES.PL-2	Ganajuru-Karjagi	Haveri-Dharwar	2.3	17.10.2003	No. 40 APL 03	File is process at Ministry of Mines, New Delhi
DGES.PL-3	Uti	Raichur	2.9	14.1.2004	No.06APL04/16815	Under processing in State Government of Karnataka.
DGES.PL-4	Yatkal-Hirenagnur	Raichur	21	1.10.2004	No.106 APL04/11544	Being processed at DMG,Bangalore.
DGES.PL-4A	Hirenagnur	Raichur	1.8	28.4.2006	No. 54 APL 06	Being processed at DMG,Bangalore.
DGES.PL-5	Wandalli	Raichur	90	21.10.2004	No.11APL04/10976	Being processed at DMG, Bangalore.
DGES.PL-6	Kulavalli	Belgaum	2	15.10.2004	No.127APL 2004	File recommended to MoM, New Delhi on 17.5.2008.
DGES.PL-7	Yelagatti	Raichur	9	17.12.2004	No.162 APL04/13923	Being processed at DMG,Bangalore.
DGES.PL-8	Turkara-Sigihalli	Belgaum	1.7	31.12.2004	No.181 APL 04/14744	Revenue clearance obtained. Being processed at DMG,Bangalore.
DGES.PL-9	Bhavihal	Dharwad	1.5	4.1.2005	No.02 APL 2005	Revenue clearance is under process.
DGES.PL-10	Mangalagatti	Dharwar	4	11.1.2005	No.07 APL 2005	File Recommended to MoM, New Delhi on 28.4.2008.
DGES.PL-11	Ganajur-Extension	Haveri	8	12.1.2005	No.08 APL 2005	File Recommended to MoM, New Delhi .
DGES.PL-12	Lakkikoppa	Haveri	5	22.3.2005	No.39 APL 05	Revenue clearance obtained. Being processed at DMG, Bangalore
DGES.PL-13	Palkanmardi	Raichur	6	28.2.2006	No.39 APL 06/17	Revenue clearance is under process.
DGES.PL-14	Bullapur	Raichur	7	15.3.2006	No.36 APL 06/15624	Being processed at DMG, Bangalore
GMSI.PL-4	Sanbal-Maski	Raichur	14.7	29.8.2003	No. 32 APL 2003	Revenue clearance obtained. Being processed at DMG, Bangalore
GMSI.PL-5	Buddini	Raichur	8	29.8.2003	No. 31 APL 2003	Under processing in State Government of Karnataka
GMSI.PL-7	Mangalur	Gulbarga	1.2	7.11.2003	No.46 APL 03	Under processing in State Government of Karnataka.
GMSI.PL-8	Jainapur	Gulbarga	1.1	7.11.2003	No.47 APL 03/13967	Recommended to MoM, New Delhi on 29.4.2008.
GMSI.PL-12	Udbal-Dinnisamudra	Raichur	35	14.1.2004	No.9 APL 04	Revenue clearance is under process.
GMSI.PL-28	Virapur	Raichur	7	1.10.2004	No.105 APL 2004/11545	Revenue clearance is under process.
GMSI.PL-29	Mukangavi	Gulbarga	4.5	7.10.2004	No.107 APL 04/11543	Revenue clearance is under process.
22 PLs			238.7			
ANDHRA PRADESH STATE						
GMSI.PL-3	Ramagiri	Anantapur	20	23.8.2003	No.2095/M2/2003	Being processed at Government of Andhra Pradesh.
GMSI.PL-14	Boksampalle	Anantapur	17	26.8.2004	No.1903/PL/04	Under review at DMG, Hyderabad.
2 PLs			37			

DGML = Deccan Gold Mines Ltd.

DGES = Deccan Gold Exploration Services Pvt.Ltd. is a 100% owned subsidiary of DGML

GMSI = Geomysore Services (India) Pvt.Ltd.

PL = Prospecting Licence



**ML APPLICATIONS OF DECCAN GOLD MINES LTD.,
DECCAN GOLD EXPLORATION SERVICES PVT. LTD. & GMSI**

ML Nos.	Block Name	District	State	Area in sq.km.	Date of Application	Ref. No.	Status
RAJASTHAN STATE							
DGML.ML-1	Bharak	Bhilwara	Rajasthan	2	16.4.2005	ML.No.191/05,	Revenue clearance is under process.
KARNATAKA STATE							
DGES.ML-1	Mangalagatti	Dharwad	Karnataka	0.24	9.1.2004	No.24AML 2004	Revenue clearance is under process.
DGES.ML-2	Ganajur	Dharwad	Karnataka	0.29	8.6.2006	No. 567 AML 06/3389	Revenue clearance is under process.
DGES.ML-3	Hirenagur	Raichur	Karnataka	0.65	9.6.2006	No. 572 AML 06/3389	We have obtained consent of land owners. Being processed at DMG, Bangalore.
GMSI.ML-20	Ramagiri	Anantapur	Andhra Pradesh	1.3	10.4.2008	Ack.No.1770/M/08	Being processed at Assistant Director's Office, Anantapur.
4 MLs			TOTAL	2.48			

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DGES = Deccan Gold Exploration Services Pvt.Ltd. is a 100% owned subsidiary of DGML

GMSI = Geomysore Services (India) Pvt.Ltd.

ML = Mining Lease