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CORPORATE INFORMATION

Chairman	:	Mr. Charles E.E. Devenish
Managing Director	:	Mr. Sandeep Lakhwara
Directors	:	Mr. K.R. Krishnamurthy Dr. M. Ramakrishnan Prof. V.K. Gaur
Head-Legal & Company Secretary	:	Mr. S. Subramaniam
Auditors	:	M/s. V.K. Beswal & Associates Chartered Accountants, Mumbai.
Legal Advisors	:	M/s. Crest Law Partners No. F-3, Ligoury Court, 7, Palmgrove Road, Victoria Layout, Bangalore – 560 047.
Registrars & Share Transfer Agents	:	Link Intime India Private Limited Pannalal Silk Mills Compound, C-13, LBS Marg, Bandhup (West), Mumbai – 400 078. Tel : 91-22-25963838 Fax : 91-22-25946969 Email: mumbai@linkintime.co.in
Bankers	:	Standard Chartered Bank
Registered Office	:	A-303, “Prathamesh”, 3 rd Floor, Raghuvanshi Mills Compound, 11-12, Senapati Bapat Marg, Lower Parel, Mumbai – 400 013. Tel : 91-22-40764444 Fax : 91-22-40764466 Email : info@deccangoldmines.com Web : www.deccangoldmines.com
Corporate Office	:	‘Raja Ikon Building’, # 89/1, 4 th Floor, Marathahalli Outer Ring Road, Bangalore – 560 037. Tel : 91-80-40428400 Fax : 91-80-40428401 Email : info@deccangoldmines.com

PROFILE OF DIRECTORS**CHARLES E.E. DEVENISH**

Chairman

Charles Devenish has extensive experience spanning 35 years in mining, with a large range of interests in India, Australia and Burma. He has strong involvement in mineral exploration in Australia and overseas for decades and was the founder and first chairman of two publicly listed companies in the 1980's and 1990's that pioneered diamond exploration in Australia. For 38 years, he was the Principal of Charles Edward Jewellers, one of Australia's leading specialist retail and wholesale outlets with international links in Europe, Middle East and USA. He also acted as an advisor to the Government of Vietnam on the development of that country's gemstone mining and cutting industry. Charles moved to India in August, 2002 and ever since has been actively liaising with various Government Departments and providing support and guidance to progress the development of gold exploration and mining industry in India. Charles' active role in exploration and mining projects, his profound knowledge of the mining industry, his extensive corporate background and his concerns for Indian rural development based on mining provide significant and valued input to the Company.

SANDEEP LAKHWARA

Managing Director

Sandeep Lakhwara has several years experience advising junior Australian exploration and mining companies on development strategies. Educated at Curtin University in Western Australia and a member of the Australian Society of Certified Practising Accountants (CPAs), Sandeep has been a principal and partner of several Australian based accounting practices specializing in capital raisings for the mineral industry, financial planning and corporate regulatory requirements for publicly listed companies. He lived in Australia for 25 years, headed various organizations in the past, at times taking small start-ups to fully developed successful businesses, and moved to Bangalore, India during 2002 to oversee the development of the mineral exploration projects in India. He is primarily responsible for the acquisition and growth of Deccan Gold Mines Limited and is the Managing Director of the Company. Sandeep has made various presentations on factors influencing gold pricing, the operation and business model of international mineral exploration companies, and is regularly called upon to contribute articles on the gold mining industry to various newspapers and magazines.

DR. M. RAMAKRISHNAN

Director

Dr. Ramakrishnan is a well known Precambrian Geologist. He was earlier Senior Deputy Director General of the Geological Survey of India. He is a Fellow of the Indian Academy of Sciences and Vice President of the Geological Society of India.

PROF. V.K. GAUR

Director

Professor V.K. Gaur is an eminent geoscientist of this country. He is a former Director of the National Geophysical Research Institute. He is a Distinguished Scientist of the Council of Scientific and Industrial Research and Distinguished Professor at the Indian Institute of Astrophysics.

K.R. KRISHNAMURTHY

Director

K.R. Krishnamurthy is a well known Mining Engineer. He was General Manager of Chitradurga Copper Company and Manager at Ashanti Gold Fields, Ghana for 10 years. He was also Mining Consultant to Bharat Gold Mines Limited and advises many mineral based industries in India and abroad.

KEY PERSONNEL

CHIEF CONSULTING GEOLOGIST

DR. V. N. VASUDEV

Dr. V.N. Vasudev is Chief Consulting Geologist. An INSA Young Scientist Awardee with several years of experience in mineral exploration, Dr. Vasudev has published several papers on the geology structure, gold and sulphide mineralization in Archean greenstone belts of Dharwar Craton. He has also undertaken overseas research in Southeast Greenland and was associated with Russian geologists in a research project on Kolar Gold Fields, India. He was with Government of Karnataka, Department of Mines and Geology as a Senior Geologist and Mining Geologist of Chitradurga Copper Company Limited. He has carried out extensive literature research and field reconnaissance throughout India for the Company. Dr. Vasudev has several new mineral discoveries to his credit including the Ganajur Gold deposit in Karnataka during the Reconnaissance stage.

GEOLOGICAL CONSULTANT

S. C. R. PESHA, FGS (LOND)

Mr. Peshwa has nearly 30 years of experience as a mining and exploration geologist and specializes in gold exploration and resource modeling studies. He worked as a Mining & Exploration Geologist for 13 years with Bharat Gold Mines Limited. He has the distinction of working in the world famous Champion Reef Mine and carried out detailed exploration of Champion lode system both in deep and shallow levels. This has resulted in delineating new parallel lodes of the Champion Lode system. From 1996 to 2002 he worked as a Project Manager with ACC Limited and was involved in exploration of gold and other minerals. He successfully carried out gold prospecting in the Red Sea hills region of Sudan. Mr. Peshwa is responsible for the DGML's Gold Projects and has implemented different exploration methods as per international standards. Mr. Peshwa is an RQP awarded by Indian Bureau of Mines. Being a Fellow of Geological Society of London, he also qualifies as a competent person as defined by the JORC Code.

GEOLOGICAL CONSULTANT

DR. M. K. DEVARAJAN

Dr. Devarajan guides the exploration activities in respect of some gold exploration projects of the company. He was with the Geological Survey of India for 17 years and while in GSI, had carried out geological mapping and exploration for copper in the extension areas of the world class Malankhand of Central India. He had also carried out exploration for manganese in the Sausar belt and for gold in the Mahakoshal belt. He also led the investigations for the site selection studies of a Nuclear Power Plant in the Ratnagiri District of Maharashtra.

GEOLOGICAL CONSULTANT

DR. M. HANUMA PRASAD

Dr. Hanuma Prasad has 15 years of experience as Exploration Geologist. Earlier he worked for Geological Survey of India for 8 years as a Geologist. He has carried out geological mapping and mineral resources assessment particularly gold, copper and nickel in the supra crustal belts in parts of Mahakoshal belt, Betul and Sakoli belt in Central India. He has several important publications to his credit.

CONSULTING MINING ENGINEER

MR. DEEPAK VIDYARTHI

A qualified Mining Engineer, Mr. Deepak possesses over 36 years of experience in the mining industry which include 3 years with NMDC Limited as Executive Director, 11 years in the Kudremukh Iron Ore Co Ltd and 21 years with the Kolar Gold Mines. He also holds a First Class Mine Managers' Certificate of Competency to manage a Metalliferous Mine. Mr. Deepak has got rich experience in the field of mine production and planning,

project management, mine construction, mechanized mine development etc. Mr. Deepak is widely travelled and has got several presentations / publications to his credit.

HEAD-LEGAL & COMPANY SECRETARY

MR. S. SUBRAMANIAM

Mr. Subramaniam is an Associate Member of the Institute of Company Secretaries of India and a Law Graduate. He has 17 years of experience in the field of Company Law and other corporate laws. During his career, he has handled mergers, amalgamations, joint ventures, foreign collaborations etc., He is in charge of the legal and company secretarial matters and also functions as the Compliance Officer of the Company.

REPORT ON EXPLORATION ACTIVITIES

DHARWAR-SHIMOGA GOLD EXPLORATION PROJECT, KARNATAKA STATE

This Project area forms part of Archaean Western Dharwar Craton in the State of Karnataka. Deccan Exploration Services Private Limited (DESPL), a wholly-owned subsidiary of Deccan Gold Mines Limited (DGML), explored an area of 5,660 sq km of the Dharwar-Shimoga Greenstone belt covered under 3 RP blocks and identified 22 gold prospects (Fig-1, 2). Gold mineralization in all the prospects is hosted within sulphidic banded ferruginous chert. Prospects around Dharwar towards north (Dharwar Cluster) and Haveri in the south (Ganajur-Karajgi Cluster) are considered as significant discoveries. Seven (8) Prospecting License (PL) and two (2) Mining Lease (ML) applications, covering all the important prospects of Dharwar-Shimoga basin, were filed. The Ganajur-Karajgi PL, within the southern Ganajur-Karajgi cluster, was granted in the year 2009. The Mangalagatti PL, which is located in the northern Dharwar Cluster, has been granted in the year 2013 and the execution process is underway. The remaining applications are under various stages of processing. The updates on the Dharwar-Shimoga Belt Projects are presented below:

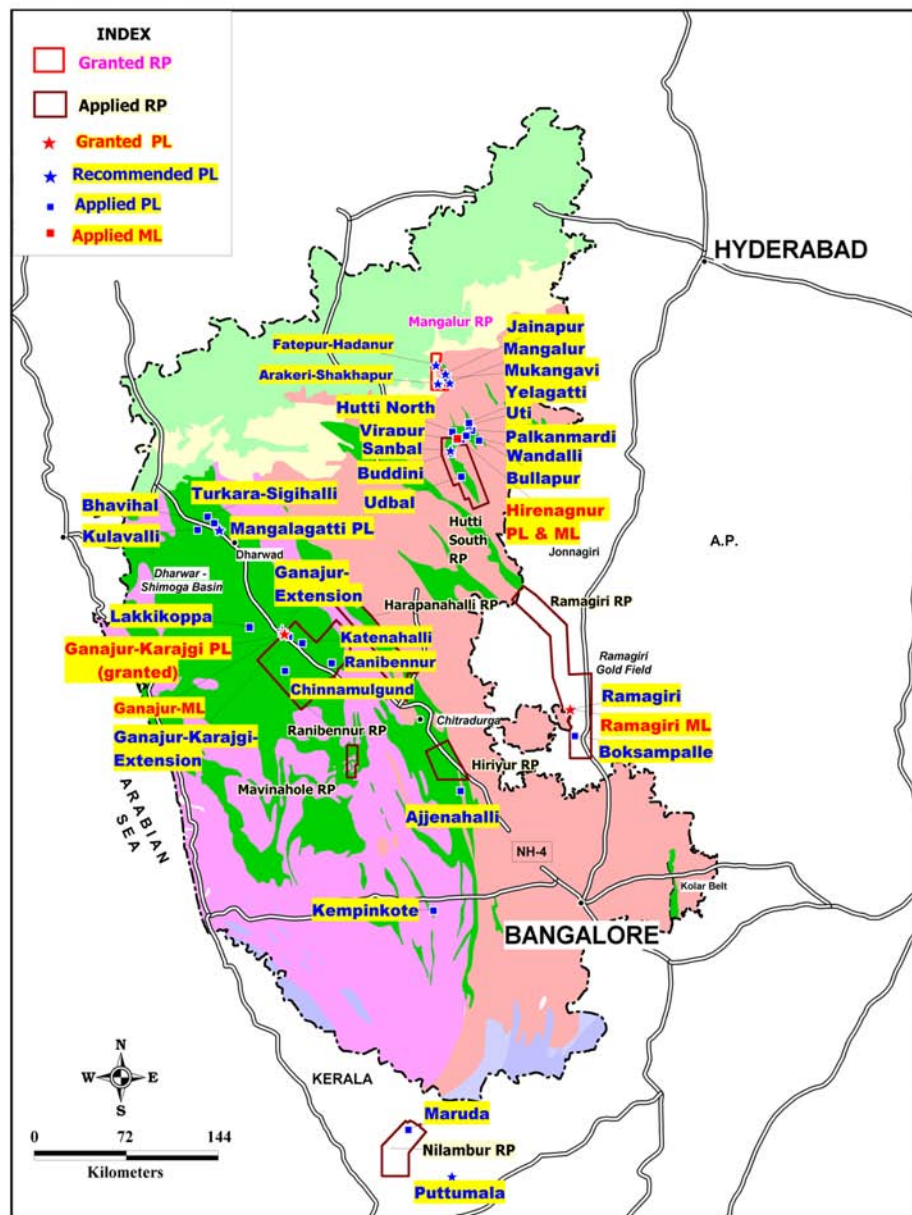


Fig.1: Geological Map of Karnataka, Kerala & A.P. Showing DGML - related applications, one granted PL and one recommended ML. The status of applications is provided in a Table on page 20.

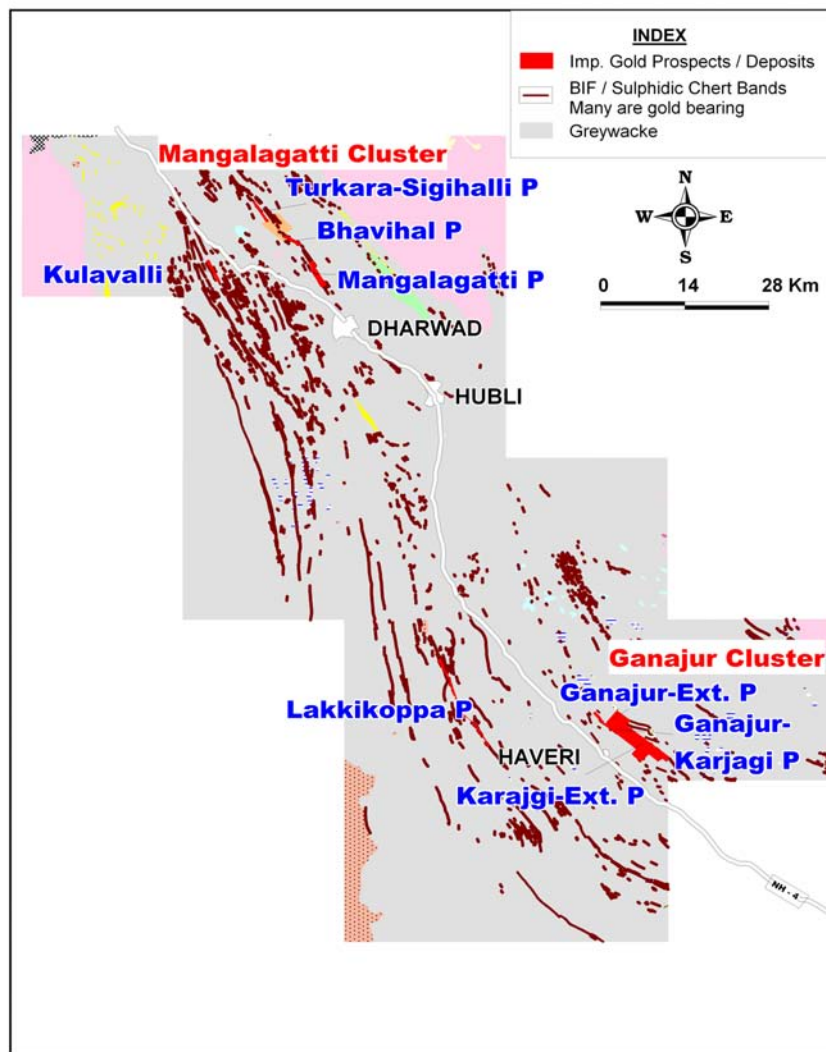


Fig-2 : Geological map of Dharwar-Shimoga Basin showing DGML Gold Prospects.

GANAJUR MAIN GOLD DEPOSIT & ITS SATELLITE PROSPECTS IN THE SOUTHERN GANAJUR – KARAJGI CLUSTER

DESPL holds a Prospecting Licence (PL) over an area of 2.2 sq.kms in the Ganajur – Karajgi block since 2009. The Ganajur – Karajgi PL block covers the Ganajur Main gold deposit and several satellite gold prospects, viz., Ganajur East, Ganajur South, Ganajur South East, Ganajur Central, Karajgi Main, Karajgi East and Hut prospects (Fig. 3). The initial 3 year PL period is completed and DESPL has submitted application for renewal of the same for an additional two years. As it is considered to be “deemed renewal”, DESPL continues to carry out further exploration in the PL block.

During the initial 3 year period, the PL Block has been explored by using multi disciplinary techniques as per international standards. The exploration work carried out included systematic geological mapping, geophysical surveys and several phases of Diamond Core & RC drilling. These exploration efforts have resulted in upgrading

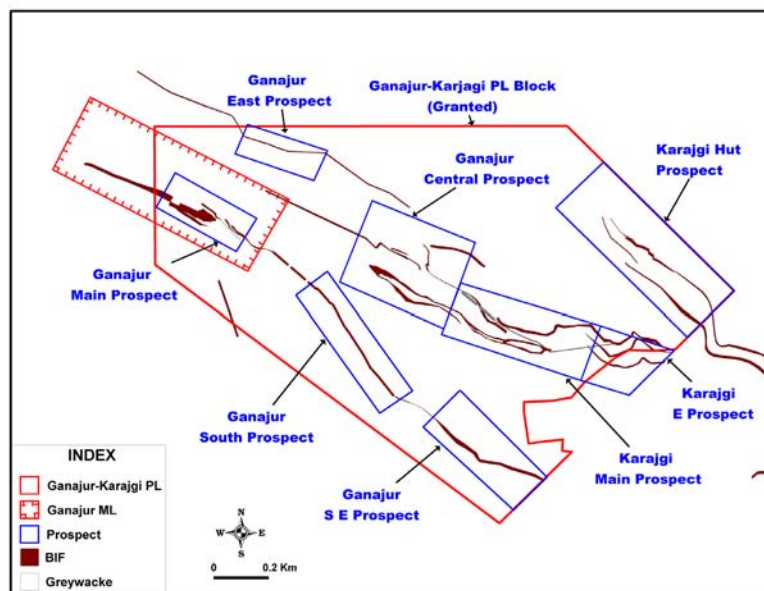


Fig-3 : Ganajur - Karajgi granted PL Block showing the key prospects & the ML block which is under consideration of the Ministry of Mines, Govt. of India.

the project in terms of resource and overall value, particularly the Ganajur Main Gold Deposit. Summary of the work carried out during the initial 3 years of PL tenure is given in table-1:

Table-1, SUMMARY OF EXPLORATION WORK CARRIED OUT IN GANAJUR-KARAJGI PL BLOCK (FIRST 3 YEARS)			
SL NO	TYPE OF EXPLORATION	UNIT	QUANTUM
1	TOPOGRAPHIC SURVEY	SQ.KMS	2.2
2	GEOLOGICAL MAPPING (1: 2000 AND 1:5000 SCALE)	SQ.KMS	2.2
3	GROUND GEOPHYSICAL MAGNETIC SURVEY	LINE KMS	288
4	GROUND GEOPHYSICAL SP-RESISTIVITY SURVEY	LINE KMS	16.5
5	GROUND GEOPHYSICAL IP SURVEY	LINE KMS	17.4
6	GROUND GEOPHYSICAL EM SURVEY	LINE KMS	9
7	TRENCHING	LENGTH (M)	746.56
8	SAMPLING AND ANALYSIS	Nos	2117
9	DRILLING		
	A. RC DRILLING (51 DRILL HOLES)	METRES	2328
	B. DIAMOND CORE DRILLING (37 DRILL HOLES)	METRES	3766
	TOTAL DRILLING		6094.14
10	COMPREHENSIVE METALLURGICAL STUDIES (AMMTEC)	KGS	200
11	ENVIRONMENTAL BASE LINE DATA COLLECTION (AIR, DUST FALL, NOISE, WATER, SOIL)	SAMPLES	207
12	MINERAL RESOURCE ESTIMATION BY SRK (AS PER JORC)	COMPLETED	
13	SCOPING/PRE-FEASIBILITY STUDIES (for Ganajur Main Gold Project)	COMPLETED	
14	LAND ACQUISITION	IN PROCESS	

GANAJUR MAIN GOLD DEPOSIT :

Ganajur Main Gold Deposit is situated in the northwestern part of the Ganajur – Karajgi PL (Fig-3). Ganajur Main Deposit has been the key project of DESPL ever since its discovery and hence the project attracted continuous attention in terms of exploration and upgradation.

As reported previously, DESPL Commissioned SRK Mining services (India) Private Limited (SRK) to prepare a mineral resource estimate as well as the Preliminary Economic Assessment of the Ganajur Main Gold Deposit based on the available exploration data. SRK estimated a JORC compliant total resource of 308,000 Ounces of gold, out of which 301,000 Oz is categorized under Indicated and the rest under Inferred category (Table–2). The resource has been estimated up to a depth of 120m.

Table 2- Mineral Resource statement of Ganajur Main Gold Deposit

CATEGORY AS PER SRK (JORC)	Quantity (tonnes)	Grade (g/t)	Gold (ounces)	UNFC CODE AS PER IBM
A. SULPHIDE B. OXIDE	1,921,000	3.83	237,000	
1. INDICATED	631,000	3.19	65,000	
TOTAL INDICATED	2,552,000	3.67	301,000	121
A. SULPHIDE B. OXIDE	93,000	1.82	5,000	
2. INFERRED	17,000	3.26	2,000	
TOTAL INFERRED	109,000	2.06	7,000	

The Scoping study carried out by SRK addressed the mine optimization, process design, waste disposal and management plans, site lay out and infrastructure, capital /operating expenditure estimates, project economics (including key risks and opportunities) and future work programme. The Study has revealed that project economics is technically and economically viable that could be improved upon considering the fact that there are a number of highly prospective gold bearing targets in the PL block with distinct possibilities of adding to the existing mineral resource. SRK's scoping studies have demonstrated that at a sustainable gold price greater than USD850/oz, the Ganajur Main Project has the potential to be developed into a viable open-pit mining operation. The key aspect of the scoping study was cash flow projection and project valuation.

A valuation of the Project has been derived based on the application of Discounted Cash Flow (DCF) techniques. In summary, at an Au price of USD1250/oz and a 10% discount rate the project has an NPV of USD37.39M. Sensitivity analysis of the project at different gold prices is given below:

PROJECT VALUATION AND SENSITIVITY ANALYSIS UNDER DIFFERENT GOLD PRICE SCENARIOS

DESCRIPTION	UNIT	1000	1100	1250-BASE CAE	1400	1500	1650
NET PRE TAX CASH FLOW	INR-CRORES	318.87	415.62	560.75	705.83	802.58	947.70
	MUSD	70.86	92.36	124.61	156.85	178.35	210.6
NPV @ 10% DISCOUNT RATE	INR-CRORES	66.96	107.46	168.26	229.01	269.42	329.27
	MUSD	14.88	23.88	37.39	50.89	59.87	73.17
IRR	%	20.15	25.61	33.11	39.95	44.22	50.24

Mining Lease under approval of the Ministry of Mines, New Delhi :

DESPL has lodged a Mining Lease application over 0.29 sq.kms covering the Ganajur Main Gold deposit and its extensions. This application is currently awaiting approval of the Ministry of Mines, Government of India (MoM) after it was recommended by the State Government of Karnataka (SG).

The Indian Bureau of Mines (IBM) has validated the gold resources for the Ganajur Main Gold Deposit under UNFC

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guidelines. IBM has reported to the MoM that the economic viability of the Ganajur Project has been established and that the deposit could be classified under the UNFC 121 category, as an “Economic Probable Mineral Reserve” category.

Further work in the Mining Lease Area :

DGML has made all out efforts to speed up the implementation of the project while the approval of the ML is awaited. Additional works carried out in this respect include a) Preparation of Mining Plan b) Environmental Impact Assessment (EIA) and Management Plan (EMP) studies as per Terms of Reference issued by the MOEF c) Hydrogeological survey to locate water resources for the gold processing plant and mine operations, d) consultations with leading metallurgical and process engineering groups e) Submission of application to the KIADB for land acquisition and d) Geophysical studies and additional drilling in the Ganajur Main as well as the satellite prospects to enhance the overall resource.

Preparation of Mining Plan :

DGML is in the process of giving final touches to the Mining Plan for the Ganajur Gold Project. As per Rule 22(4) of MCR-1960, once the ML application is approved by the Ministry of Mines and a Letter of Intent (LOI) obtained from the State Government, a Mining Plan has to be submitted to Indian Bureau of Mines. Such an IBM approved Mining Plan is necessary for the final grant of Mining Lease by the State Government. It is to be noted that the Ganajur Main Gold deposit would be an open pit mine operation, as shown in Fig. 4.

GANAJUR GOLD ORE BODY & PROPOSED OPEN PIT MINE DESIGN

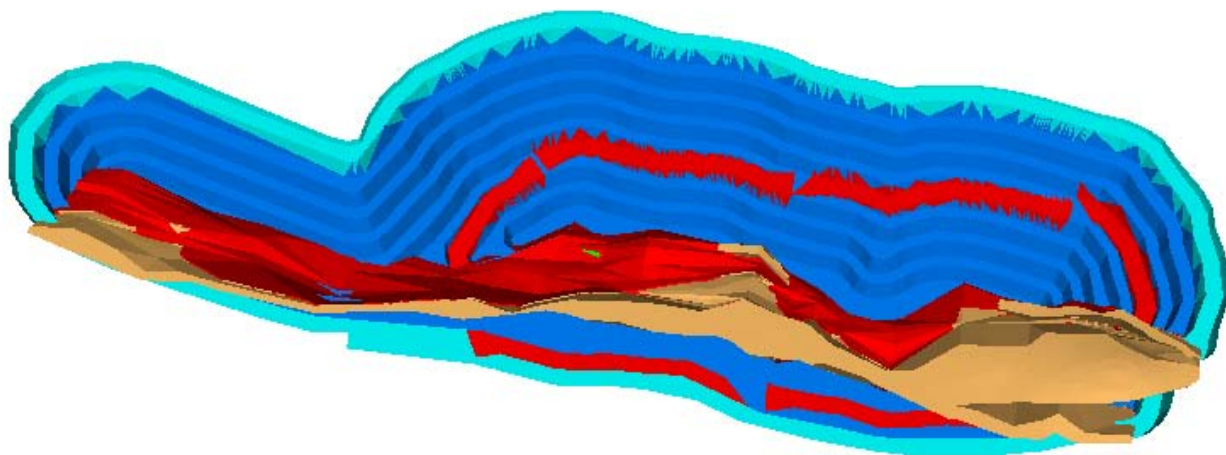


Fig-4 : Ganajur Main Ore Body open pit mine design

Approval of TOR and EIA studies :

The Expert Appraisal Committee (Industry) constituted by the Ministry of Environment and Forests has accepted our application for TOR for the proposed 2000 tpd Ganajur gold ore Processing Plant. The committee while granting the TOR has prescribed additional terms of reference for preparing a detailed EIA/EMP report. The proposal was considered during the EAC meeting held On 5th March 2013 at New Delhi.

Share holders may be reminded that earlier the State Level Expert Appraisal Committee, Karnataka had already accepted our application for TOR for the proposed 2000 tpd Ganajur gold ore mine. DGML therefore has the TORs granted for both the Ore Processing Plant and the Gold ore Mine. The company has appointed B.S.Envitech a highly reputed Environmental Consultant for undertaking the Environmental studies and preparation of EIA and EMP



Fig-5: Dust, Soil, Water & Noise Sample Collection

report for both Ganajur Gold mine and the proposed plant. We are happy to further inform that detailed Baseline Environmental data collection have been completed for the season March-May 2013 (Fig.5).

The draft EIA/EMP report is being prepared and will be submitted to the State Pollution Control Board at the appropriate time

Hydrogeological Survey :

DESPL completed a detailed hydro geological studies in and around the project area as per the TOR and guidelines prescribed by the MOEF. The studies include ground water potential, aquifer characteristics, rainwater harvesting measures, Sources of water (river, ground water, mine water, other surface water), their requirement and utilization for the project at different stages. DESPL has appointed a senior consultant to undertake these studies.

DESPL has identified the Varada river located at a distance of 4.0 kms from the proposed mine as a potential source for the project. The State High Level Clearance Committee (SHLCC) has approved our request for drawing the water from Varada River. However a judicious tapping of ground water is also considered as an alternative to the Varada river if need arises. Thus the detailed ground water study undertaken would be helpful to identify potential water resources in and around the Mining Lease area.

As part of this study, a detailed Resistivity Geophysical survey was carried out for locating suitable points with ground water potential. A total of 84 points were surveyed using Vertical Electrical Sounding (VES) method (Fig-06). The data from these studies indicate ground water potential areas that would be useful for the project.

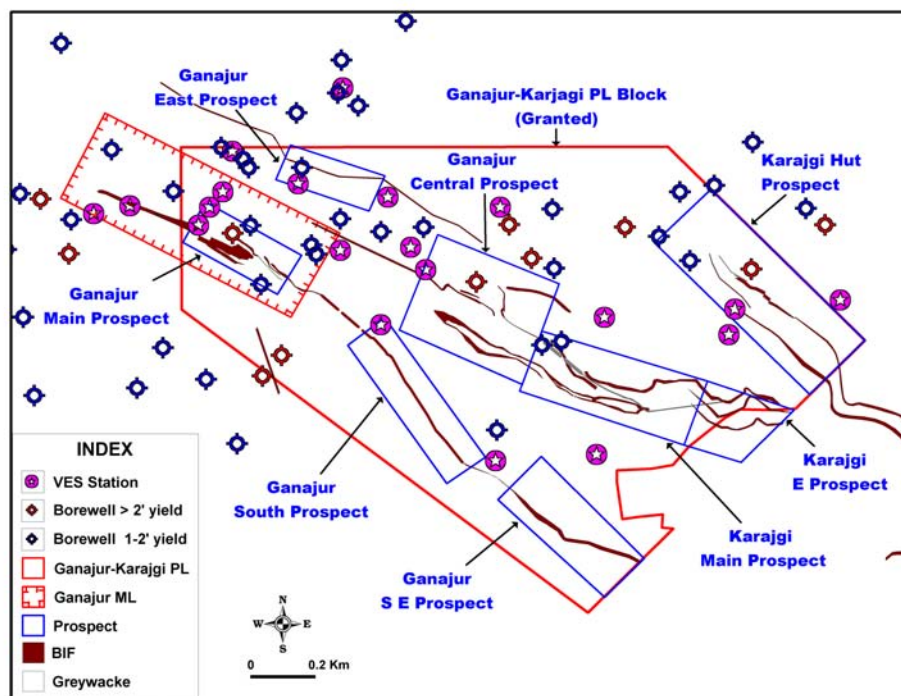


Fig-6: Map showing ground water survey locations in Ganajur – Karjagi PL area.

Metallurgical Plant and Process Design:

DGML has initiated discussions with leading Gold ore processing and engineering groups to understand and finalise a suitable process route for recovering the gold efficiently keeping in mind environmental and economic aspects. The possible process routes suggested include, Pressure Oxidation (POX), Biological Oxidation (BIOX), Calcination and CIL leaching, Conventional CIL leaching and ultrafine grinding and leaching.

DGML will be appointing a leading group to undertake a prefeasibility study to cover all these aspects while addressing CAPEX and OPEX parameters.

Government of Karnataka's approval for land acquisition :

DESPL has received a Government Order (G.O.) after the State High Level Clearance Committee (SHLCC) cleared our request for allotment of 200 acres of land for the Ganajur Main Gold Mining and Ore Processing Plant. The G.O. has approved DESPL's request for additional 55 acres of land from 145 acres to 200 acres at Ganajur Village in Haveri District, Karnataka for the proposed gold mine and processing plant.

The G.O. has also facilitated land acquisition process through Karnataka Industrial Areas Development Board (KIADB), for which DESPL has submitted application to the KIADB in March, 2013. KIADB had asked DESPL to obtain consent letters from 70% of the land owners, which is a pre-requisite as per the guidelines of The Government of Karnataka. Accordingly, DESPL has obtained this consent from land owners and submitted the consent to KIADB in august, 2013. It may be mentioned that, DESPL's long term lease agreement with land owners of the proposed gold mine will be an added advantage in the land acquisition process.

UPDATES ON EXPLORATION

A detailed drilling programme of 8000 metres covering Ganajur Main, its extensions and the surrounding satellite prospects have been planned during the coming months. We are in the process of finalizing the drilling contract. The drilling programme will include metallurgical and geotechnical drilling apart from finding additional resources in Ganajur Main and adjoining prospects.

Highlights of the key prospects that were explored by DESPL are presented below:

Ganajur Main Deposit :

Ganajur Main Deposit is the most important discovery of DESPL which was explored in detail by multi disciplinary exploration techniques as per international standards during the initial 3 years of exploration under PL. More than 4000 metres of drilling was accomplished using a combination of Diamond Core and RC drilling methods. Most of the drill holes passed through wide zones of sulphide mineralization containing significant amount of gold. The average grade and width of mineralized zones intersected in the drill holes are furnished in the following Table-4.

TABLE-04, DETAILS OF MINERALISED ZONES INTERSECTED IN THE DRILL HOLES

SL.NO	BH ID	From (m)	To (m)	Average Width (m)	Average Au (g/t)	Drill Type
1	G 12	20	24	4	2.19	RC
	G 12	32	34	2	3.66	RC
2	G 16	24	41	17	3.89	RC
3	G 18	21	32	11	3.6	RC
4	G 22	11	13	2	1.9	RC
5	G 25	21	24	3	1.62	RC
6	G 27	22	23	1	3.13	RC
7	G34	63	72	9	6.49	RC
8	G35	92	93	1	1.72	RC
9	GMC-1	34.6	43.6	9	5.21	Core
	GMC-1	47.1	48.1	1	1.4	Core
10	GMC-2	46.2	53.4	7.2	1.51	Core
	GMC-2	54.4	79.9	25.5	1.12	Core
11	GMC-3	59.4	79.9	20.5	2.64	Core
	GMC-3	84.4	93.4	9	3.27	Core
12	GMC-4	29.5	45	15.5	2.84	Core
	GMC-4	48	56.5	8.5	5.85	Core
13	GMC-5	47	48.5	1.5	1.71	Core
	GMC-5	50	79	29	8.54	Core
14	GMC-7	39.9	72.5	32.6	9.89	Core
15	GMC-9	83	90	7	4.46	Core
16	GMC-10	48.35	75	26.65	3.86	Core
17	GMC-11	39.3	46.8	7.5	5.37	Core
	GMC-11	54.2	57.7	3.5	6.65	Core
	GMC-11	62.8	65.8	3	4.19	Core
18	GMC-12	44	58.3	14.3	4.03	Core
19	GMC-13	59.2	71.15	11.95	3.58	Core
20	GMC-14	85.8	89.5	3.7	3.7	Core
21	GMC-15	47.7	62.31	14.61	3.24	Core
22	GMC-16	22.5	65.34	42.84	8.91	Core
23	GMC-17R	43.3	70.7	27.44	7.89	Core
24	GMC-18	57.9	80.75	22.85	5.45	Core
25	GMC-19	34.4	53.9	19	5.13	Core
26	GMC-27	39	45.5	6.5	2.19	Core
27	GMC-28	33.5	39	5.5	3.97	Core
28	GMC-29	48	54	6	2.05	Core
29	GMC-29	64.5	69.7	5.2	3.05	Core
30	GMC-30	8.4	22.5	14.1	1.35	Core

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As reported SRK has estimated an overall resource of 308,000 ozs of gold as per JORC standards of which > 90% is classified under indicated category.

Ground Geophysical Survey and deep drilling:

As per the latest available data, Ganajur Main Deposit can be mined through open pit upto a depth of 120m and such an operation would last for about 5 years. However, the geophysical survey and drilling that was carried out during RP and PL period, indicated considerable potential to find additional resources in the deeper part of the Ganajur Main Deposit and also in the satellite prospects around it. With a view to further confirm the potential in and around Ganajur Main Prospect, DESPL undertook detailed Ground geophysical Survey.

The geophysical survey with a combination of Transient Electromagnetic Survey (TEM) and Induced Polarization (IP) survey was used to delineate conductive zones and also to locate geological structures favorable for hosting gold mineralization in the entire Ganajur –Karajgi PL Block. As informed earlier, a total of 17.4 line kms of IP survey was completed which defined a major resistive feature in the southern half of the survey area. The IP survey has also clearly brought out a 2.8 km long, strong linear Chargeability anomaly with high resistivity background, which encloses the 600 metre long Ganajur Main Gold Deposit. This clearly indicates that the gold mineralization of the Ganajur Main deposit could now probably extend for nearly 2.8 kms (Fig-7). The 2D Inversion model also indicates that the Ganajur Main ore body and its extension may continue beyond 150metre depth. The Geophysical IP

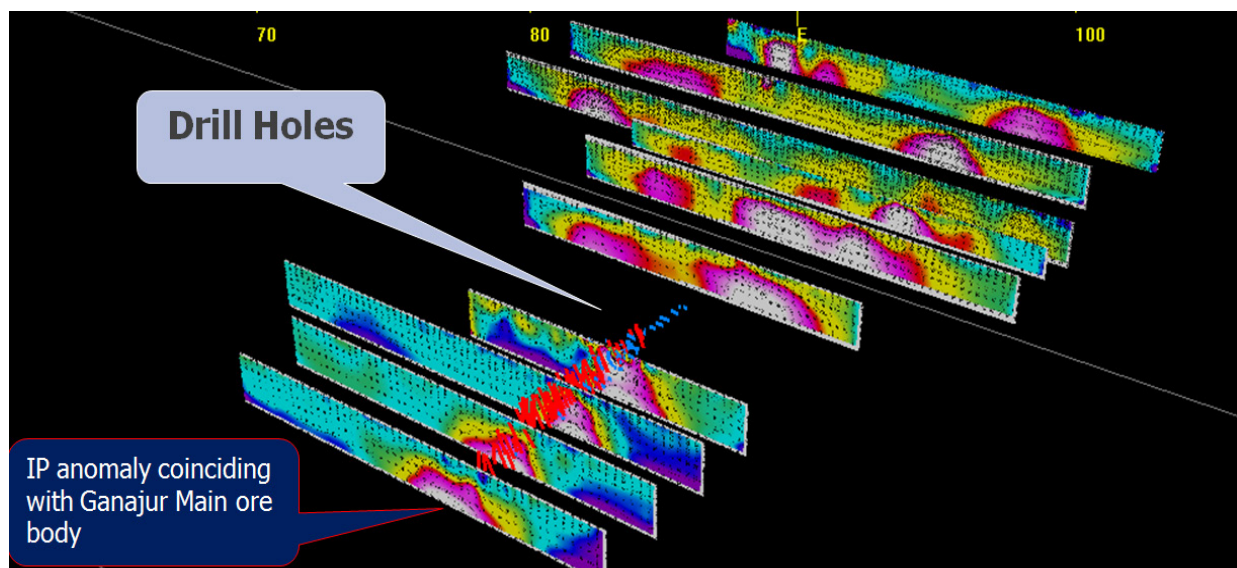


Fig-7: Stacked 2D IP inversion models showing Ganajur Main ore body

survey has been very successful in tracing new zones of possible gold mineralization, which correlates well with world class gold deposits with multimillion ozs of gold resources.

To test the results of Geophysical survey, DESPL carried out a limited diamond core drilling in the Ganajur-Karajgi PL Block which included 3 deep holes in the Ganajur Main deposit; 2 holes at Karajgi Main Prospect and one in the Ganajur South East Prospect.

Exploratory drilling for testing the deep seated IP anomaly in Ganajur Main Prospect was quite positive. All the drill holes passed through the gold-bearing rock indicating the depth-ward extension of Ganajur Main Ore body. Best drill intersection include 1.5m @ 0.60 to 4.39 g/t and 2m @ 0.22 to 2.52 g/t of Au. With this significant information DESPL plans to undertake further drilling for exploring the possible deep seated gold resource.

KARAJGI MAIN PROSPECT:

Karajgi Main comprises of a southern auriferous BIF which has a drilled resource of 90000 tonnes averaging 2.23 g/t Au and two sulphidic chert bands towards the northern slope area designated as bands A and B. Number of old workings are noticed all along these chert bands. DESPL carried out RC drilling to explore the Chert bands A and B located on the northern slope.

Encouraged by the earlier RC drill results, DESPL completed 2 diamond core drill holes at Karajgi Main prospect in order to test the geophysical IP anomaly and also to understand structural controls of gold mineralisation. Out of two holes drilled at Karajgi Main Prospect, KMC-01 intersected two significant zones of gold mineralisation. The first one is 5.0 m thick which passed through between 45.50 to 50.50m averaging 7.43 g/t. gold including a high value of 33.60 g/t. The second zone is 9.0 m thick and was encountered between 71.1 and 80.1m averaging 3.19 g/t gold. The results from Karajgi Main Prospect has confirmed the existence of high grade gold bearing zones and distinct possibility of finding additional resources (Fig. 8).



Fig-8: Old Working from Karajgi Main Prospect, Ganajur-Karajgi PL, Haveri District, Karanataka.

GANAJUR SOUTH EAST PROSPECT :

Ganajur southeast prospect (GSEP) is located around 1.2 km SE of Ganajur Main prospect. Exploration under various stages resulted in delineation of a mineralized zone over a length of 455 metres. The exploration data suggests that the NW portion was found to be more promising that prompted DESPL to undertake 576 meters of R.C. drilling involving 12 drill holes and 171 samples. Significant intersections were obtained that included gold value of 6.23 g/t over 15.0m width in one of the drill holes.



Fig-9: Mineralized BIF exposed Ganajur SE, Ganajur-Karajgi PL, Haveri District, Karanataka.

Recent IP survey had indicated significant chargeability anomaly extending for nearly 2.8 kms that included Ganajur SE prospect. DESPL drilled one test diamond drill hole to understand the structural control of gold mineralization. This test drill hole passed through 2 zones of gold mineralisation; the first one of 3.60m @ 1.85 g/t gold between 39.40 to 43.0m depth and the second of 1m thickness yielding 2.5 g/t gold between 52.50 to 53.50m depth. The latest drill results and the previous data in Ganajur-SE prospect suggest the possibility of finding additional resource in the PL block (Fig-9).

DHARWAR CLUSTER**Mangalagatti and Bhavihal Prospects :**

Mangalagatti and Bhavihal prospects are located 12 to 20 kms north of Dharwar city. They form part of the 'Dharwar Cluster' of gold bearing sulphidic Chert bands. The Dharwar cluster comprises of Mangalagatti SE, Mangalagatti

DECCAN GOLD MINES LIMITED

Main, East and Bhavihal prospects (Fig-10). All these are considered as highly potential like the Ganajur-Karajji cluster near Haveri. DESPL's application of Prospecting License over an area of 4 sq.kms and covering the Mangalagatti Prospects was approved by Ministry of Mines and Government of Karnataka issued grant order in the month of October, 2012. Subsequently, the Secretary, Department of Commerce and Industries, Government of Karnataka, asked Department of Geology and Mines (DGM) to submit a report on the exact boundaries of the granted PL area. Accordingly, DGM has completed the land survey and is about to submit the report to the Secretary, subsequent to which the PL will be executed.

Initial exploration during the RP tenure in the Mangalagatti SE prospect by RC drilling and channel sampling had revealed significant gold mineralization. Gold mineralization is hosted by southeasterly plunging folded banded iron formation. Two auriferous zones extending for nearly 500 metres over a width of 30 metres were defined. An ancient working and adjacent pounding marks indicates ancient mining activity in the area. An inferred resource of 1.5 million tonnes @ 1.63 g/t Au was estimated based upon results of shallow RC drilling programme.

DGML conducted Induced Polarization (IP) survey in the PL block to identify the existence of possible mineralised zones in addition to those already explored. The IP survey was carried out on 12 lines by dipole-dipole configuration at 50 to 100 m dipole spacing involving 19.7 line kms.

The IP survey revealed a 300 to 400 metres wide, broad based chargeability anomaly suggesting that the mineralization is controlled by a folded structure (Fig-11). More interestingly the IP anomaly has been traced all along for a distance of 2.0 kms and the anomaly is still open. Further, the survey indicates that the IP anomaly continues to greater depths below 200 metres with sharp increase in the intensity of the anomaly. The new findings suggest a large system of possible gold mineralization that warrants more exploration by drilling. DGML will undertake a drilling programme once the PL is executed.

BHAVIHAL PROSPECT :

Is located at a distance of 8 kms NW of Mangalagatti prospect. Preliminary channel sampling followed by RC drilling during the RP tenure had clearly brought out surface expression of a wide ore body hosted in cherty BIF. The limited RC drilling was also intended to examine open pittable resource similar to Mangalagatti SE prospect. As a result of this preliminary investigation an area of 400 metres was delineated and an inferred resource of 74,000 oz of Au was estimated averaging 1.76 g/t. A preliminary IP survey was initiated on 3 lines to understand the IP signature. It is very encouraging to note that all the three lines have brought out two moderate chargeability anomalies with co-incident resistivity highs. With this positive information, it is planned to go ahead with additional IP survey

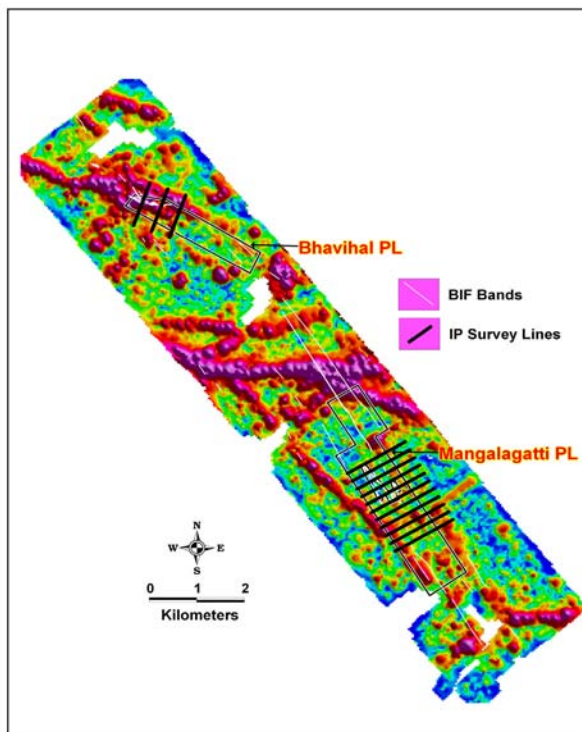


Fig-10: Magnetic image with IP profiles of Mangalagatti-Bhavihal prospects.

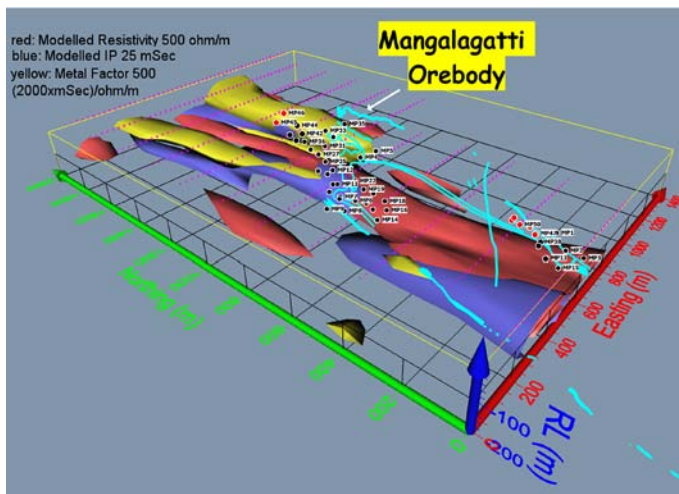


Fig-11: Mangalagatti 3D IP Geophysical Model (50m Dipoles), Mangalagatti Prospect.

to explore the depth and strike continuity of the mineralization.

Hutti – Maski Belt Projects

Hutti Maski Greenstone belt is one of the most important Archaean gold bearing belts in India. The Hutti-Maski belt hosts world class Hutti Gold deposit that is being mined by The Hutti Gold Mines Limited. DGML has carried out exploration over an area 851 sq km in the Hutti Belt, which has resulted in identifying 21 gold bearing blocks. A total of 12 prospecting licenses (PLs) applications covering the 21 gold targets and 1 Mining lease (ML) application in Hirenagnur have been filed with the Karnataka State Government (Fig. 12).

Our shareholders are aware that DGML is contesting the Order passed by the Hon'ble High Court of Karnataka in the month of April, 2012 favouring Hutti Gold Mines Limited (HGML) regarding the Hutti Belt projects. A Special Leave Petition (SLP) was lodged in the Hon'ble Supreme Court of India, which was admitted in the month of July, 2012. While admitting the SLP, the Hon'ble Supreme Court has also observed that the final decision on the grant of the PL's over Hutti Belt, to be made by the Central Government, shall be subject to the outcome of the present SLP. It is to be noted that the Ministry of Mines also filed an SLP on 7th of September, 2013 against the Karnataka High Court Order. We remain confident of the outcome restoring our rights over the Hutti Prospects.

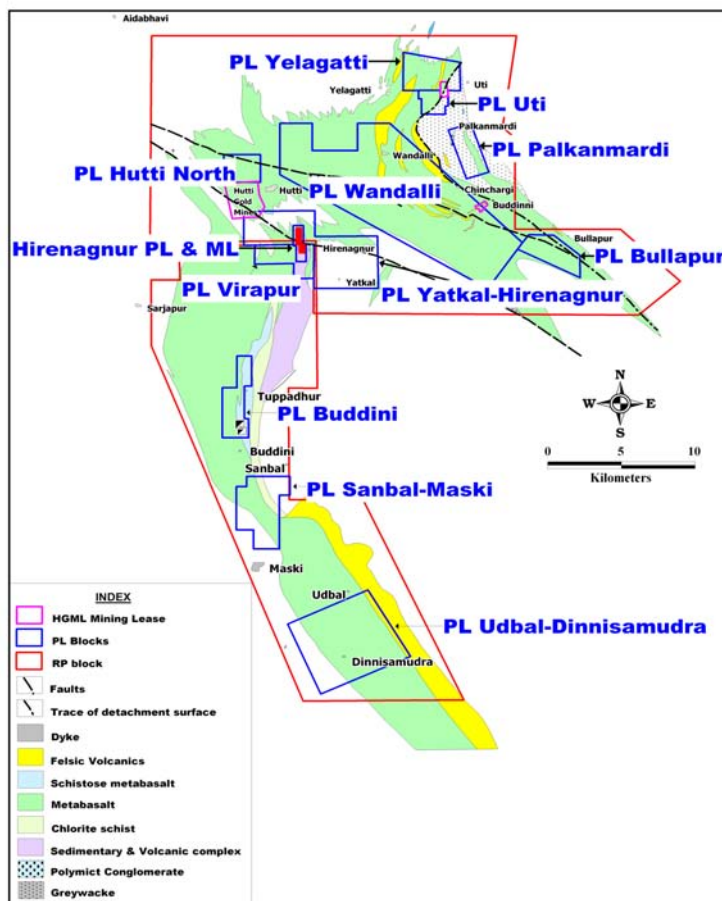


Fig.12 : Geological map of Hutti-Maski Greenstone Belt showing the key gold prospects and applied tenements

Due to delays in grant of PLs, DGML was unable to undertake further detailed exploration in the Hutti-Maski belt. The details of prospects explored under the RP have been presented in the previous annual reports.

RAMGIRI BELT PROJECT:

The Ramagiri belt forms the southern half of the Ramagiri-Penkacherla greenstone belt falling in Andhra Pradesh. Ramagiri is located 40km south-southeast of Anantapur and 180km due north of Bangalore. It is one of the important gold-bearing greenstone belts of the Eastern Dharwar Craton (Fig. 13).

DGML, through its associates, held the Ramagiri RP block which contains the 13 km long Ramagiri Gold Field (RGF). This area experienced intensive underground mining activity by the Britishers in the early part of the last century. Three main mining ventures in this tract produced about 176,338 ounces of gold at a recovered grade of around 15 g/t from high-grade veins in the years 1910 to 1927. Until April 2001, the Government of India owned Bharat Gold Mines Ltd. (BGML) was operating the underground Yeppamana Mine in the RGF.

DGML during its RP tenure, defined two prospective blocks for further exploration that are covered under PL applications. The details of the PL blocks are given below:

- 1) Ramagiri Gold Field block (RGF) -20 sq km area
- 2) Boksampalle block -17 sq km area

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PL applications are under processing with the Government of Andhra Pradesh, hence no exploration work has been carried out in this year. Details on the work carried out in these prospects have been provided in the 2012 Annual Report.

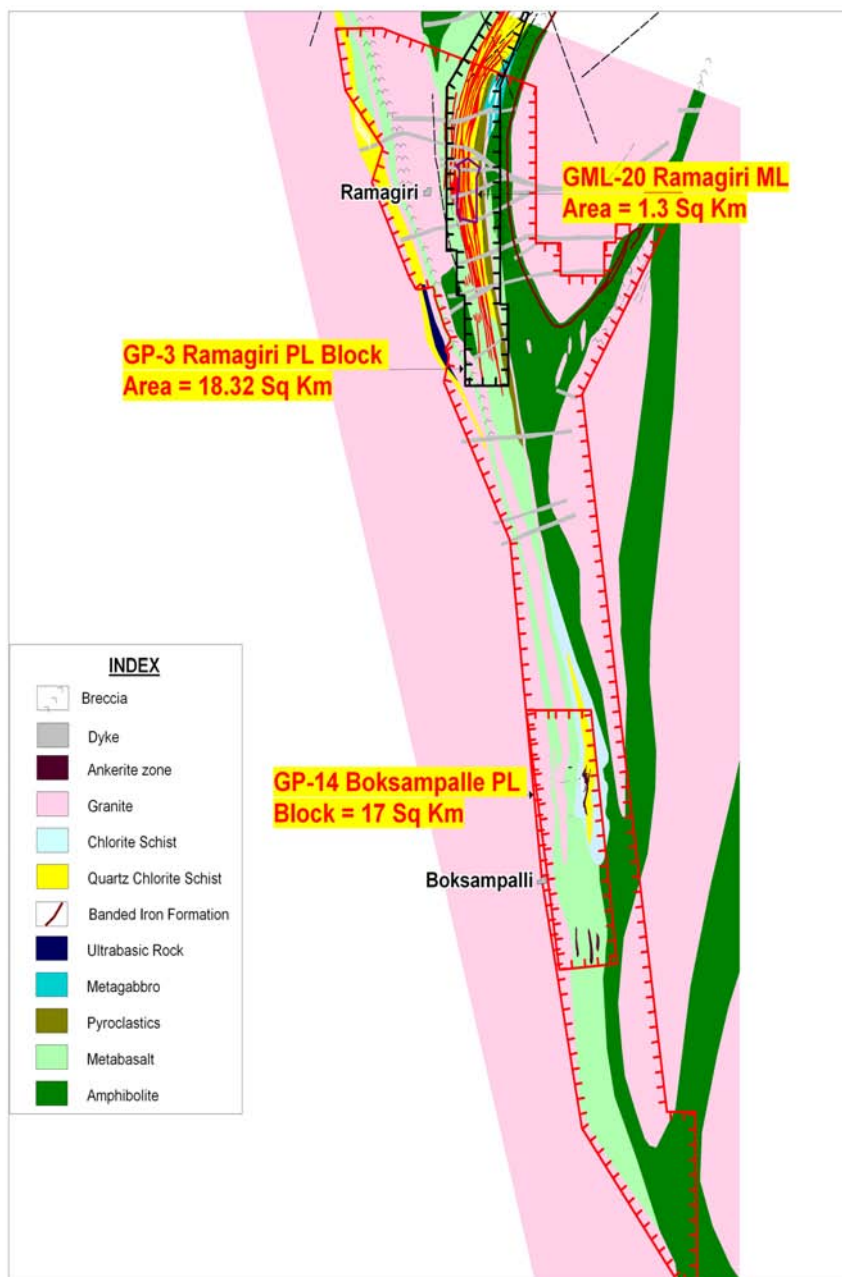


Fig-13: Regional geological map of Ramagiri Greenstone belt showing areas applied for PL & ML.

MANGALUR- JAINAPUR RP BLOCK

The Government of Karnataka granted Mangalur-Jainapur Reconnaissance permit over an area of 243.34 sq.kms and the same was executed on 30-6-2010. This RP block covers the western portion of the Mangalur greenstone belt and comprises of granitic rocks and sediments of Bhima Basis. DGML as part of the Reconnaissance reviewed all the historical data followed by Remote Sensing studies, Stream Geochemical sampling, Ground Magnetic Survey and follow up geological traverses.

The results of the exploration did not indicate any signs of gold mineralization and it looks like that gold mineralization is only confined to the Mangalur Greenstone Belt located towards eastern side of the RP Block that was previously explored by DGML with positive results.

However during the course of exploration DGML identified extensive deposits good quality limestone with in the RP area. The flat bedded good quality limestone of Arakeri-Yadahalli-Kachakanur ridge in particular looks good for manufacture of cement with 48- 53% CaO content. Based on these findings two Prospecting Licence applications were submitted for limestone, Au and other minerals covering areas of 60 and 30 sq.kms respectively (Fig-14).

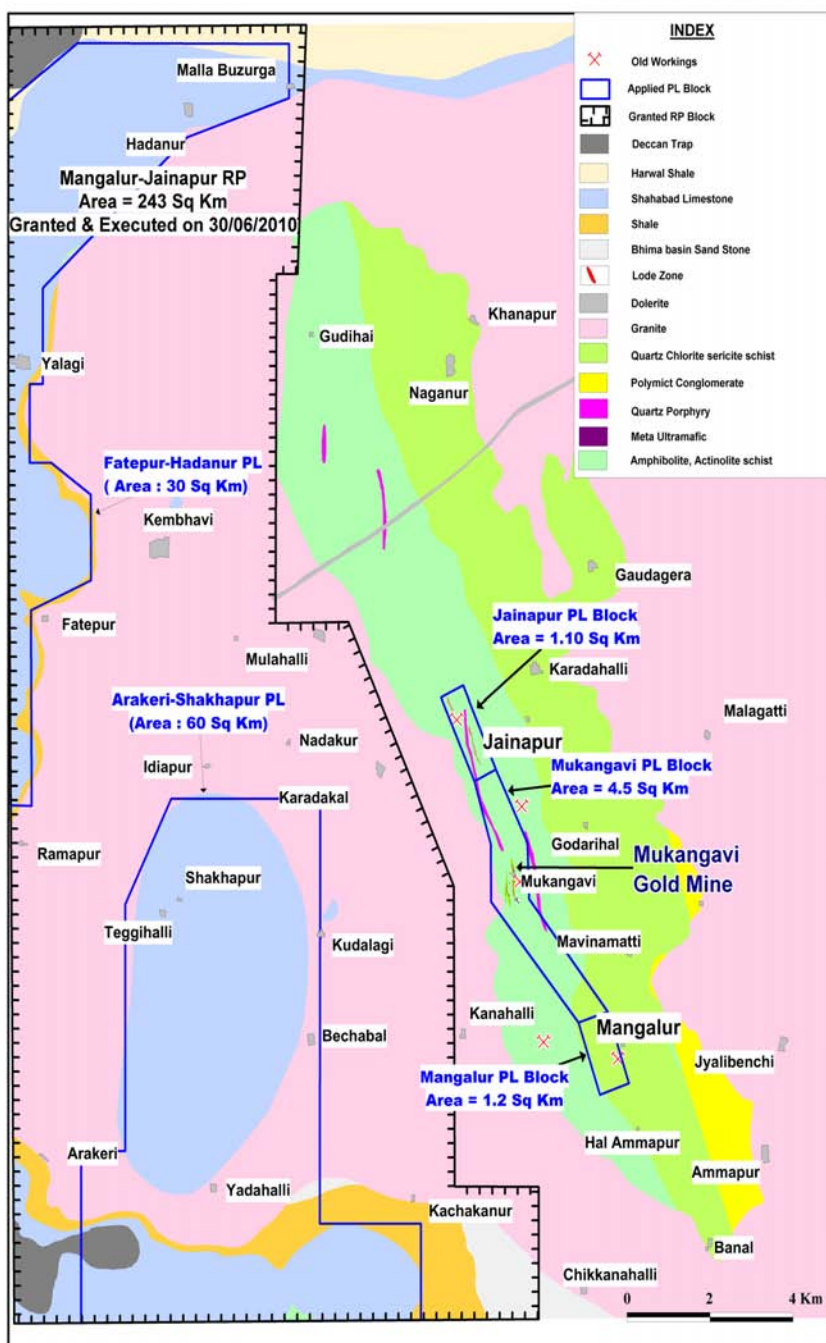


Fig-14 : Regional geological map of Mangalur Greenstone belt showing the granted RP and area applied for PL.

EXPLORATION PERMITS AND APPLICATIONS**STATUS OF IMPORTANT APPLICATIONS FOR RP / PL / ML****(AS ON NOVEMBER 12, 2013)**

RP Nos.	Block Name	District	State	Area in sq km	Date of Application	Ref. No. and Date	Status
DGML. RP-7	Mangalur-Jainapur	Gulbarga	Karnataka	243.34	3.8.2004	Grant Order No.CI.67 MMM 2007, dt.28.1.2010 RP Deed Executed on 30.6.2010	RP period completed. Applied for 2 PLs within RP Area. Submitted all the six monthly, annual reports and Final Technical Report of RP.
DGML. RP-5	Ramagiri	Anantapur	Andhra Pradesh	2430	19.6.2004	No.F.No.17808/R4- 3/04, Dt.19.6.2004	Pending at DMG, Hyderabad.
DGML. RP-2	Hutti South	Raichur	Karnataka	1000	26.2.2004	No.DMG/04 ARP 2004/19221, Dt.3.3.2004.	Pending at DMG, Bangalore.
DGML. RP-3	Hiriyur	Chitradurga & Tumkur	Karnataka	596	17.3.2004	No.DMG/07 ARP 2004/19751, Dt.18.3.2004	Pending at DMG, Bangalore.
4 RPs			TOTAL	4269.34			

DECCAN GOLD MINES LTD. (DGML)
PROSPECTING LICENCE (PL) APPLICATIONS OF DECCAN GOLD MINES LTD.

PL No.	Block Name	District	Area in sq km	Date of Application	Ref. No. & Date	Status
KARNATAKA STATE						
DGML.PL-4	Karajgi Extension	Haveri	21	30.10.2007	No.102APL 07/10680, dt.2.11.2007 CI 297 MMM 2010	Under processing at DMG, Bangalore.
DGML.PL-7	Aijenahalli	Tumkur	1	2.4.2009	No.DMG/58/APL 09/450, dt.17.4.2009	Under processing at DMG, Bangalore.
DGML.PL-8	Chinna Mulgund-Aladgeri	Haveri	35	26.2.2010	No.DMG:09APL / 2009-10/18735, dt.20.3.2010 (PL Application filed in response to Gazette Notification dt.30.12.2009).	Rejection Notice dt 12.3.2012 issued by Director, DMG, Bangalore. Contested at the Tribunal, MoM, New Delhi. Details are posted under PL No."DESPL-15". On 15.12.2012, the State Govt. had furnished parawise comments to MoM, New Delhi. We await the fixing of the hearing date by the Tribunal.
DGML.PL-9	Ranibennur	Haveri	70	26.2.2010	No.DMG:10 APL/2009-10/18736, dt.20.3.2010	-do-
DGML.PL-10	Katenahalli-Kengond	Haveri	26	26.2.2010	No.DMG:11 APL/2009-10/18734, dt.20.3.2010	-do-
DGML.PL-11	Fatehpur-Hadanur	Yadgir	30	25.3.2013	No.DMG/RP-Sec/01-APL/2013, dt.3.4.2013	Under processing at DMG, Bangalore.
DGML.PL-12	Arakeri-Shakhapur	Yadgir	60	25.3.2013	No.DMG/RP-Sec/02-APL/2013, dt.3.4.2013	Under processing at DMG, Bangalore.
7 PLs		TOTAL	243			
KERALA STATE						
DGML.PL-2	Puttumala	Palakkad	25	7.3.2005	No.1863/M1/2005, Dt.16.3.2005	Under processing at State Government of Kerala. (On 15.2.2013, PL area was reduced from 81 to 25 sq km as directed by Director, DGM, Kerala).
CHHATTISGARH STATE						
DGML.PL-5	Bagmara	Raipur	20	3.12.2008	S.No.658, dt.3.12.2008	Under processing at DMG, Raipur.
DGML.PL-6	Rajadevri	Raipur	28	3.12.2008	S.No.657, dt.3.12.2008	Under processing at DMG, Raipur.
2 PLs		TOTAL	48			

DECCAN GOLD MINES LIMITED

DECCAN GOLD MINES LTD. (DGML) INCLUDING PL APPLICATIONS OF DECCAN EXPLORATION SERVICES PVT. LTD. (DESPL) & THOSE APPLICATIONS UNDER AGREEMENT WITH GEOMYSORE SERVICES (INDIA) PVT.LTD. (GMSI)

PL No.	Block Name	District	Area in sq km	Date of Application	Ref. No. & Date	Status
KARNATAKA STATE						
DES.PL-2	Ganajuru- Karajgi	Haveri- Dharwar	2.2	17.10.2003	PL Deed no. 3370 & Executed on 25.9.2009. Renewal Ack. No.02- APL/2012-13/4467, dt.14.6.2012.	1) DESPL is continuing prospecting under deemed renewal of provision in the PL area as per Rule 11 (2b) of MCR 1960. 2) Applied for ML within PL area on 20.12.2012.
DES.PL-10	Mangalagatti	Dharwar	4	11.1.2005	No.07 APL 2005, Dt.17.1.2005 CI 61 MMM 07	Grant Notification issued by Government of Karnataka vide Order no. CI 61 MMM 2007, dt.11.10.2012. Execution of PL is under process.
GMSI.PL-8	Jainapur	Gulbarga	1.1	7.11.2003	No.47 APL 03/13967, Dt.10.11.2003 CI 59 MMM 05	Approved by MoM, Government of India vide letter no. 4/34/2008-M.IV, dt.16.9.2009. Grant Order to be issued.
GMSI.PL-7	Mangalur	Gulbarga	1.2	7.11.2003	No.46 APL 03, Dt.10.11.2003 CI 134 MMM 06,	Under processing at DMG, Bangalore.
DES.PL-6	Kulavalli	Belgaum	2	15.10.2004	No.127APL 2004, Dt.24.11.2004 CI 112 MMM 07	Under processing at DMG, Bangalore.
DES.PL-9	Bhavihal	Dharwad	1.5	4.1.2005	No.02 APL 2005, Dt.6.1.2005 CI 66 MMM 2010	Under processing at DMG, Bangalore.
DES.PL-12	Lakkikoppa	Haveri	5	22.3.2005	No.85 APL 05, CI 64 MMM 2010	Under processing at DMG, Bangalore.
DES-PL-8	Turkara- Sigihalli	Belgaum	1.7	31.12.2004	No.181 APL 04/14744, dt.3.1.2005	Under processing at DMG, Bangalore.
DES.PL-11	Ganajuru Extension	Haveri	8	12.1.2005	No.08 APL 2005, Dt.17.1.2005	Under processing at DMG, Bangalore.
DES.PL-15	Ganajuru- Karajgi Extension	Haveri	25	26.2.2010	Ack. No.DMG:08 APL 2009-10/18729, dt.20.3.2010 (PL Application filed in response to Gazette Notification dt.30.12.2009).	Rejection Notice dt.12.3.2012 issued by Director, DMG, Bangalore which was contested before the Tribunal of the MoM, New Delhi. On 15.12.2012 State Govt. had furnished parawise comments to MoM, New Delhi. On 18.7.2013, hearing did not take place as State Representative did not attend the hearing. The next hearing is to be fixed shortly by the Tribunal.

DES.PL-1	Hutti North	Raichur	5	1.8.2003	No.24 APL 03, Dt.18.8.2003	On 4.6.2012, Hon'ble High Court of Karnataka directed DESPL to take the matter before the Tribunal of the MoM. On 2.5.2013 the State Govt. furnished parawise comments to MoM. We await fixing of the next date of hearing.
DES.PL-3	Uti	Raichur	2.9	14.1.2004	No.06APL04/16815, Dt.16.1.2004	The State Govt. had recommended for reservation of this area in favour of the State PSU-Hutti Gold Mines Ltd. MoM rejected the State's proposal. The PSU approached the High Court of Karnataka. The High Court has directed the MoM to take a fresh decision. The MoM did not approve the State's recommendation. DESPL has contested the Judgement of the High Court through a SLP at the Supreme Court. The Judges have recognized the merit in the SLP & directed the Respondents to reply the points raised in the SLP. The MoM has also filed an SLP with the Supreme Court against the High Court Order in Sept. 2013. Presently, the matter is under the consideration of the Supreme Court.
DES.PL-4	Yatkal-Hirenagnur	Raichur	21	1.10.2004	No.106 APL04/11544, Dt.18.10.2004	-do-
DES.PL-4A	Hirenagnur	Raichur	1.8	28.4.2006	No. 54 APL 06 Dt.5.5.2006	-do-
DES.PL-5	Wandalli	Raichur	90	21.10.2004	No.11APL04/10976, Dt.28.10.2004	-do-
DES.PL-7	Yelagatti	Raichur	9	17.12.2004	No.162 APL04/13923, Dt.20.12.2004	-do-
DES.PL-13	Palkanmardi	Raichur	6	28.2.2006	No.39 APL 06/17, Dt.29.3.2006	-do-
DES.PL-14	Bullapur	Raichur	7	15.3.2006	No.36 APL 06/15624, Dt.25.3.2006	-do-
GMSI.PL-4	Sanbal-Maski	Raichur	14.7	29.8.2003	No. 32 APL 2003, Dt. 29.8.2003	-do-

DECCAN GOLD MINES LIMITED

GMSI.PL-5	Buddini	Raichur	8	29.8.2003	No. 31 APL 2003, Dt. 29.8.2003	-do-
GMSI.PL-12	Udbal- Dinnisamudra	Raichur	35	14.1.2004	No.9 APL 04, Dt.29.7.2004	-do-
GMSI.PL-28	Virapur	Raichur	7	1.10.2004	No.105 APL 2004/11545, Dt.18.10.04	-do-
22 PLs			259.1			
ANDHRA PRADESH STATE						
GMSI.PL-3	Ramagiri	Anantapur	18.32	23.8.2003	No.2095/M2/2003, Dt.23.8.2003	On 5.6.2012, as per the instruction of Director, DMG, Hyderabad, the Assistant Director, Anantapur had called for survey & inspection of the PL area. We have attended the inspection on 6.6.2012. File is under processing at Assistant Director's Office, Anantapur. Reminder sent to the Assistant Director on 5.4.2013 & 11.6.2013
1 PL			18.32			
DGML= Deccan Gold Mines Ltd.						
DES = Deccan Exploration Services Pvt .Ltd. is a 100% owned subsidiary of DGML						
GMSI = Geomysore Services (India) Pvt. Ltd.						

DECCAN GOLD MINES LTD. (DGML)

MINING LEASE (ML) APPLICATIONS OF DECCAN EXPLORATION SERVICES PVT. LTD., AND GEOMYSORE SERVICE (INDIA) PVT. LTD

ML Nos.	Block Name	District	Area in sq km	Date of Application	Ref. No. & Date	Status
KARNATAKA STATE						
DES.ML-2	Ganajuru	Dharwad	0.29	8.6.2006	No.567 AML 06/3389 CI 30 MMM 2010, dt. 8.11.2010	ML was Recommended by the State Govt. The MoM had sought the opinion of the I.B.M. The IBM has given a favourable report on the mineability of the Gold Resource at Ganajur on the basis of SRK's report & Annual reports of work done by DGML. The ML is under consideration of the MoM. On 28.1.2013, the State Expert Appraisal Committee (SEAC), Dept. of Ecology & Environment has issued a TOR for proposed 2000 tpd gold mine. Submitted Plant TOR to MoEF, New Delhi. On 30.4.2013, the MoEF, New Delhi has approved the ToR for the 2000 tpd processing plant.
DES.ML-4	Ganajuru-Karajgi	Haveri	8	9.1.2009	No.DMG/01/AML/2009-10/13130, Dt.27.1.2009.	Under processing at DMG, Bangalore.
DES.ML-5	Karajgi	Haveri	2.8	20.12.2012	No.DMG/Rp-Sec/11 AML 2012-13 Dt.5.1.2013	ML applied within granted & executed PL area of 2.2 sq km (Ganajur-Karajgi PL Block) within the stipulated period. Under processing at DMG, Bangalore
ANDHRA PRADESH STATE						
GMSI.ML-20	Ramagiri	Anantapur	1.3	10.4.2008	Ack.No.1770/M/08, Dt.11.4.2008	Under processing at Asst. Director's Office, Anantapur.
4 MLs		TOTAL	12.39			

DGML = Deccan Gold Mines Ltd.

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

GMSI = Geomysore Services (India) Pvt .Ltd.

*MoM = Ministry of Mines

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 31 March, 2013.

1. FINANCIAL RESULTS

Particulars	(Rs in '000s)	
	2012-13	2011-12
Total Income	1,571	3,028
Profit/(Loss) before Taxation	(10,205)	(10,618)
Profit/(Loss) after Tax	(10,205)	(10,618)
Balance brought forward	(53,262)	(42,644)
Balance transferred to Balance Sheet	(63,466)	(53,262)

During the year, the Company incurred Rs. 94.85 lac on exploration activities and Rs. 115.10 lac on administrative and other expenses. The cumulative amount spent on exploration activities of Rs. 1062.51 lac as on 31 March, 2013 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 "Report on Exploration Activities" and the segment titled "Status of important applications for Reconnaissance Permit (RP) / Prospecting Licence (PL) / Mining Lease (ML)" published elsewhere in this Annual Report.

In line with the jurisdictions across the world, the Indian Government initiated several measures including introduction of Mines and Minerals (Development & Regulation) Act, 2011 (MMDRA) with the objective of reforming the mining sector. The MMDRA continues to await the approval of the Indian Parliament. The Parliamentary Standing Committee before whom the MMDRA was referred for review has submitted its Report to the Parliament.

However, the areas of concern continue to be introduction of a complex system of grant of exploration licences; huge increase in fee and security deposits for exploration and prospecting operations; auctioning for grant of prospecting licences and mining leases in respect of under-explored areas; and introduction of a financial contribution equivalent to Royalty payable by the Mining Lease holders into the District Mineral Foundation etc., Further, the mining sector also needs to address the issues arising out of the Land Acquisition Act, 2011 which prescribes the compensation to be paid on land acquisition for industrial purposes.

It may be observed that the National Mineral Policy of 1993 was updated with a new Policy in 2008 which clearly incentivizes private sector investment in exploration and its seeks to ensure increased transparency in allocation of mineral concessions; gives thrust on building infrastructure for mining and seeks to promote R&D in minerals and establish education facilities for human resource development.

The global mining trends and the reactions of the various Governments point to a case for India to fast-track adoption of progressive policy measures for the mineral exploration and mining sector. The Company keenly awaits and expects that the final version of the MMDRA would positively address the concerns expressed by the Company and the industry associations like FIMI.

A detailed write-up on "Outlook and Opportunities" for the mineral exploration sector in general forms part of the section "Management Discussion and Analysis Report" published elsewhere in this Annual Report.

3. OFFER FROM GEOMYSORE SERVICES (INDIA) PRIVATE LIMITED

During August, 2013 the Company was approached by Geomysore Services (India) Private Limited (GMSI), a Bangalore-based gold exploration company for being taken over as a wholly-owned subsidiary. The Board of

Directors considered the offer of GMSI and advised undertaking of a due diligence on GMSI. The due diligence exercise has been completed and the Company is evaluating various options in this regard in consultation with its legal and taxation advisors to structure the transaction in a manner that best serves the interest of all stakeholders.

It may be noted that GMSI is an unlisted private limited company that has been actively engaged in exploration activities in India since 1994. GMSI's large portfolio of mineral concession applications and licences, covers most of the important gold bearing Archaean and Proterozoic belts of India. GMSI's assets include a granted and executed Mining Lease in respect of its Jonnagiri Gold Project in Andhra Pradesh.

4. SUBSIDIARY COMPANY

As required under Section 212 of the Companies Act, 1956, the audited Profit and Loss Account for the year ended 31 March, 2013 along with the Balance Sheet as at that date and the Reports of the Directors and Auditors thereon of Deccan Exploration Services Private Limited, a subsidiary company is attached.

5. 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.

6. DECCAN GOLD MINES EMPLOYEE STOCK OPTION PLAN, 2008

The disclosures required to be made under the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 are given in the Annexure to the Report.

7. BOARD OF DIRECTORS

Mr. Charles E.E. Devenish and Dr. M. Ramakrishnan are the Directors who retire by rotation and being eligible, offer themselves for reappointment. Further, Mr. Sandeep Lakhwara has been re-appointed as the Managing Director of the Company for a period of 3 years with effect from 1 May, 2013 subject to the approval of the shareholders.

Necessary resolutions seeking the approval of the shareholders for the reappointment of the aforesaid Directors / Managing Director 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.

8. DIRECTORS' RESPONSIBILITY STATEMENT

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

- 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 judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year ended 31 March, 2013 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.

DECCAN GOLD MINES LIMITED

- that they have prepared the attached Statement of Accounts for the year ended 31 March, 2013 on a going concern basis.

9. 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 in excess of the limits prescribed under the provisions of Section 217 (2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975.

10. AUDITORS

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

11. 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.

12. FIXED DEPOSITS

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

13. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE 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.

14. 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 : 13 November, 2013

Charles E.E. Devenish
Chairman

ANNEXURE TO DIRECTORS REPORT

Disclosures pursuant to SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999.

A. Summary of Status of Options Granted / Vested / Exercised during 2012-13

Total number of options granted	An aggregate of 30,00,000 stock options have been granted under Deccan Gold Mines Employee Stock Option Plan, 2008 (Plan)
Pricing Formulae	25% discount to the latest available closing price of shares on Bombay Stock Exchange Limited on a day previous to the date of grant.
Total Options granted	3,000,000
Options vested	1,050,000
Options Exercised	245,000
Variation in terms of ESOP	Not applicable
Total number of shares arising as a result of exercise of option	245,000
Money realized as a result of exercise of options	Rs. 4,152,750
Total number of options in force	1,987,500

B. Employee –wise details of options granted during financial year 2010-11

(i) Senior Managerial Personnel

Name	Number of options granted
Mr. Sandeep Lakhwara, Managing Director, Deccan Gold Mines Limited	550,000
Dr. V.N. Vasudev, Director, Deccan Exploration Services Private Limited (resigned w.e.f. 17 September, 2013)	450,000
Mr. S.C.R. Peshwa, Director Deccan Exploration Services Private Limited	350,000
Dr. M. Hanuma Prasad, Director Deccan Exploration Services Private Limited	350,000
Dr. M.K. Devarajan, Director Deccan Exploration Services Private Limited	350,000
Dr. Saleem Ahmed Khan, Director Deccan Exploration Services Private Limited (resigned w.e.f. 03/02/2012)	350,000
Mr. K. Karunakaran, Director Deccan Exploration Services Private Limited	300,000
Mr. S. Subramaniam, Company Secretary, Deccan Gold Mines Limited	300,000

(ii) No employee has been identified and granted options exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant.

C. Diluted EPS pursuant to issue of shares on exercise of options calculated in accordance with Accounting Standard (AS) 20 and weighted average exercise price of options granted during the year is Rs. (0.17).

The Company has also received a certificate from M/s V.K. Beswal & Associates, Chartered Accountants, Mumbai and the Statutory Auditors of the Company that the Scheme has been implemented in accordance with the SEBI Guidelines.

DECCAN GOLD MINES LIMITED

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

(₹ in '000)

1	The financial year of the subsidiary company ended on	31st March, 2013
2	Date from which it became subsidiary	3rd 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	6940
	ii) For the previous financial year of the subsidiary	7105
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	883
	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

Place : Bangalore
Dated : 30 May, 2013

S. Subramaniam
Company Secretary

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

INTRODUCTION

Established in 2003 by promoters with deep roots in the exploration and mining sector, Deccan Gold Mines Limited (DGML) is the first and the only gold exploration company listed on the Bombay Stock Exchange Limited (BSE). DGML brings to India, a wealth of international technical know-how and experience in the gold exploration and mining sector. Since its establishment, DGML has actively pursued gold exploration activities in all of its exploration prospects that resulted in identification of probable gold resources at several locations. DGML now has a large portfolio of exploration prospects in the States of Karnataka, Andhra Pradesh and Rajasthan.

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 Exploration Services Private Limited (DESPL) has been provided under the heading "Status of important applications for RP / PL / ML".

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

Contribution of mining sector to India's GDP has been stagnant at around 1.2% over the last decade. The Indian mining sector grew at a CAGR of 7.3% in the last decade compared to 22% in China for the same period. The percentage of population employed in mining sector in India is only 0.3% as compared to 3.8% in South Africa, 1.4% in Chile and 0.7% for China. Employment in the Indian mining sector has grown at a rate of about 3% per annum over the last 10 years. (Source : Ministry of Mines, Government of India).

Recent global trends indicate that there is a rising demand relative to supply and increasing cost of mining leading to an increase in commodity prices. Replenishing mineral reserves has become more difficult due to declining ore grades and additional challenges such as inadequate infrastructure and human capital, critical to support the growth of the sector. Consequently, we see heightened exploration activity with companies increasingly getting into new geographies like Africa. The Governments worldwide are adopting progressive policy measures to boost mining and mineral exploration in their countries. The Indian Government, too, has initiated several measures like the new mining legislation (still awaiting the approval of the Indian Parliament) and Sustainable Development Framework. The mining and mineral exploration industry keenly awaits the legislative and regulatory initiatives from the Government to promote private and foreign investment and introduction of internationally compatible mining policies.

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 "Status of important applications for RP / PL / ML".

DGML incurred a total expenditure of ₹ 1062.51 lacs (cumulative) on exploration on its prospects as on 31 March 2013. The amount of exploration expenditure (cumulative) incurred as on 31 March, 2012 was ₹ 967.65 lacs.

Administrative and other costs for the year ended 31 March 2013 were ₹ 115.10 lacs compared to ₹ 127.61 lacs for the year ended 31 March 2012.

The net loss of the company for the year ended 31 March 2013 was ₹ 102.05 lacs compared to ₹ 106.18 lacs for the year ended 31 March 2012.

DECCAN GOLD MINES LIMITED

DGML's working capital funds as at 31 March 2013 were ₹ 174.69 lacs compared to ₹ 294.43 lacs for the year ended 31 March 2012.

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 Company is into gold exploration which is highly speculative in nature and subject to several operational risks. These risks include exploration and mining risks, delays in approvals to undertake exploration activities, delays in grant of appropriate mineral concession licences, actual resources differing from estimates, operational delays and the availability of equipment, personnel and infrastructure.

The Company is also dependent on key personnel and subject to actions of third parties, including the staff, other contractors and suppliers.

The Company's operations are also subject to government laws and regulations, particularly environmental and land acquisition regulations.

The Company's future revenues from product sales will be affected by changes in the market price of gold which is affected by numerous factors which are beyond its control. These include international supply and demand, the level of consumer product demand, international economic trends, currency exchange rate fluctuations, the level of interest rates, rate of inflation, global or regional political events and international events as well as a range of other market forces.

In the absence of cash flow from operations, the Company may have to rely on capital markets / private equity investment to fund its operations. The Company's ability to raise further funds will depend on the success of existing operations. Although the Company has been successful in the past in obtaining financing through the sale 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 may require the Company to reduce the scope of its operations.

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

With global demand for minerals consistently outpacing supply, Governments worldwide are exploring all possible options to boost supply in order to control the unprecedented rise in commodity prices. However, India's spend on exploration projects stands at a dismal 0.3% of the global spend (compared to 19% for Canada and 12% for Australia). Exploration in India is mostly restricted to a depth of 50 to 100 metre vs. as deep as 300 metre in countries like Australia. (Source: Ministry of Mines, Government of India).

With regard to gold, India imported 850 tonnes of gold valued at \$ 58 billion in 2012-13 and it was one of the major causes of the burgeoning current account deficit which is mainly affected by large-scale import of the yellow metal.

To bring down gold imports, the Government had raised duty on the yellow metal from 6% to 10%, followed by Reserve Bank of India imposing curbs linking it to compulsory export of processed gold up to 20% of imports. In addition to hiking the import duty on gold, duties on silver and platinum were also raised to 10%. In August, 2013 the Government also put a ban on import of gold coins and medallions.

India has the right geological potential for discovery and development of new gold mines. The 12th Five Year Plan Core Group on Precious Metals has estimated that it is possible to produce about 45 tonnes of gold in the last year (2017) of the Plan.

In addition to substantially bridging the current account deficit, opening up and development of new mines could help in mainstreaming the local communities (including tribal communities) by sharing the economic benefits of mining related activities with them in a fair and equitable manner. Most of the mineral potential areas are in the interior tribal areas of India, where the development is the lowest. The mineral sector can potentially change the situation by providing much needed employment and infrastructure creation needs.

With the untapped mineral potential in India, the contribution of the mining sector in the GDP should aspire to around 7-8% over 20 years. The mining sector needs to play a major role if India has to realize the potential growth of 9% per annum in the coming years.

To unlock the potential of the mineral sector, the Indian Government would need to rework the legislative framework for transparent, safe, scientific & sustainable mining and effective regulation. Concerted action is required to promote scientific exploration for expanding the mineral reserves in India to its full potential. India needs to ensure globally best, fair, transparent and efficient process for the mineral concession system that reduces permit delays to create a more favourable policy environment.

Despite all these shortcomings, the gold exploration and mining sector holds substantial potential to contribute to the growth of the economy and create value for all stakeholders, including the Central Government, State Government (s) and the community at large.

To sum up, Deccan Gold Mines Limited, the only private sector listed gold exploration company is well poised to take advantage of the potential that the sector offers. DGML with state of the art technology; a large pool of well trained geologists, geophysicists and mining engineers has a unique combination of advantages to generate a mineral-based economic development of enormous scale and value.

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.

SUSTAINABLE DEVELOPMENT

DGML is committed to sustainable development; we believe in creating sustainable values that our employees, business partners and shareholders can uphold and believe in. We strive to meet the needs of all our stakeholders. DGML believes in making a positive contribution to the community in which we are involved. Our 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.

DECCAN GOLD MINES LIMITED

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 2013 as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchange.

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 : 13 November, 2013

Himanshu S. Kamdar
Partner
FCS No. 5171

REPORT ON CORPORATE GOVERNANCE

for the year ended and as on 31 March, 2013

Pursuant to Clause 49 of Listing Agreement

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Corporate Governance involves the building of a set of relationships between the Company, its Board, the management, the shareholders and other stakeholders by putting in place a structure and a system through which the established goals of the Company may be achieved. It denotes the process, structure and relationship through which the Board of Directors oversees what the management does. Good governance is integral to the existence of a Company. It inspires and strengthens investor confidence by ensuring Company's commitment to higher growth and profits. Your Company's management and Board of Directors are committed to ensure good corporate governance in its operations.

The Company has complied with the provisions of Clause 49 of the Listing Agreement entered into with the BSE relating to Corporate Governance for the year ended and as on 31st March, 2013.

2. BOARD OF DIRECTORS

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

As on 31st March, 2013, the Board comprised of 5 Directors out of which one is an Executive Director and the other 4 are Non Executive Directors. Out of the 4 Non Executive Directors, 3 are Independent Directors. The Chairman of the Board (Promoter Category) is a Non Executive Director and one-half 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 Directorship	No. of other Directorships	No. of other Committee Memberships #	
				Chairman	Member
Mr. Charles E.E. Devenish	Chairman	Promoter, Non-Executive	3	Nil	Nil
Mr. Sandeep Lakhwara	Managing Director	Executive	Nil	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

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 and Investors' / Shareholders' Grievance Committee have been considered.
- There are no inter-se relationships amongst the directors.

DECCAN GOLD MINES LIMITED

b) Reappointment of Directors

Detailed profiles of Mr. Charles E.E. Devenish and Dr. M. Ramakrishnan, Directors liable to retire by rotation and who being eligible have offered themselves for re-appointment and of Mr. Sandeep Lakhwara, re-appointed as Managing Director for a period of 3 years with effect from 1st May, 2013 subject to the approval of shareholders, is furnished along with the Notice convening the ensuing Annual General Meeting.

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

Four Board Meetings were held during the financial year 2012-13. These meetings were held on 14th May, 2012; 13th August, 2012; 12th November, 2012 and 12th February, 2013.

d) 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 29th September, 2012 are as follows:

Name of the Director	No. of Board Meetings attended	Attendance at the last Annual General Meeting (Yes / No)
Mr. Charles E.E. Devenish	4	Yes
Mr. Sandeep Lakhwara	4	Yes
Mr. K.R. Krishnamurthy	3	Yes
Dr. M. Ramakrishnan	1	Yes
Prof. V.K. Gaur	4	No

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:

- 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.
- 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.
- 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.
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
- Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to:
 - 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.
 - Changes, if any, in accounting policies and practices and reasons for the same.
 - Major accounting entries involving estimates based on the exercise of judgment by management.
 - Significant adjustments made in the financial statements arising out of audit findings.
 - 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

DECCAN GOLD MINES LIMITED

c) Meetings and attendance during the year

Four Audit Committee Meetings were held during the financial year 2012-13. These meetings were held on 14th May, 2012; 13th August, 2012; 12th November, 2012 and 12th February, 2013.

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
Prof. V.K. Gaur	4

- 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. This Committee also functions as the Compensation Committee under the supervision and control of the Board of Directors in accordance with the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 for the implementation of the Deccan Gold Mines Employee Stock Option Plan – 2008.

The terms of reference of the Committee are 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 (ceased to be a member w.e.f. 13th August, 2012)
Prof V.K. Gaur	Member (inducted as a member w.e.f. 13th August, 2012)

c) Attendance during the year

The Remuneration Committee did not meet during 2012-13.

During the financial year 2012-13, the Compensation Committee met once on 29th May, 2012 for issue and allotment of equity shares pursuant to exercise of stock options by the allottee (s) under the Deccan Gold Mines Employee Stock Option Plan – 2008. Mr. K.R. Krishnamurthy and Mr. Charles E.E. Devenish and attended the meeting. Dr. M. Ramakrishnan did not attend the meeting due to his preoccupations.

d) 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 & Committee Meetings. The sitting fees paid is within the limits prescribed under the Companies Act, 1956.

Details of the sitting fee paid to Non Executive Directors during the year 2012-13 is as under:

Name of the Director / Member	Sitting Fees paid for attending meetings of (in ₹)	
	Board	Audit Committee
Mr. K.R. Krishnamurthy	15,000	7,500
Dr. M. Ramakrishnan	5,000	5,000
Prof. V.K. Gaur	20,000	10,000
Total	40,000	22,500

iii) Executive Directors

The aggregate of the salary paid in the financial year 2012-13 to Mr. Sandeep Lakhwara, Managing Director is ₹ 12,00,000/-.

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 thrice during the financial year 2012-13. These meetings were held on 14th May, 2012; 13th August, 2012 and 12th November, 2012.

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	3

b) Compliance Officer

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

DECCAN GOLD MINES LIMITED

c) Shareholder Complaints

During the financial year 2012-13, the Company did not receive any investor complaints. 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
2009-10	29/09/2010	3.00 p.m.	Royal Room, 3rd Floor, Sunville Banquets, 9, Dr. Annie Besant Road, Worli, Mumbai – 400 018.
2010-11	29/09/2011	3.00 p.m.	Royal Room, 3rd Floor, Sunville Banquets, 9, Dr. Annie Besant Road, Worli, Mumbai – 400 018.
2011-12	29/09/2012	3.00 p.m.	Royal Room, 3rd Floor, Sunville Banquets, 9, Dr. Annie Besant Road, Worli, Mumbai – 400 018.

ii) Special Resolutions during previous three Annual General Meetings:

Date of AGM	Particulars of Special Resolutions Passed
29/09/2010	Reappointment of Mr. Sandeep Lakhwara as Managing Director for 3 years with effect from 1st May, 2010.

iii) During the financial year 2012-13, 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 31st March, 2013.

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 complied with all the mandatory requirements as contained in Clause 49 of the Listing Agreement.

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	Wednesday, 11 December, 2013
Time	3.00 p.m.,
Venue	Banquet Room, Ground Floor, West End Hotel, 45 New Marine Lines, Mumbai - 400 020.

ii. Financial Year:

The Company follows April-March as its financial year. The audited financial results (stand alone and consolidated) for the year ended 31st March, 2013 has been published by the Company upon approval of the Audit Committee and Board of Directors of the Company at their meeting held on 30th May, 2013.

The financial calendar would be as under:

Unaudited financial results for quarter / half-year ending	Reporting Date
30th June, 2013	14th August, 2013
30th September, 2013	By 14th November, 2013
31st December, 2013	By 14th February, 2014
31st March, 2014	By 31st May, 2014
Annual General Meeting for the year ending 31st March, 2014	By 30th September, 2014

iii. Date of Book Closure

4th December, 2013 (Wednesday) to 11th December, 2013 (Wednesday) - 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 Stock Exchange within the prescribed time

vi. Stock Code

512068 (BSE).

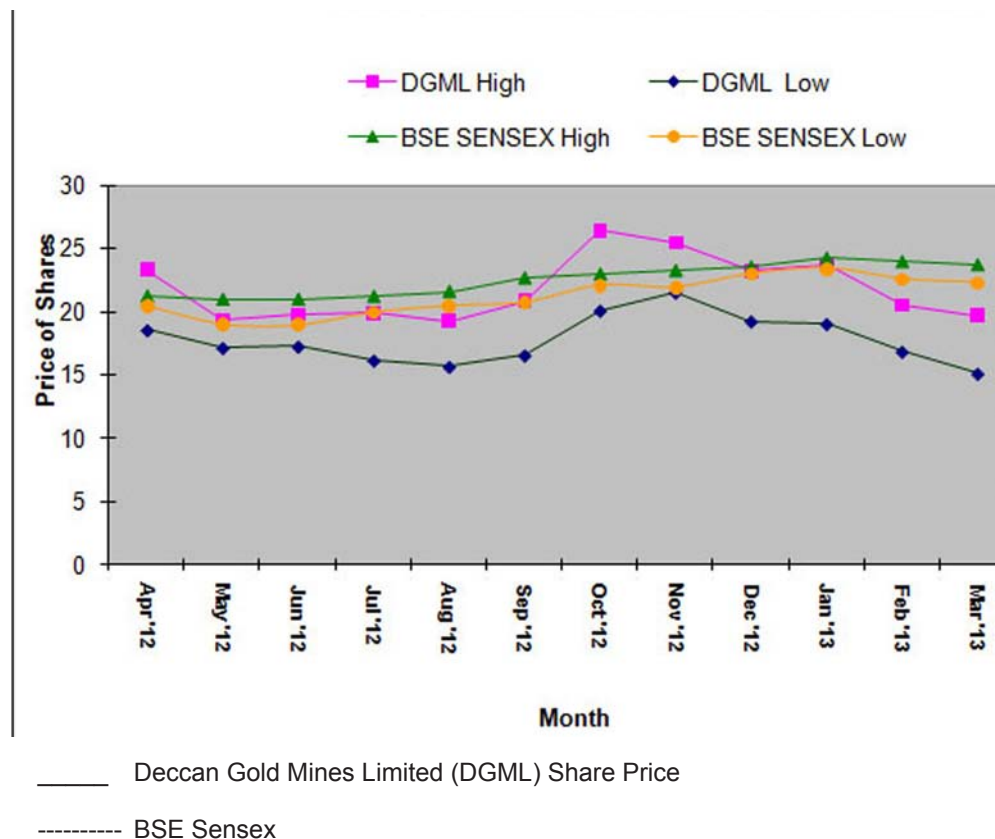
DECCAN GOLD MINES LIMITED

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	High	Low	BSE Sensex - High	BSE Sensex - Low
April 2012	23.35	18.50	17,664.10	17,010.16
May 2012	19.35	17.10	14,432.33	15,809.71
June 2012	19.80	17.20	17,448.48	15,748.98
July 2012	19.90	16.10	17,631.19	16,598.48
August 2012	19.25	15.60	17,972.54	17,026.97
September 2012	20.85	16.50	18,869.94	17,250.80
October 2012	26.45	20.05	19,137.29	18,393.42
November 2012	25.50	21.50	19,372.70	18,255.69
December 2012	23.25	19.20	19,612.18	19,149.03
January 2013	23.70	19.00	20,203.66	19,508.93
February 2013	20.50	16.80	19,966.69	18,793.97
March 2013	19.75	15.05	19,754.66	18,568.43

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



ix. Registrar and Transfer Agents

Link Intime India Private Limited
 (Formerly Intime Spectrum Registry Limited)
 Pannalal Silk Mills Compound,
 C-13, L.B.S. Marg,
 Bhandup (W), Mumbai – 400 078.
 Tel : 91-22-25963838 & Fax : 91-22-25946969
 E-mail: mumbai@linkintime.co.in

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 31 March, 2013)

Sr. No.	Category	No. of Shares held	%
1.	Promoter Group	25342449	43.12
2.	Banks/FI/FII/Mutual Funds / UTI / Central & State Govt./ Venture Capital / Foreign Venture Capital / Trusts	1805581	3.08
3.	Bodies Corporate	3804289	6.47
4.	Individual Public shareholders	25092406	42.69
5.	Clearing Member	376012	0.64
6.	Non Resident Indians / NRNs	2350513	4.00
	Total	58,771,250	100.00

(b) Distribution of Shareholding (as at 31st March, 2013)

Shareholding of Nominal Value (₹)	No. of Shareholders	% of Total	Shares	% of Total
1 - 500	18043	74.98	3562823	6.06
501 - 1000	2948	12.25	2571352	4.38
1001 - 2000	1379	5.73	2216842	3.77
2001 - 3000	483	2.01	1262881	2.15
3001 - 4000	212	0.88	779845	1.33
4001 - 5000	240	1.00	1135962	1.93
5001 - 10000	373	1.55	2876498	4.89
10001 and above	385	1.60	44365047	75.49
TOTAL	24063	100.00	58,771,250	100.00

DECCAN GOLD MINES LIMITED

xii. Dematerialisation of Shares and Liquidity

About 99.79% of the shares have been dematerialized as on 31st March, 2013. The equity shares of the Company are traded at Bombay Stock Exchange Ltd. (BSE).

xiii. Details of Shares held by Non-Executive Directors as on 31st March 2013

Sr. No.	Name of the Non-Executive Director	No. of Shares held
1	Mr. Charles E.E. Devenish	Nil
2	Mr. K.R. Krishnamurthy	Nil
3	Dr. M. Ramakrishnan	Nil
4	Prof V.K. Gaur	Nil

xiv. 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, 2013. However, details of the stock options granted, vested and exercised and outstanding at the end of the year that were issued under the Deccan Gold Mines Employee Stock Option Plan, 2008 are given in the Annexure to the Directors' Report forming part of the Annual Report for the year 2012-13.

xv. Plant locations

The Plant Locations are NIL. The Company does not have any manufacturing activities.

xvi. Address for Correspondence:

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

Link Intime India Private Limited

(formerly Intime Spectrum Registry Limited)

Pannalal Silk Mills Compound,

C-13, L.B.S. Marg,

Bhandup (W), Mumbai – 400 078.

Tel : 91-22-25963838 & Fax : 91-22-25946969

E-mail : mumbai@linkintime.co.in

For general correspondence :

Deccan Gold Mines Limited,

“Raja Ikon Building”, 4th Floor,

89/1, Marathahalli Outer Ring Road, Bangalore – 560 037.

Tel : 91-80-40428400 & Fax : 91-80-40428401

e-mail : info@deccangoldmines.com

10) Non-mandatory Requirements:

I. The Board

- (a) An office for the use of the Chairman is made available whenever required.
- (b) At present there is no policy fixing the tenure of independent directors.

II. Remuneration Committee

Particulars of constitution of Remuneration Committee and terms of reference thereof has been detailed earlier.

III. Shareholders' Rights

Half yearly financial results including summary of the significant events in last six months are presently, not being sent to shareholders of the Company.

IV. Audit Qualifications

The financial accounts of the Company are unqualified.

V. Training of Board Members

There is no formal policy at present for training of the Board Members of the Company as the members of the Board are eminent and experienced professional persons.

VI. Mechanism for evaluating non-executive board members

There is no formal mechanism existing at present for performance evaluation of non-executive directors.

VII. Whistle Blower Policy

The Company has not implemented the whistle blower policy.

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 : 13th November, 2013

Sandeep Lakhwara
(Managing Director)

AUDITORS' REPORT

To the Members of
DECCAN GOLD MINES LIMITED

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of Deccan Gold Mines Limited, which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

As required by section 227(3) of the Act, 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 appears from our examination of those books [and proper returns adequate for the purposes of our audit have been received from branches not visited by us];
- c. the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account
- d. in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
- e. on the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

- f. Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the company.

OPINION

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

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013
- (b) in the case of Statement of Profit and Loss, of the Loss for the year ended on that date and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For V. K. BESWAL & ASSOCIATES

CHARTERED ACCOUNTANTS

FIRM REGN NO 101083W

CA K.V. BESWAL

PARTNER

Membership Number: 131054

Place : Mumbai

Dated : 30 May 2013

DECCAN GOLDMINES 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 sale 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 is adequate internal control system commensurate with the size of the Company and the nature of its business. 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.
5. 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 ₹ 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 Income Tax, Sales Tax, Wealth Tax, Custom Duty, Excise Duty, Service Tax, Cess and other statutory dues applicable to it.
- 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, 2013 for a period more than six months from the date they became payable.
10. The accumulated losses of the Company are more than 50% of its net worth as at 31st March 2013. The Company has incurred a cash loss of ₹ 67.67 lacs in the current financial year and ₹ 52.75 lacs in the 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 any guarantee in connection with loans taken by others from banks or financial institutions.
16. According to the records of the company, the Company has not taken any term loan.
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. The company has made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act. In our opinion, prices at which shares have been issued is not prejudicial to the interest of the company.
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
FIRM REGN NO 101083W

CA K.V. BESWAL
PARTNER
Membership Number: 131054

Place : Mumbai
Dated : 30 May 2013

DECCAN GOLD MINES LIMITED

DECCAN GOLD MINES LIMITED

(FORMERLY WIMPER TRADING LIMITED)

BALANCE SHEET AS AT 31 MARCH 2013

(Amount in '000)

Particulars	Note No.	31-03-2013	31-03-2012
I. EQUITY AND LIABILITIES			
Shareholders' Funds			
(a) Share Capital	1	58,771	58,526
(b) Reserves and Surplus	2	(49,522)	(35,124)
(c) Employee Stock Option Outstanding		10,503	8,717
		<u>19,752</u>	<u>32,119</u>
Non-Current Liabilities			
(a) Long-term Provisions	3	739	613
		<u>739</u>	<u>613</u>
Current Liabilities			
(a) Trade Payables	4	5,736	3,297
(b) Other Current Liabilities	5	150	408
		<u>5,886</u>	<u>3,705</u>
TOTAL (I)		<u>26,377</u>	<u>36,437</u>
II. ASSETS			
Non-Current Assets			
(a) Fixed Assets	6		
(i) Tangible Assets		796	1,055
(ii) Intangible Assets		12	19
(iii) Capital Work-in-Progress		-	-
(b) Non-Current Investments	7	100	100
(c) Other Non-Current Assets	8	2,115	2,115
		<u>3,023</u>	<u>3,289</u>
Current assets			
(a) Current Investments	9	16,612	25,299
(b) Cash and Cash Equivalents	10	1,658	2,916
(c) Short-term Loans and Advances	11	5,085	4,933
(d) Other Current Assets		-	-
		<u>23,355</u>	<u>33,148</u>
TOTAL (II)		<u>26,377</u>	<u>36,437</u>

Notes are integral part of the Balance Sheet and Profit & Loss Account

As per our report of even date,
For **V. K. BESWAL & ASSOCIATES,**
CHARTERED ACCOUNTANTS
FIRM REGN NO 101083W

For and on behalf of the Board

CA K.V. BESWAL
PARTNER
Membership Number: 131054

Charles E.E.Devenish
Chairman

Sandeep Lakhwara
Managing Director

Place : Mumbai
Dated : 30 May 2013

Place : Bangalore
Dated : 30 May 2013

S. Subramaniam
Company Secretary

DECCAN GOLD MINES LIMITED
(FORMERLY WIMPER TRADING LIMITED)

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2013

(Amount in '000)

Particulars	Note No.	31-03-2013	31-03-2012
Other Income	12	1,571	3,028
Total Revenue		1,571	3,028
Expenses:			
Employee benefits expense	13	5,408	6,684
Finance costs	14	14	16
Depreciation and amortization expense	6	266	885
Other expenses	15	6,088	6,061
Total expenses		11,776	13,646
Loss before extraordinary items and tax		(10,205)	(10,618)
Extraordinary Items		-	-
Prior year adjustments		-	-
Loss before tax		(10,205)	(10,618)
Tax expense:			
(1) Current tax		-	-
Loss for the period		(10,205)	(10,618)
Earnings per equity share: Basic (in ₹)		-0.17	-0.18
Earnings per equity share: Diluted (in ₹)		-0.17	-0.18

Notes are integral part of the Balance Sheet and Profit & Loss Account

As per our report of even date,
For **V. K. BESWAL & ASSOCIATES,**
CHARTERED ACCOUNTANTS
FIRM REGN NO 101083W

For and on behalf of the Board

CA K.V. BESWAL
PARTNER
Membership Number: 131054

Charles E.E. Devenish
Chairman

Sandeep Lakhwara
Managing Director

Place : Mumbai
Dated : 30 May 2013

Place : Bangalore
Dated : 30 May 2013

S. Subramaniam
Company Secretary

DECCAN GOLD MINES LIMITED

DECCAN GOLD MINES LIMITED

(FORMERLY WIMPER TRADING LIMITED)

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

Note : 1 Share Capital

A	Particulars	31 March 2013		31 March 2012	
		Numbers	₹ ('000)	Numbers	₹ ('000)
	Authorised				
	Equity Shares of ₹ 1 each	100,000,000	100,000	100,000,000	100,000
		100,000,000	100,000	100,000,000	100,000
	Issued, Subscribed & Fully Paid up				
	Equity Shares of ₹ 1 each	58,771,250	58,771	58,526,250	58,526
	Total	58,771,250	58,771	58,526,250	58,526

B Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

Particulars	Equity Shares			
	31 March 2013		31 March 2012	
	Numbers	₹ ('000)	Numbers	₹ ('000)
At the beginning of the year	58,526,250	58,526	58,450,000	58,450
Add Shares Issued on exercise of Employee Stock Options	245,000	245	76,250	76
At the end of the year	58,771,250	58,771	58,526,250	58,526

C Shares held by holding company / ultimate holding company and/or their subsidiaries/associates

Particulars	Nature of Relationship	31 March 2013	31 March 2012
Equity Shares		NIL	

D Detail of shareholders holding more than 5% of shares in the company

Name of Shareholder	Equity Shares			
	31 March 2013		31 March 2012	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Rama Mines (Mauritius) Limited	25,342,449	43.12	25,747,506	43.99

- E The Company has reserved issuance of 19,87,500 (Previous year 25,73,750) Equity shares of ₹ 1/- each for offering to eligible employees of the company and its subsidiaries under Employees Stock Option Scheme (ESOS). During the Financial Year 2010-2011 the company has granted 30,00,000 option to the eligible employees at a price of ₹ 16.95/- per option plus all applicable taxes, as may be levied in this regard on the company]. The Options would vest over a maximum period of 3 years or such other period as may be decided by the Employees Stock compensation Committee from the date of grant based on specified criteria.

F. Disclosure pursuant to Note no. 6(A)(i) of Part I of Schedule VI to the Companies Act, 1956

Particulars	Aggregate No. of Shares (for last 5 Financial Years)
Equity Shares :	
Fully paid up pursuant to contract(s) without payment being received in cash	NIL
Fully paid up by way of bonus shares	NIL
Shares bought back	NIL

Note - 2 : Reserve and surplus

Particulars	31 March 2013 ₹ ('000)	31 March 2012 ₹ ('000)
a. Capital Reserves		
Opening Balance	16,726	16,726
(+)/(-) Transfer	-	-
Closing Balance	16,726	16,726
b. Securities Premium Account		
Opening Balance	98,177	96,530
(+) on allotment of Equity Shares	5,292	1,647
Closing Balance	103,469	98,177
c. Profit & Loss Account		
Opening balance	(53,262)	(42,644)
(+) Net Loss For the current year	(10,205)	(10,618)
Closing Balance	(63,466)	(53,262)
d. Preoperative Expenses		
Opening balance	(96,765)	(75,977)
(+) Incurred during the year	(9,485)	(20,788)
Closing Balance	(106,251)	(96,765)
Total	(49,522)	(35,124)

Note - 3 : Long Term Provisions

Particulars	31 March 2013 ₹ ('000)	31 March 2012 ₹ ('000)
Provision for Gratuity	739	613
	739	613

Note - 4 : Trade payables

Particulars	31 March 2013 ₹ ('000)	31 March 2012 ₹ ('000)
Due to Mirco, small and medium enterprises	-	-
Due to Others	5,736	3,297
Total	5,736	3,297

Note: Based on the information available with the Company, there are no suppliers who are registered as micro small & Medium enterprises under The Micro, Small and Medium Enterprises Development Act, 2006, as at 31 March 2013.

DECCAN GOLD MINES LIMITED

Note - 5 : Other Current Liabilities

Particulars	31 March 2013 ₹ ('000)	31 March 2012 ₹ ('000)
(i) Statutory dues	20	302
(ii) other liability	130	106
Total	150	408

Note 6 : Fixed Assets

(Amount in '000)

Fixed Assets	Gross Block				Accumulated Depreciation				Net Block (WDV)	
	Balance as at 01-04-2012	Additions	Disposals	Balance as at 31-03-2013	Balance as at 01-04-2012	For the year	Written back	Balance as at 31-03-2013	Balance as at 31-03-2013	Balance as at 31-03-2012
Tangible Assets :										
Land - Lease hold	2,864	-	-	2,864	2,864	-	-	2,864	-	-
Plant and Equipment	1,138	-	-	1,138	590	164	-	755	383	548
Vehicles	502	-	-	502	446	15	-	460	42	56
Computer	268	-	-	268	235	13	-	248	20	33
Furniture and Fixtures	563	-	-	563	363	36	-	399	164	200
Office equipment	452	-	-	452	235	30	-	265	187	218
Total	5,788	-	-	5,788	4,733	259	-	4,992	796	1,055
Intangible Assets :										
Computer software	146	-	-	146	127	8	-	135	12	19
Total	146	-	-	146	127	8	-	135	12	19
Capital Work In Progress	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-
Intangible assets under Development	-	-	-	-	-	-	-	-	-	-
Total	5,935	-	-	5,935	4,860	266	-	5,127	808	1,074
Previous Year	6,104	-	169	5,935	4,120	885	145	4,860	1,074	-

Note - 7 : Non-current investments

Particulars	31 March 2013 ₹ ('000)	31 March' 2012 ₹ ('000)
Investments in Wholly Owned Subsidiary Company: 10,000 Equity Shares of Rs.10 Each of Deccan Exploration Services Pvt Ltd fully paid	100	100
Total	100	100

Note - 8 : Other Non-current Assets

Particulars	31 March 2013 ₹ ('000)	31 March' 2012 ₹ ('000)
Security Deposits	2,115	2,115
Total	2,115	2,115

Note - 9 : Current investments

Particulars	31 March 2013 ₹ ('000)	31 March 2012 ₹ ('000)
Investments in Mutual Fund:		
Reliance Medium Term Fund Daily Dividend Plan (P Y Market Value Rs. 4.28 Lacs)	-	428
BNP Paribas Money Plus Fund Weekly Dividend (C.Y Market Value Rs.166.28 Lacs P Y Market Value Rs. 248.89 Lacs)	16,612	24,871
Total	16,612	25,299

Note - 10 : Cash and Cash Equivalents

Particulars	31 March 2013 ₹ ('000)	31 March 2012 ₹ ('000)
a. Balances with banks On current accounts in scheduled bank	1,580	2,866
b. Cash on hand	78	50
Total	1,658	2,916

Note - 11 : Short-term loans and advances

Particulars	31 March 2013 ₹ ('000)	31 March 2012 ₹ ('000)
Advance receivable in cash or kind	11	5
Balance with Government Authorities		
Income Taxes (Net)	2,225	2,225
Service Tax	2,849	2,703
Total	5,085	4,933

Note - 12 : Other Income

Particulars	31 March 2013 ₹ ('000)	31 March 2012 ₹ ('000)
Profit on Sale of Investment	20	41
Interest on tax refund	-	3
Dividend Income	1,551	2,984
Total	1,571	3,028

Note - 13 : Employee Benefit Expenses

Particulars	31 March 2013 ₹ ('000)	31 March 2012 ₹ ('000)
Salaries & wages	2,226	2,205
Expenses on Employee Stock Option Scheme	3,170	4,457
Staff welfare expenses	12	22
Total	5,408	6,684

DECCAN GOLD MINES LIMITED

Note - 14 : Finance costs

Particulars	31 March 2013 ₹ ('000)	31 March' 2012 ₹ ('000)
Bank Charges	14	14
Interest Paid	0	2
Total	14	16

Note - 15 : Other expenses

Particulars	31 March 2013 ₹ ('000)	31 March' 2012 ₹ ('000)
Electricity Expenses	116	146
Listing Fees	262	260
Rent	2,037	2,014
Rates and taxes	7	27
Repair and maintenance	247	184
Directors Remuneration	1,200	1,200
Business promotion & Advertisement Expenses	1,070	1,075
Travelling and conveyance	218	195
Communication Expenses	21	17
Legal and Professional fees	597	583
Directors' sitting fees	63	68
Auditor's Remuneration	226	198
Loss on Disposal of Assets	-	24
Miscellaneous expenses	3	38
Membership & Subscription fees	20	32
Total	6,088	6,061

Payments to Auditor

Particulars	31 March 2013 ₹ ('000)	31 March' 2012 ₹ ('000)
For Audit Fee	105	105
For Certification & Others	121	93
Total	226	198

Notes -16

**SIGNIFICANT ACCOUNTING POLICIES AND NOTES ANNEXED TO
BALANCE SHEET AS AT 31 MARCH, 2013****(i) 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:

1. Depreciation is provided as per Written down Value prescribed under Schedule XIV of the Companies Act, 1956.
2. Depreciation on Leased Premises is provided over a period of five years i.e the tenure 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:

- (a) Long term investments are carried at cost after providing for any diminution in value, if such diminution is of other than temporary nature.
- (b) Current investments are carried at the lower of cost and market value. The determination of carrying cost of such investments is done on the basis of specific identification.

F. Taxes on income:

1. Current year tax is determined in accordance with Income Tax Act, 1961 at the Current Tax rates based on assessable income.
2. 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 asset's net selling price and value in use.

H. Revenue Recognition

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

1. Exploration Income is recognised when services are provided
2. Interest Income is recognised on accrual basis
3. Dividend Income is accounted on accrual basis when the right to receive the dividend is established

I. Employee Benefits

Leave encashment : The company does not have a policy of carry forward of pending leaves and hence no provision for the same is made as mentioned under AS - 15 issued by ICAI.

Gratuity : Gratuity provision is made for qualifying employees. Gratuity liability is defined benefit obligation and is provided for on the basis of an actuarial valuation on projected unit cost method.

J Provisions , contingent liabilities and contingent assets

Estimation of the probability of any loss that might be incurred on outcome of contingencies on basis of information

DECCAN GOLD MINES LIMITED

available up to the date on which the financial statements are prepared. A provision is recognised when an enterprise has a present obligation as a result of a past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are determined based on management estimates required to settle the obligation at the balance sheet date, supplemented by experience of similar transactions. These are reviewed at each balance sheet date and adjusted to reflect the current management estimates. In cases where the available information indicates that the loss on the contingency is reasonable possible but the amount of loss cannot be reasonably estimated, a disclosure to this effect is made in the financial statements. In case of remote possibility neither provision nor disclosure is made in the financial statement. The company does not account for or disclose contingent asset, if any.

K. Stock Option Granted

The stock options granted are accounted for as per the accounting treatment prescribed by Employee Stock Option Scheme and Employee Stock Purchase Guidelines, 1999, issued by Securities and Exchange Board of India, whereby the intrinsic value of the option is recognised as deferred employee compensation. The deferred employee compensation is charged to Profit & Loss Account on straight-line basis over the vesting period of the option. The employee stock option outstanding account is shown net of any unamortized deferred employee compensation.

(ii) NOTES TO THE ACCOUNTS:

S No	PARTICULARS	31 March 2013 ₹ ('000)	31 March 2012 ₹ ('000)
1.	Capital Commitments	Nil	Nil
2.	Claims made against the company but not acknowledged as debts	Nil	Nil
3.	Contingent Liabilities on disputed Income Tax	Nil	2.57
4.	Additional information pursuant to para 3 & 4 of para ii of Schedule VI of the Companies Act, 1956.		
	a. Expenditure in foreign currency	Nil	Nil
	b. Earning in foreign currency	Nil	Nil

5. Related party disclosure

a) Name of related parties and relationship

S. No.	Name of the party	Relationship
1	Deccan Exploration Services Private Limited	Wholly owned subsidiary
2	Sandeep Lakhwara	Managing Director
3	Charles E.E. Devenish	Chairman
4	K.R.Krishnamurthy	Director
5	Dr.M.Ramakrishnan	Director
6	V.K.Gaur	Director

b) Transactions with related parties:-

S. No.	Nature	31 March 2013 ₹ ('000)	31 March 2012 ₹ ('000)
1	Reimbursement of Exploration Expenses to Subsidiary	9,276.83	16,821.40
2	Managerial Remuneration paid to Directors	1,200.00	1,200.00
3	Directors Sitting Fees & Audit Committee Fees	62.50	67.50
4	Rent for Guest House to Managing Director	360.00	360.00
5.	Equity Shares issued under ESOP To Managing Director(80,000 Equity shares @ Rs 16.95 each)	1,356.00	

6. 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 ₹ 1062.51 Lacs as noted in schedule '2 d' to the Balance Sheet as pre-operative expenditure which will be charged to the profit & loss account as and when the commercial activities/production commences.

7. Disclosure in respect of Employee Stock Option Scheme

a. Employee Stock Option Scheme:

Particulars	Tranche-I	Tranche-II	Tranche-III
No of Options	750,000	1,050,000	1,200,000
Method of Accounting		Intrinsic Value	
Vesting Period	02-06-2011	02-06-2012	02-06-013
Exercise Period	1 year	1 year	1 year
Grant Date	02-06-2010	02-06-2010	02-06-2010
Grant/Exercise Price (Rs.16.95 per share)	16.95	16.95	16.95
Market Price on the date prior to the date of grant of option)	22.60	22.60	22.60

b. Movement of Options granted

Particulars	01.04.2012 to 31.03.2013	01.04.2011 to 31.03.2012
Options outstanding at the beginning of the year	25,73,750	30,00,000
Exercised during the year	2,45,000	76,250
Options Lapsed during the year	3,41,250	-
Option Lapsed on account of Employee resignation	-	*3,50,000
Options outstanding at the end of the year	19,87,500	25,73,750
Option unvested at the end of the year	10,60,000	19,87,500
Option exercisable at end of the year	9,27,500	5,86,250

* This includes 87500 stock options vested on 2nd June 2011

c. Employee Stock Option

Employee Stock Option Outstanding account ₹ 112.29 Lacs & Deferred Employee Compensation account ₹ 7.26 Lacs. Employee Compensation Expenses amounting to ₹ 31.70 Lacs is included under the head Salaries and other benefits.

8. Defined benefit Plans: -

A The amounts (in ₹) recognised in the statement of Profit and Loss are as follows:

Defined benefit Obligation

S. No.	Particulars	31.3.2013	31.3.2012
1	Current service cost	93,100	87,997
2	Interest on obligation	52,079	40,634
3	Expected return on plan assets	-	-
4	Net actuarial losses (gains) recognised in year ended	(19,112)	(23,855)
5	Past service cost	-	-
6	Losses (gains) on curtailments and settlement	-	-
	Total, included in 'Employee Benefit Expense'	126,067	104,776

DECCAN GOLD MINES LIMITED

- B Changes in the present value of the defined benefit obligation representing reconciliation of opening and closing balances thereof are as follows:

Defined benefit Obligation

S. No.	Particulars	31.3.2013	31.3.2012
1	Opening Defined Benefit Obligation	612,698	507,921
2	Service cost for the year	93,100	87,997
3	Interest cost for the year on opening D.B.O.	52,079	40,634
4	Actuarial losses (gains)	(19,112)	(23,855)
5	Losses (gains) on curtailments	-	-
6	Liabilities extinguished on settlements	-	-
7	Liabilities assumed in an amalgamation in the nature of purchase	-	-
8	Exchange differences on foreign plans	-	-
9	Benefits paid	-	-
	Closing defined benefit obligation	738,765	612,698

- C. Changes in the fair value of plan assets representing reconciliation of the opening and closing balances thereof are as follows:

Not Applicable as the Liability is not funded.

- D. Principal actuarial assumptions at the balance sheet date (expressed as weighted averages):

	31.3.2013	31.3.2012
1 Discount rate	8.00%	8.50%
2 Expected return on plan assets	-	-
3 Proportion of employees opting for early retirement	-	-
4 Annual increase in Salary costs	6.00%	6.00%

The estimates of future salary increase, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

9. Earning Per Share (Amount in '000)

Particulars	31.03.2013	31.03.2012
Net Profit / (Loss) available to Equity Shareholders	(10,205)	(10,618)
Weighted Average No of Equity Shares	58732318	58490768
Basic Earning Per Shares (in ₹)	-0.17	-0.18
Diluted Earning Per Shares (in ₹)	-0.17	-0.18

10. The Company has not received information from creditors regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosure relating to amount unpaid at the end of the year under this act has not been given. There were no claims for interest on delayed payments.
11. Segment Reporting: The Company is mainly engaged in the business of gold exploration and mining. Considering the nature of business and financial reporting of the Company, the Company has only one segment viz; Gold Mining and Exploration as reportable segment.
12. Previous year figures have been re-grouped, re-arranged wherever considered necessary.

As per our report of even date,
For **V. K. BESWAL & ASSOCIATES**,
CHARTERED ACCOUNTANTS
FIRM REGN NO 101083W

For and on behalf of the Board

CA K.V. BESWAL
PARTNER
Membership Number: 131054

Charles E.E.Devenish
Chairman

Sandeep Lakhwara
Managing Director

Place : Mumbai
Dated : 30 May 2013

Place : Bangalore
Dated : 30 May 2013

S. Subramaniam
Company Secretary

DECCAN GOLD MINES LIMITED

(FORMERLY WIMPER TRADING LIMITED)

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH, 2013

	For the year ended 31.03.2013 (₹ '000)	For the year ended 31.03.2012 (₹ '000)
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit/(Loss) before Tax and after Extraordinary items	(10,205)	(10618)
Adjustment For :		
Depreciation	266	885
Interest & Finance charges	14	16
Interest received	-	(3)
Dividend Income	(1,551)	(2984)
Expenses on Employee Stock option	3,170	4,457
Profit on Sale of Investment	(20)	(41)
Loss (Profit) on sale/disposal of Assets	-	24
Operative Profit before Working Capital Changes	(8,326)	(8264)
Adjustment For :		
Trade and Other Receivables	(152)	(478)
Trade & Other liability	2,307	726
Cash Generation from Operations	(6,171)	(8016)
Direct Taxes	0	(3)
Net Cash Flow from operating activities	(6,171)	(8019)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Pre-operative Expenses	(9,485)	(20,788)
Proceeds from investments	8,707	26,016
Dividend Income	1,551	2,984
Interest Received	-	3
Net Cash used in investing activities	772	8215
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Share Issue	4,153	1293
Financial Charges	(14)	(16)
Net Cash used in financing activities	4,139	1277
D. NET CHANGE IN CASH AND CASH EQUIVALENTS (A+B+C)	(1,260)	1473
Cash and Cash Equivalents as at 1st April 2012	2,916	1442
Cash and Cash Equivalents as at 31st March 2013	1,658	2916

As per our report of even date,
For **V. K. BESWAL & ASSOCIATES**,
CHARTERED ACCOUNTANTS
FIRM REGN NO 101083W

For and on behalf of the Board

CA K.V. BESWAL
PARTNER
Membership Number: 131054

Charles E.E. Devenish
Chairman

Sandeep Lakhwara
Managing Director

Place : Mumbai
Dated : 30 May 2013

Place : Bangalore
Dated : 30 May 2013

S. Subramaniam
Company Secretary

DECCAN GOLD MINES LIMITED

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	:	31 March 2013

(Amount ₹ '000)

B. CAPITAL RAISED DURING THE YEAR

Public Issue	:	NIL
Right Issue	:	NIL
Bonus Issue	:	NIL
Private Placement	:	NIL
Employee Stock Option Scheme	:	245

C. POSITION OF MOBILISATION AND DEVELOPMENT

Total Liability	:	26,377
Total Assets	:	26,377

SOURCE OF FUND

Paid up capital	:	58,771
Reserves & Surplus	:	(49,522)
Employees Stock Option Outstanding	:	10,503
Unsecured Loans	:	-
Non- Current Liabilities	:	739
Current Liabilities	:	5,886

APPLICATION OF FUNDS

Net fixed Assets	:	808
Non-Current Assets	:	2,215
Current Assets	:	23,355

D. PERFORMANCE OF THE COMPANY

Total Income	:	1,571
Total Expenditure	:	11,776
Profit/(Loss) Before Tax	:	(10,205)
Profit/(Loss) After Tax	:	(10,205)
Earning per share in Rs.	:	(0.17)
Dividend Rate %	:	-

E. GENERAL NAMES OF THEIR 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
FIRM REGN NO 101083W

For and on behalf of the Board

CA K.V. BESWAL
PARTNER
Membership Number: 131054

Charles E.E.Devenish
Chairman

Sandeep Lakhwara
Managing Director

Place : Mumbai
Dated : 30 May 2013

Place : Bangalore
Dated : 30 May 2013

S. Subramaniam
Company Secretary

DECCAN EXPLORATION SERVICES PRIVATE LIMITED
(FORMERLY DECCAN GOLD EXPLORATION SERVICES PRIVATE LIMITED)

DIRECTORS' REPORT

Your Directors have pleasure in presenting their Sixteenth Annual Report of the Company together with the audited accounts of the company for the year ended 31 March, 2013.

OPERATIONS AND FUTURE OUTLOOK

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

The company during the year incurred profit / (loss) of ₹ (0.16) million compared to profit / (loss) of ₹ 1.02 million during the previous year.

The Mining Lease Application over an area of 0.29 sq kms covering the Ganajur Main Gold Prospect is now pending approval of the Ministry of Mines, Government of India (MoM) to whom it was recommended by the State Government of Karnataka. The same is being pursued vigorously.

UPDATES DURING 2012-13:

- State High Level Clearance Committee (SHLCC) of Government of Karnataka approved enhancement in land allotment from 145 acres to 200 acres at Ganajur Village, Haveri District, Karnataka for the proposed gold mine and processing plant (May, 2012)
- Grant of Prospecting Licence (PL) for gold over an area of 4 sq kms in the Mangalagatti Block located in the Dharwar District of Karnataka vide Grant Order dated 11 October, 2012 issued by the Government of Karnataka and is awaiting execution.
- Execution of Technical and Commercial Consultancy and Advisory Services Agreement (Agreement) and Addendum to the Agreement with Hira Infratek Private Limited (part of Hira Group, Chhattisgarh) with regard to the Ganajur Gold Project. (November, 2012)
- Grant of Terms of Reference for the proposed Ganajur Gold Ore Processing Plant (March, 2013).

MANAGEMENT

The Board comprises of eminent geologists and professionals. Further, Mr. Saradchandra Rao Peshwa and Dr. M. Hanuma Prasad are the Directors retiring by rotation and being eligible, offer themselves for re-appointment at the ensuing Annual General Meeting.

DIRECTORS' RESPONSIBILITY STATEMENT

Your Directors confirm that:

- a. in preparation of the annual accounts, the applicable Accounting Standards have been followed along with proper explanations relating to any material departures, if any;
- b. they have selected such Accounting Policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at 31 March, 2013 and of the net profit / (loss) for the year ended on that date;
- c. they had taken proper and sufficient care for maintenance of adequate accounting records as required under the Companies Act, 1956 for safeguarding the assets of the company and for prevention and detection of fraud and other irregularities; and
- d. they have prepared the Statement of Accounts for the year ended 31 March, 2013 on a going concern basis.

DECCAN GOLD MINES LIMITED

PARTICULARS OF EMPLOYEES

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

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

(a) Conservation of energy and technology absorption:

Considering the nature of the company's existing business activities, your Directors have nothing to state in connection with conservation of energy and technology absorption.

(b) Foreign exchange earnings and outgo:

During the year under review, the company did not have any foreign exchange earnings, but had a foreign exchange outgo of ₹ 7.62 lac.

AUDITORS

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

ACKNOWLEDGMENT

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

For and on behalf of the Board

Place : Bangalore
Date : 2 September 2013

S.C.R. Peshwa
Director

K. Karunakaran
Director

AUDITOR'S REPORT

TO THE MEMBERS OF DECCAN EXPLORATION SERVICES PRIVATE LIMITED

We have audited the Balance Sheet of DECCAN EXPLORATION SERVICES PRIVATE LIMITED as at 31st MARCH, 2013 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, 2013 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, 2013; and
 - (ii) in the case of the Profit and Loss Account, of the loss of the company for the year ended on that date.

For **RAO & VENKATESULU**
Chartered Accountants

K.Y. NINGOJI RAO
Partner

Membership No. : 018278
FR No. 003108S

Place : Bangalore
Date : May 10, 2013

DECCAN GOLD MINES LIMITED

DECCAN EXPLORATION SERVICES PRIVATE LIMITED (FORMERLY DECCAN GOLD EXPLORATION SERVICES PRIVATE LIMITED)

BALANCE SHEET AS AT 31 MARCH, 2013

Particulars	Sch No	31.3.2013	31.3.2012
I EQUITY AND LIABILITIES			
1 Shareholder's Funds:			
a Share Capital	1	100	100
b Reserves and Surpluses	2	6,941	7,105
c Money Received Against Share Warrants			
2 Share Application Money Pending Allotment			
3 Non-Current Liabilities:			
a Long Term Borrowings			
b Deferred Tax Liabilities (Net)			
c Other Long Term Liabilities			
d Long Term Provisions			
4 Current Liabilities:			
a Short Term Borrowings			
b Trade Payables	3	705	367
c Other Current Liabilities	4	24	61
d Short Term Provisions	5	-	324
TOTAL		7,770	7,957
II ASSETS			
1 Non Current Assets:			
a Fixed Assets:			
(i) Tangible Assets	6	628	748
(ii) Intangible Assets			
(iii) Capital work-in-progress		-	-
(iv) Intangible Assets Under Development			
b Non Current Investments			
c Deferred Tax Assets (net)			
d Long Term Loans and Advances	7	284	284
e Other Non Current Assets	8	909	1,867
2 Current Assets:			
a Current Investments			
b Inventories		-	-
c Trade Receivables	9	5,736	3,102
d Cash and Cash Equivalents	10	172	1,915
e Short Term Loans and Advances	11	41	41
f Other Current Assets			
TOTAL		7,770	7,957
NOTES TO ACCOUNTS	19		

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

For **DECCAN EXPLORATION SERVICES PRIVATE LIMITED**

As per our report of even date attached.
For **Rao & Venkatesulu**
Chartered Accountants

S.C.R PESHWA
Director

K.KARUNAKARAN
Director

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

Place : Bangalore
Date : 10 May 2013

DECCAN EXPLORATION SERVICES PRIVATE LIMITED
(FORMERLY DECCAN GOLD EXPLORATION SERVICES PRIVATE LIMITED)

PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED ON 31 MARCH, 2013

Particulars	Sch No	31.3.2013	31.3.2012
REVENUES:			
Revenue From Operations	12	8,699	15,557
Other Income	12	-	6,083
Total Revenue (I +II)		8,699	21,640
EXPENSES:			
1 Exploration Expenses	13	8,705	16,022
2 Changes in Inventories of Finished Goods			
Work-in-Progress and Stock-in-Trade	14	-	4,083
3 Employee Benefit Expense		-	-
4 Financial Costs	15	2	7
5 Depreciation and Amortization Expense	16	120	135
6 Other Expenses	17	37	46
Total Expenses		8,864	20,293
Profit Before Exceptional and Extraordinary Items & Tax		(164)	1,347
Exceptional Items	18	-	-
Profit Before Extraordinary Items and Tax		(164)	1,347
Extraordinary Items		-	
Profit Before Tax		(164)	1,347
Tax Expense:			
1 Current Tax		-	324
2 Earliear Year Taxes		-	-
3 Deferred Tax		-	-
Profit (Loss) For The Perid From Continuing Operations		(164)	1,347
Profit/(Loss) from Discontinuing Operations			
Tax Expense of Discounting Operations			
Profit/(Loss) From Discontinuing Operations			
Profit/(Loss) For The Period		(164)	1,347
Earning Per Equity Share:			
1 Basic		-16.44	102.27
2 Diluted		-16.44	102.27

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

For **DECCAN EXPLORATION SERVICES PRIVATE LIMITED**

As per our report of even date attached.

For **Rao & Venkatesulu**
Chartered Accountants

S.C.R PESHWA
Director

K.KARUNAKARAN
Director

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

Place : Bangalore
Date : 10 May 2013

DECCAN EXPLORATION SERVICES PRIVATE LIMITED
(FORMERLY DECCAN GOLD EXPLORATION SERVICES PRIVATE LIMITED))

SCHEDULES FORMING PART OF ANNUAL ACCOUNTS

(₹ '000)

Share Capital

Schedule : 1

Particulars	As At 31.3.2013	As At 31.3.2012
AUTHORIZED CAPITAL		
50,000 Equity Shares of Rs. 10/- each.	500	500
ISSUED , SUBSCRIBED & PAID UP CAPITAL		
10,000 Equity Shares of Rs. 10/- each, Fully Paid Up	100	100
Total	100	100

Reserve & Surpluses

Schedule : 2

Particulars	As At 31.3.2013	As At 31.3.2012
Reserves	-	-
Total		
Profit & Loss Account:		
Balance Brought Forward	7,105	6,082
Add: Net Profit For The Year	(164)	1,023
Total	6,941	7,105

Trade Payables

Schedule : 3

Particulars	As At 31.3.2013	As At 31.3.2012
Trade Creditors	661	337
Others	44	30
Total	705	367

Other Current Liabilities

Schedule : 4

Particulars	As At 31.3.2013	As At 31.3.2012
TDS Payable	24	61
Total	24	61

Short Term Provisions

Schedule : 5

Particulars	As At 31.3.2013	As At 31.3.2012
Provisions For Current Taxes	-	324
Provision From Employees Benefit	-	-
Others	-	-
Total	-	324

Fixed Assets

Note 6

Fixed Assets	Rate	Gross Block			Accumulated Depreciation				Net Block (WDV)	
		Balance as at 01-04-2012	Additions	Disposals	Balance as at 31-03-2013	Balance as at 01-04-2012	For the year	Written back	Balance as at 31-03-2013	Balance as at 31-03-2012
Tangible Assets :										
Land	0%	-	-	-	-	-	-	-	-	-
Buildings	10%	-	-	-	-	-	-	-	-	-
Plant & Equipment	15%	-	-	-	-	-	-	-	-	-
Vehicles	15%	844	-	-	844	127	108	-	234	610
Furniture & Fixtures	10%	-	-	-	-	-	-	-	-	-
Office equipment	10%	13	-	-	13	1	12	-	19	11
Computer	60%	26	-	-	26	8	11	-	18	7
Sub Total (A)		883	-	-	883	135	119	-	255	628
Intangible Assets :										
Sub Total (B)		-	-	-	-	-	-	-	-	-
Capital Work In Progress		-	-	-	-	-	-	-	-	-
Sub Total (C)		-	-	-	-	-	-	-	-	-
Intangible assets under Development		-	-	-	-	-	-	-	-	-
Sub Total (D)		-	-	-	-	-	-	-	-	-
Current Year (A+B+C+D)		883	-	-	883	135	119	-	255	628
Previous Year		-	883	-	883	-	135	-	135	748

Long Term Loans and Advances

Schedule : 7

Particulars	As At 31.3.2013	As At 31.3.2012
Security Deposit	127	117
Other Loans & Advances	156	166
Total	283	283

Other Non Current Assets

Schedule : 8

Particulars	As At 31.3.2013	As At 31.3.2012
Long Term Trade Recievables		
Others	909	1,866
Total	909	1,866

Trade Recievables

Schedule : 9

Particulars	As At 31.3.2013	As At 31.3.2012
Outstanding for more than six months	-	-
Others	5,735	3,101
Total	5,735	3,101

Cash & Cash Equivalent

Schedule : 10

Particulars	As At 31.3.2013	As At 31.3.2012
Cash-in-Hand	13	29
Bank Balance	158	1,886
Total	171	1,915

DECCAN GOLD MINES LIMITED

Short Terms Loans and Advances

Schedule : 11

Particulars	As At 31.3.2013	As At 31.3.2012
Loans & Advances from Related Parties	-	
Others	41	41
Total	41	41

Revenues From Operations & Other Income

Schedule : 12

Particulars	Current Year	Previous Year
Revenues From Operations:		
Exploration Contract	8,699	15,556
Drilling Contract Receipts		
Total	8,699	15,556
Other Income:		
Consultancy Receipts	-	6,061
Interest on Others	-	20
Miscellaneous Receipts	-	
Total	-	6,082
Total	8,699	21,639

Exploration Expenses

Schedule : 13

Particulars	Current Year	Previous Year
Analysis Charges	74	1,289
Boarding & Lodging Charges	235	188
Camp Expenses	24	109
Diesel & fuel	102	132
Duplicating Charges	4	1
Field Supplies & Consumables	89	272
Field Vehicle Maintenance	58	50
RP Processing Fees	1,302	63
Rent	360	189
Land & Crop Compensation	480	280
Field Travel Expenses	137	150
Exploration Contract Expenses	3,069	3,367
Food & Water Charges	162	250
Professional & Consultantancy Fee	1,821	939
Trenching , Drilling & Pitting Charges	776	6,154
Surveying Charges	6	2,571
Other Camp Expenses	5	11
TOTAL carried To Profit & Loss Account	8,705	16,021

Change in Inventories

Schedule : 14

Particulars	Current Year	Previous Year
Opening Stock:		
Working in Progress	-	4,082
Total	-	4,082
Closing Stock:		
Working in Progress	-	-
Total	-	-
Total	-	4,082

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Financial Cost

Schedule : 15

Particulars	Current Year	Previous Year
Interest On Loans		
Bank Charges & Other Charges	2	7
Total	2	7

Depreciation & Amortised Cost

Schedule : 16

Particulars	Current Year	Previous Year
Depreciation	120	135
Preliminary Expenses Amortized		-
Total	120	135

Other Expenses

Schedule : 17

Particulars	Current Year	Previous Year
Rates & Taxes	1	
Postage & Telegraph	-	1
Filing Fee	2	
Printing & Stationery	3	-
Other Expenses	-	
Professional Fee	4	4
Travelling Expenses		12
Auditors Remuneration:		
For Audit	22	22
For Tax Audit	4	4
For Others		3
Total [A + B]	37	46

Exceptional Items

Schedule : 18

Particulars	Current Year	Previous Year
Penal Interest & Other Expenses	-	-
Total	-	-

TRADE PAYABLES

Particulars	As At 31.3.2013	As At 31.3.2012
FOR TRADE:		
Geo Mysore Services (India) Pvt Ltd	607	337
BS Envitech (P)Ltd	53	
Total	660	337
FOR EXPENSES:		
Staff	18	
Service Tax	-	
Rao & Venkatesulu	27	30
Total	45	30
Total	705	367

DECCAN GOLD MINES LIMITED

OTHER CURRENT LIABILITIES

Particulars	As At 31.3.2013	As At 31.3.2012
Income Tax TDS Payable	24	61
Total	24	61

TRADE RECEIVABLES

Particulars	As At 31.3.2013	As At 31.3.2012
DUES FOR LESS THAN SIX MONTHS: Deccan Gold Mines Ltd	5,735	3,101
Total	5,735	3,101
DUES FOR LESS THAN SIX MONTHS: Total		
Total	5,735	3,101

OTHER NON CURRENT ASSETS

Particulars	As At 31.3.2013	As At 31.3.2012
Long Term Trade Receivables		
Others: Income Tax T.D.S.	909	1,866
Total	909	1,866

LONG TERM LOANS & ADVANCES

Particulars	As At 31.3.2013	As At 31.3.2012
Security Deposit	127	117
Total	127	117
Others: Rent Deposit	155	155
Yogesh		11
Jajadish Chandra Jat	1	
Total	156	166

SHORT TERM LOANS & ADVANCES

Particulars	As At 31.3.2013	As At 31.3.2012
Loans & Advances From Related Parties		
Total	-	-
Others: Service Tax	41	41
Total	41	41
Total	41	41

SCHEDULE '19'**NOTES FORMING PART OF ANNUAL ACCOUNTS:****1. Share Capital:****Reconciliation of Number of Shares:**

Particulars	As At 31.3.2013	As At 31.3.2012
Equity Shares:		
Balance at the beginning	10	10
Add: Number of Share Allotted	Nil	Nil
Balance at close	10	10

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

Particulars	As At 31.3.2013	As At 31.3.2012
Equity Shares of ₹ 10/- Each	Nil	Nil

Rights, preferences and restrictions attached to each class of shares:**Equity Share of ₹ 10/- each fully paid-up:**

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

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

Name of Shareholders	As At 31.3.2013	As At 31.3.2012	% of Shares
Deccan Gold Limited	9999	9999	99.99%

2. Particulars of Reserves and Surpluses:

Particulars	As At 31.3.2013	As At 31.3.2012
Profit & Loss Account:		
Opening Balance Brought Forward	7,105	6,082
Add: Current Year Profit	(164)	1,022
Less: Proposed Dividend & Dividend Tax	(Nil)	(Nil)
Less: Transferred to General Reserve	(Nil)	(Nil)
Closing Balance Carried Forward	6,941	7,104

3. Trade Receivables:**Classified as Current: ₹ 5,735,664 (P.Y. ₹ 3,101,617) includes:**

Particulars	As At 31.3.2013	As At 31.3.2012
i. Debts Due for a period:		
a. More than Six Months from the due date	Nil	Nil
b. Others	5,735	3,101
ii. Debts considered good and secured	Nil	
iii. Debts considered good but secured	5,735	3,101
iv. Debts considered unsecured and doubtful of recovery and not provided for	Nil	Nil
v. Debts due from:		
a. Directors	Nil	Nil
b. Other Officers	Nil	Nil
c. Companies in which the Directors of the company is Directors	Nil	Nil
d. Firms in which Directors of the company are interested as partners	Nil	Nil

DECCAN GOLD MINES LIMITED

4. Loans and Advances:

Classified as Current: ₹ 40,995 (P.Y. ₹ 40,862) includes:

Particulars	As At 31.3.2013	As At 31.3.2012
i. Short Term Loans & Advances:		
a. Capital Advances	Nil	Nil
b. Security Deposits	Nil	Nil
c. Due From Related Parties	Nil	Nil
d. Others	41	41
ii. Loans and advances which are:		
a. Secured and considered good	Nil	Nil
b. Unsecured and Considered Good	41	41
c. Doubtful	Nil	Nil
iii. Loans & Advances due from:		
e. Directors	Nil	Nil
f. Other Officers	Nil	Nil
g. Companies in which the Directors of the company is Directors	Nil	Nil
h. Firms in which Directors of the company are interested as partners	Nil	Nil

Classified as Non-Current: ₹ 283,553 (P.Y. ₹ 283,933) includes:

Particulars	As At 31.3.2013	As At 31.3.2012
i. Long Term Loans & Advances:		
e. Capital Advances	Nil	Nil
f. Security Deposits	127	117
g. Due From Related Parties	Nil	Nil
h. Others	156	166
ii. Loans and advances which are:		
d. Secured and considered good	Nil	Nil
e. Unsecured and Considered Good	156	166
f. Doubtful	Nil	Nil
iii. Loans & Advances due from:		
i. Directors	Nil	Nil
j. Other Officers	Nil	
k. Companies in which the Directors of the company is Directors	Nil	
l. Firms in which Directors of the company are interested as partners	Nil	

5. Amounts due to and From Related Parties:

Particulars	As At 31.3.2013	As At 31.3.2012
Amounts due to Related Parties:		
i. Geo Mysore Services India Private Limited	607	337
Total	607	337
Amounts due from Related Parties:		
i Deccan Gold Mines Ltd.	5,735	3,101
Total	5,735	3,101

6. Bank Balances Include:

Particulars	As At 31.3.2013	As At 31.3.2012
i. Unpaid Dividends	Nil	Nil
ii. Margin Money	Nil	Nil
III. Deposits with more than 12 months maturity	Nil	Nil
iv. Cheques & Drafts On Hand	Nil	Nil
v. Others	158	1,886
Total	158	1,364

7. Operating Cycles of the business considered by the management are:

Particulars	Period of operation cycle
I. Mine Exploration Contracts	One Year
ii Mining Consultancy	Six Months

8. The particulars of Gross Revenue and Net of Duties are:

Particulars	Gross Value	Less: Duty	Net of Duty
i Mining Exploration Contracts	8,699	Nil	8,699
ii Consultancy Services	Nil	Nil	Nil
Total	8,699	Nil	8,699

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

Particulars of Funds	Current Year	Previous Year
i. Provident Fund	Nil	Nil
ii. ESI Contribution	Nil	Nil
iii. Labour Welfare Fund	Nil	Nil
Total	Nil	Nil

DECCAN GOLD MINES LIMITED

10. RELATED PARTY TRANSACTIONS DISCLOSURES:

Particulars	Associated Concerns & Directors Relatives	Key Management Personnel	TOTAL
Exploration & Other Expenses Paid	3,068	Nil	3,068
Exploration Contract Receipts	8,699	Nil	8,699
Financial Transactions:			
a. Loan Borrowed	Nil	Nil	Nil
b. Loan Repaid	Nil	Nil	Nil
c. Interest Paid	Nil	Nil	Nil
d. Equity Share Capital	Nil	Nil	Nil
e. Share Application	Nil	Nil	Nil
f. Advances Received	Nil	Nil	Nil
g. Advances Repaid	Nil	Nil	Nil
Sale Of Fixed Assets	Nil	Nil	Nil
Purchase Of Fixed Assets	Nil	Nil	Nil
Receiving Of Services	Nil	Nil	Nil
Rendering Of Services	Nil	Nil	Nil
Guarantees & Collaterals:	Nil	Nil	Nil
Associated Concerns:	a. M/s Geo Mysore Services India (P) Ltd b. M/s Deccan Gold Mines Ltd.		
Relatives:	None		
Key Management Personnel	a. Mr. S.C.R.PESHWA - Director b. Mr. Karunakarn - Director		

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

12. 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:

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

F. ACCOUNTING OF INTANGIBLE ASSETS:

1. All intangible Assets acquired at cost are recognized as assets.
2. All intangible Assets are amortized as per the norms stipulated in AS-22 issued by the ICAI.

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

I. Registration Details :

Registration No.: 22819

State Code: 08

BALANCE SHEET AS AT 31st MARCH, 2013:

Particulars	As At 31.3.2013	As At 31.3.2012
II. Capital raised during the year: ₹ in Millions:		
Public Issue	Nil	Nil
Right Issue	Nil	Nil
Bonus Issue	Nil	Nil
Private Placement	Nil	Nil
III. Position of mobilization and deployment of funds: ₹ in Millions:		
Total Liabilities	7.769	7.957
Total Assets	7.769	7.957
Sources of Funds:		
Paid Up Capital	0.100	0.100
Reserves & Surpluses	6.941	7.105
Non Current Liabilities	Nil	Nil
Current Liabilities	0.729	0.752
Application of Funds:		
Net Fixed Assets	0.628	0.748
Non Current Assets	1.193	2.151
Current Assets	5.948	5.058
Deferred Tax Asset	Nil	Nil
IV. Performance of the Company: ₹ in Millions:		
Turnover	8.699	21.640
Total Expenditure	8.863	20.293
Profit Before Tax	(0.164)	1.347
Profit After Tax	(0.164)	1.023
Earning Per Share [Annualized]		
After reckoning Deferred Tax Asset	(₹16.44)	₹ 102.27
Dividend	₹ Nil	₹ 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 "1" and "19

As per our report of even date attached.

For **DECCAN EXPLORATION SERVICES PRIVATE LIMITED**For **Rao & Venkatesulu**
Chartered AccountantsS.C.R PESHWA
DirectorK.KARUNAKARAN
DirectorK Y Ningoji Rao
Partner
Membership No. :018278
FRN: 003108SPlace : Bangalore
Date : 10 May 2013

AUDITORS' REPORT

To the Members of
DECCAN GOLD MINES LIMITED

REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

We have audited the accompanying consolidated financial statements of Deccan Gold Mines Limited, which comprise the Consolidated Balance Sheet as at March 31, 2013, and the Statement of Consolidated Profit and Loss and Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

OPINION

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

- (a) in the case of the Consolidated Balance Sheet, of the Consolidated state of affairs of the Company as at March 31, 2013
- (b) in the case of Consolidated Statement of Profit and Loss, of the Loss for the year ended on that date and
- (c) in the case of the Consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

For V. K. BESWAL & ASSOCIATES

CHARTERED ACCOUNTANTS
FIRM REGN NO 101083W

CA K.V. BESWAL
PARTNER
Membership Number: 131054

Place : Mumbai
Dated : 30 May 2013

DECCAN GOLD MINES LIMITED
(FORMERLY WIMPER TRADING LIMITED)

CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2013

(Amount in '000)

Particulars	Note No.	31-03-2013	31-03-2012
I. EQUITY AND LIABILITIES			
Shareholders' Funds			
(a) Share capital	1	58,771	58,526
(b) Reserves and surplus	2	(42,384)	(27,823)
(c) Employee Stock option Outsanding		10,503	8,717
		26,890	39,420
Non-Current Liabilities			
(a) Long-term Provisions	3	739	613
		739	613
Current Liabilities			
(a) Trade payables	4	705	562
(b) Other current liabilities	5	175	469
(c) Short-term provisions	6	-	324
		880	1,355
TOTAL (I)		28,510	41,388
II. ASSETS			
Non-Current Assets			
(a) Goodwill on Consolidation		197	197
(b) Fixed assets	7		
(i) Tangible assets		1,427	1,804
(ii) Intangible assets		10	19
(c) Long Term Loans and Advances	8	2,399	2,398
		4,033	4,418
Current assets			
(a) Current investments	9	16,612	25,299
(b) Cash and cash equivalents	10	1,829	4,831
(c) Short-term loans and advances	11	6,035	6,840
		24,476	36,970
TOTAL (II)		28,510	41,388

Notes are integral part of the Balance Sheet and Profit & Loss Account

As per our report of even date,
For **V. K. BESWAL & ASSOCIATES**,
CHARTERED ACCOUNTANTS
FIRM REGN NO 101083W

For and on behalf of the Board

CA K.V. BESWAL
PARTNER
Membership Number: 131054

Charles E.E. Devenish
Chairman

Sandeep Lakhwara
Managing Director

Place : Mumbai
Dated : 30 May 2013

Place : Bangalore
Dated : 30 May 2013

S. Subramaniam
Company Secretary

DECCAN GOLD MINES LIMITED

DECCAN GOLD MINES LIMITED

(FORMERLY WIMPER TRADING LIMITED)

STATEMENT OF CONSOLIDATED PROFIT & LOSS FOR THE YEAR ENDED 31 MARCH 2013

(Amount in '000)

Particulars	Note No.	31-03-2013	31-03-2012
Other income	12	1,571	9,111
Total Revenue		1,571	9,111
Expenses:			
Exploration Expenses		5	465
Employee benefits expense	13	5,408	7,884
Finance costs	14	16	23
Depreciation and amortization expense	15	386	1,021
Other expenses	16	6,124	4,908
Change in Inventories		-	4,083
Total expenses		11,939	18,384
Profit before extraordinary items and tax		(10,368)	(9,273)
Extraordinary Items Prior year adjustments		-	-
Profit before tax		(10,368)	(9,273)
Tax expense:			
(1) Current tax		-	324
(2) Deferred Tax		-	-
Profit (Loss) for the period		(10,368)	(9,597)
Earnings per equity share: Basic (in ₹)		-0.18	-0.16
Earnings per equity share: Diluted (in ₹)		-0.18	-0.16

Notes are integral part of the Balance Sheet and Profit & Loss Account

As per our report of even date,
For **V. K. BESWAL & ASSOCIATES**,
CHARTERED ACCOUNTANTS
FIRM REGN NO 101083W

For and on behalf of the Board

CA K.V. BESWAL
PARTNER
Membership Number: 131054

Charles E.E.Devenish
Chairman

Sandeep Lakhwara
Managing Director

Place : Mumbai
Dated : 30 May 2013

Place : Bangalore
Dated : 30 May 2013

S. Subramaniam
Company Secretary

DECCAN GOLD MINES LIMITED
(FORMERLY WIMPER TRADING LIMITED)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

Note : 1 Share Capital

A	Particulars	31 March 2013		31 March 2012	
		Numbers	₹ ('000)	Numbers	₹ ('000)
	Authorised				
	Equity Shares of Rs.1 each	100,000,000	100,000	100,000,000	100,000
		100,000,000	100,000	100,000,000	100,000
	Issued, Subscribed & Fully Paid up				
	Equity Shares of Rs.1 each	58,771,250	58,771	58,526,250	58,526
	Total	58,771,250	58,771	58,526,250	58,526

B Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

Particulars	Equity Shares			
	31 March 2013		31 March 2012	
	Numbers	₹ ('000)	Numbers	₹ ('000)
At the beginning of the year	58,526,250	58,526	58,450,000	58,450
Add Shares Issued on exercise of Employee Stock Options	245,000	245	76,250	76
At the end of the year	58,771,250	58,771	58,526,250	58,526

C Shares held by holding company / ultimate holding company and/or their subsidiaries/associates

Particulars	Nature of Relationship	31 March 2013	31 March 2012
Equity Shares		NIL	

D Detail of shareholders holding more than 5% of shares in the company

Name of Shareholder	Equity Shares			
	31 March 2013		31 March 2012	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Rama Mines (Mauritius) Limited	25,342,449	43.12	25,747,506	43.99

- E The company has reserved issuance of 19,87,500 (Previous year 25,73,750) Equity shares of ₹ 1/- each for offering to eligible employees of the company and its subsidiaries under Employees Stock Option Scheme (ESOS). During the Financial Year 2010-2011 the company has granted 30,00,000 option to the eligible employees at a price of ₹ 16.95/- per option plus all applicable taxes, as may be levied in this regard on the company]. The Options would vest over a maximum period of 3 years or such other period as may be decided by the Employees Stock compensation Committee from the date of grant based on specified criteria.

DECCAN GOLD MINES LIMITED

F. Disclosure pursuant to Note no. 6(A)(i) of Part I of Schedule VI to the Companies Act, 1956

Particulars	Aggregate No. of Shares (for last 5 Financial Years)
Equity Shares :	
Fully paid up pursuant to contract(s) without payment being received in cash	NIL
Fully paid up by way of bonus shares	NIL
Shares bought back	NIL

Note - 2 : Reserve and surplus

Particulars	31 March 2013 ₹ ('000)	31 March 2012 ₹ ('000)
a. Capital Reserves		
Opening Balance	16,726	16,726
(+)/(-) Transfer	-	-
Closing Balance	16,726	16,726
b. Securities Premium Account		
Opening Balance	98,177	96,530
(+) on allotment of Equity Shares	5,292	1,647
Closing Balance	103,469	98,177
c. Profit & Loss Account		
Opening balance	(51,792)	(42,195)
(+) Net Loss For the current year	(10,368)	(9,597)
Closing Balance	(62,160)	(51,792)
d. Preoperative Expenses		
Opening balance	(90,933)	(70,145)
(+) Incurred during the year	(9,486)	(20,788)
Closing Balance	(100,419)	(90,933)
Total	(42,384)	(27,823)

Note - 3 : Long Term Provisions

Particulars	31 March 2013 ₹ ('000)	31 March 2012 ₹ ('000)
Provision for Gratuity	739	613
	739	613

Note - 4 : Trade payables

Particulars	31 March 2013 ₹ ('000)	31 March 2012 ₹ ('000)
Total Creditors	660	-
Others	45	562
Total	705	562

Note: Based on the information available with the Company, there are no suppliers who are registered as micro small & Medium enterprises under The Micro, Small and Medium Enterprises Development Act, 2006, as at 31st March 2013

Note - 5 : Other Current Liabilities

Particulars	31 March 2013 ₹ ('000)	31 March 2012 ₹ ('000)
(i) Statutory dues	45	363
(ii) other liability	130	106
Total	175	469

Note - 6 : Short Term provision

Particulars	31 March 2013 ₹ ('000)	31 March 2012 ₹ ('000)
(i) Provision For Income Tax	-	324
Total	-	324

Note 7 : Fixed Assets

(Amount in '000)

Fixed Assets	Gross Block				Accumulated Depreciation				Net Block (WDV)	
	Balance as at 01-04-2012	Additions	Disposals	Balance as at 31-03-2013	Balance as at 01-04-2012	For the year	Written back	Balance as at 31-03-2013	Balance as at 31-03-2013	Balance as at 31-03-2012
Tangible Assets :										
Land - Lease hold	2,864	-	-	2,864	2,864	-	-	2,864	-	-
Plant and Equipment	1,138	-	-	1,138	590	164	-	755	383	548
Vehicles	1,346	-	-	1,346	572	123	-	695	651	774
Computer	294	-	-	294	243	24	-	267	27	52
Furniture and Fixtures	563	-	-	563	363	36	-	399	164	200
Office equipment	466	-	-	466	235	31	-	266	200	230
Total	6,672	-	-	6,672	4,868	378	-	5,245	1,427	1,804
Intangible Assets :										
Computer software	146	-	-	146	128	8	-	136	10	19
Total	146	-	-	146	128	8	-	136	10	19
Capital Work In Progress	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-
Intangible assets under Development	-	-	-	-	-	-	-	-	-	-
Total	6,819	-	-	6,819	4,996	386	-	5,381	1,437	1,823
Previous Year	6,104	883	169	6,819	4,120	1,021	145	4,996	1,823	-

Note - 8 : Other Non-current Assets

Particulars	31 March 2013 ₹ ('000)	31 March' 2012 ₹ ('000)
Security Deposits	2242	2232
Other Loans & Advances	156	166
Total	2,398	2,398

DECCAN GOLD MINES LIMITED

Note - 9 : Current investments

Particulars	31 March 2013 ₹ ('000)	31 March 2012 ₹ ('000)
Investments in Mutual Fund:		
Reliance Medium Term Fund Daily Dividend Plan (P Y Market Value ₹ 4.28 Lacs)	-	428
BNP Paribas Money Plus Fund Weekly Dividend (C.Y Market Value ₹.166.28 Lacs P Y Market Value ₹ 248.89 Lacs)	16,612	24,871
Total	16,612	25,299

Note - 10 : Cash and Cash Equivalents

Particulars	31 March 2013 ₹ ('000)	31 March 2012 ₹ ('000)
a. Balances with banks On current accounts in scheduled bank	1738	4752
b. Cash on hand	91	79
Total	1829	4831

Note - 11 : Short-term loans and advances

Particulars	31 March 2013 ₹ ('000)	31 March 2012 ₹ ('000)
Advance receivable in cash or kind	11	5
Balance with Government Authorities		
Income Taxes (Net)	3,134	4,092
Service Tax	2,890	2,743
Total	6,035	6,840

Note - 12 : Other Income

Particulars	31 March 2013 ₹ ('000)	31 March 2012 ₹ ('000)
Interest Income	-	24
Profit on Sale of Investment	20	41
Dividend Income	1,551	2,984
Consultancy Income	-	6,062
Total	1,571	9,111

Note - 13 : Employee Benefit Expenses

Particulars	31 March 2013 ₹ ('000)	31 March 2012 ₹ ('000)
Salaries & wages	2,226	3405
Expenses on Employee Stock Option Scheme	3,170	4457
Staff welfare expenses	12	22
Total	5408	7884

Note - 14 : Finance costs

Particulars	31 March 2013 ₹ ('000)	31 March 2012 ₹ ('000)
Bank Charges	16	21
Interest Paid	0	2
Total	16	21

Note - 15 : Other expenses

Particulars	31 March 2013 ₹ ('000)	31 March 2012 ₹ ('000)
Electricity Expenses	116	146
Filing Fees	264	260
Rent	2037	2014
Rates and taxes	9	27
Directors' Remuneration	1200	0
Repair and maintenance	206	184
Business promotion & Advertisement Expense	1070	1076
Travelling and conveyance	218	206
Communication Expenses	6	18
Legal and Professional fees	601	587
Directors' sitting fees	63	68
Auditor's remuneration	253	228
Misc Balance Written Off	44	-
Loss on Disposal of Assets	0	24
Miscellaneous expenses	3	38
Membership & Subscription fees	34	32
Total	6124	4908

Payments to Auditor

Particulars	31 March 2013 ₹ ('000)	31 March 2012 ₹ ('000)
For Audit Fee	127	132
For Certification & Others	126	96
Total	253	228

Note - 16 : Change in Inventories

Particulars	31 March 2013 ₹ ('000)	31 March 2012 ₹ ('000)
Opening Stock:		
Working in Progress	-	4,083
Total	-	4,083
Closing Stock:		
Working in Progress	-	-
Total	-	4,083

DECCAN GOLD MINES LIMITED

Schedule – 17 of Significant Accounting Policies and Notes annexed to Consolidated Balance Sheet as at 31st March, 2013.**Statement of Significant Accounting Policies: A. Basis of accounting:****A. Principles of Consolidation**

The Consolidated financial statements relate to Deccan Gold mines Limited and its subsidiary Company.

The Consolidated financial statements have been prepared on following basis:

- (a) The financial statement of the company and its subsidiary Company are combined on line-by- line basis by adding together the book values of like items of assets, liabilities, income and expenses after fully eliminating intra group transactions resulting in unrealized profits/losses in accordance with accounting standard (AS) 21 "Consolidated Financial Statement" issued by the Institute of Chartered Accountants of India.
- (b) As far as possible, the consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Company's separate financial statements.

B. 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.

C. 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.

D. Depreciation

- (a) Depreciation is provided as per Written down Value prescribed under Schedule XIV of the Companies Act, 1956.
- (b) Depreciation on Leased Premises is provided over a period of five years i.e. the tenure of the lease.

E. 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.

F. Investments

- (a) Long term investments are carried at cost after providing for any diminution in value, if such diminution is of other than temporary nature.
- (b) Current investments are carried at the lower of cost and market value. The determination of carrying cost of such investments is done on the basis of specific identification.

G. Taxes on income

- (a) Current year tax is determined in accordance with Income Tax Act, 1961 at the Current Tax rates based on assessable income.
- (b) 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.

H. 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 asset's net selling price and value in use.

I. Revenue Recognition

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

- (a) Exploration Income is recognized when services are provided.
- (b) Interest Income is recognized on accrual basis.

(c) Dividend Income is accounted on accrual basis when the right to receive the dividend is established.

J. Employee Benefits

Leave Encashment: The company does not have a policy of carry forward of pending leaves and hence no provision for the same is made as mentioned under AS - 15 issued by ICAI.

Gratuity: Gratuity provision is made for qualifying employees. Gratuity liability is defined benefit obligation and is provided for on the basis of an actuarial valuation on projected unit cost method.

K. Provisions, Contingent Liabilities and Contingent Assets

Estimation of the probability of any loss that might be incurred on outcome of contingencies on basis of information available upto the date on which the financial statements are prepared. A provision is recognized when an enterprise has a present obligation as a result of a past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are determined based on management estimates required to settle the obligation at the balance sheet date, supplemented by experience of similar transactions. These are reviewed at each balance sheet date and adjusted to reflect the current management estimates. In cases where the available information indicates that the loss on the contingency is reasonable possible but the amount of loss cannot be reasonably estimated, a disclosure to this effect is made in the financial statements. In case of remote possibility neither provision nor disclosure is made in the financial statement. The company does not account for or disclose contingent asset, if any.

L. The stock options granted are accounted for as per the accounting treatment prescribed by Employee Stock Option Scheme and Employee Stock Purchase Guidelines, 1999, issued by Securities and Exchange Board of India, whereby the intrinsic value of the option is recognized as deferred employee compensation. The deferred employee compensation is charged to Profit & Loss Account on straight-line basis over the vesting period of the option. The employee stock option outstanding account is shown net of any unamortized deferred employee compensation.

(ii) NOTES TO THE ACCOUNTS:

S No	PARTICULARS	31 March 2013 ₹ ('000)	31 March 2012 ₹ ('000)
1.	Capital Commitments	Nil	Nil
2.	Claims made against the company but not acknowledged as debts	Nil	Nil
3.	Contingent Liabilities on disputed Income Tax	Nil	2.57
4.	Additional information pursuant to para 3 & 4 of para ii of Schedule VI of the Companies Act, 1956.		
	a. Expenditure in foreign currency	Nil	Nil
	b. Earning in foreign currency	Nil	Nil

5. Related party disclosure

a) Name of related parties and relationship

S. No.	Name of the party	Relationship
1	Deccan Exploration Services Private Limited	Wholly owned subsidiary
2	Sandeep Lakhwara	Managing Director
3	Charles E.E. Devenish	Chairman
4	K.R.Krishnamurthy	Director
5	Dr.M.Ramakrishnan	Director
6	V.K.Gaur	Director

DECCAN GOLD MINES LIMITED

b) Transactions with related parties:-

S. No.	Nature	31 March 2013 ₹ ('000)	31 March 2012 ₹ ('000)
1	Reimbursement of Exploration Expenses to Subsidiary	9276.83	16,821.40
2	Managerial Remuneration paid to Directors	1,200.00	1200.00
3	Directors Sitting Fees & Audit Committee Fees	62.50	67.50
4	Rent for Guest House to Managing Director	360.00	360.00
5.	Equity Shares issued under ESOP To Managing Director(80,000 Equity shares @ ₹ 16.95 each)	1356.00	

6. 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 ₹ 1004.19 Lacs as noted in schedule '2 d' to the Balance Sheet as pre-operative expenditure which will be charged to the profit & loss account as and when the commercial activities/production commences.

7. Disclosure in respect of Employee Stock Option Scheme

a. Employee Stock Option Scheme:

Particulars	Tranche-I	Tranche-II	Tranche-III
No of Options	7,50,000	10,50,000	12,00,000
Method of Accounting		Intrinsic Value	
Vesting Period	02-06-2011	02-06-2012	02-06-013
Exercise Period	1 year	1 year	1 year
Grant Date	02-06-2010	02-06-2010	02-06-2010
Grant/Exercise Price (₹16.95 per share)	16.95	16.95	16.95
Market Price on the date prior to the date of grant of option)	22.60	22.60	22.60

b. Movement of Options granted

Particulars	01.04.2012 to 31.03.2013	01.04.2011 to 31.03.2012
Options outstanding at the beginning of the year	25,73,750	30,00,000
Exercised during the year	2,45,000	76,250
Options Lapsed during the year	3,41,250	-
Option Lapsed on account of Employee resignation	-	*3,50,000
Options outstanding at the end of the year	19,87,500	25,73,750
Option unvested at the end of the year	10,60,000	19,87,500
Option exercisable at end of the year	9,27,500	5,86,250

* This includes 87500 stock options vested on 2nd June 2011

c. Employee Stock Option

Employee Stock Option Outstanding account ₹112.29 Lacs & Deferred Employee Compensation account ₹ 7.26 Lacs. Employee Compensation Expenses amounting to ₹ 31.70 Lacs is included under the head Salaries and other benefits.

8. Defined benefit Plans: -

A The amounts (in ₹) recognised in the statement of Profit and Loss are as follows:

Defined benefit Obligation

S. No.	Particulars	31.3.2013	31.3.2012
1	Current service cost	93,100	87,997
2	Interest on obligation	52,079	40,634
3	Expected return on plan assets	-	-
4	Net actuarial losses (gains) recognised in year ended	(19,112)	(23,855)
5	Past service cost	-	-
6	Losses (gains) on curtailments and settlement	-	-
	Total, included in 'Employee Benefit Expense'	126,067	104,776

B Changes in the present value of the defined benefit obligation representing reconciliation of opening and closing balances thereof are as follows:

Defined benefit Obligation

S. No.	Particulars	31.3.2013	31.3.2012
1	Opening Defined Benefit Obligation	612,698	507,921
2	Service cost for the year	93,100	87,997
3	Interest cost for the year on opening D.B.O.	52,079	40,634
4	Actuarial losses (gains)	(19,112)	(23,855)
5	Losses (gains) on curtailments	-	-
6	Liabilities extinguished on settlements	-	-
7	Liabilities assumed in an amalgamation in the nature of purchase	-	-
8	Exchange differences on foreign plans	-	-
9	Benefits paid	-	-
	Closing defined benefit obligation	738,765	612,698

C. Changes in the fair value of plan assets representing reconciliation of the opening and closing balances thereof are as follows:

Not Applicable as the Liability is not funded.

D. Principal actuarial assumptions at the balance sheet date (expressed as weighted averages):

	31.3.2013	31.3.2012	
1	Discount rate	8.00%	8.50%
2	Expected return on plan assets	-	-
3	Proportion of employees opting for early retirement	-	-
4	Annual increase in Salary costs	6.00%	6.00%

The estimates of future salary increase, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

9. The Company has not received information from creditors regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosure relating to amount unpaid at the end of the year under this act has not been given. There were no claims for interest on delayed payments.

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

DECCAN GOLD MINES LIMITED

11. Previous year figures have been re-grouped, re-arranged wherever considered necessary.

As per our report of even date,
For **V. K. BESWAL & ASSOCIATES**,
CHARTERED ACCOUNTANTS
FIRM REGN NO 101083W

For and on behalf of the Board

CA K.V. BESWAL
PARTNER
Membership Number: 131054

Charles E.E.Devenish
Chairman

Sandeep Lakhwara
Managing Director

Place : Mumbai
Dated : 30 May 2013

Place : Bangalore
Dated : 30 May 2013

S. Subramaniam
Company Secretary

DECCAN GOLD MINES LIMITED

(FORMERLY WIMPER TRADING LIMITED)

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013

	For the year ended 31.03.2013 (₹ '000)	For the year ended 31.03.2012 (₹ '000)
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit/(Loss) before Tax and after Extraordinary items	(10,368)	(9,273)
Adjustment For :		
Depreciation	386	1,021
Increase/ Decrease in Stock	-	4,083
Interest & Finance charges	16	23
Dividend & Interest Income	(1,551)	(3,008)
Expenses on Employee Stock option	3,170	4,457
Profit on Sale of Investment	(20)	(41)
Loss (Profit) on sale/disposal of Assets	-	24
Operative Profit before Working Capital Changes	(8,367)	(2,712)
Adjustment For :		
Trade and Other Receivables	(153)	1,149
Trade & Other liability	(25)	(5,073)
Cash Generation from Operations	(8,544)	(6,636)
Less: Taxes Paid	(634)	-
Net Cash Flow from operating activities	(7,910)	(6,636)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Pre-operative Expenses	(9,486)	(20,788)
Purchase of Fixed Assets	-	(883)
Proceeds from investments	8,707	26,016
Dividend & Interest Income	1,551	3,008
Net Cash used in investing activities	772	7,353
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Share Issue	4,153	1,293
Financial Charges	(16)	(23)
Net Cash used in financing activities	4,137	1,270
D. NET CHANGE IN CASH AND CASH EQUIVALENTS		
(A+B+C)	(3,002)	1,987
Cash and Cash Equivalents as at 1st April 2012	4,831	2,844
Cash and Cash Equivalents as at 31st March 2013	1,829	4,831

Notes : 1. Figures in brackets represent cash outflows.
2. Previous year figures have been regrouped wherever necessary.

As per our report of even date,
For **V. K. BESWAL & ASSOCIATES**,
CHARTERED ACCOUNTANTS
FIRM REGN NO 101083W

For and on behalf of the Board

CA K.V. BESWAL
PARTNER
Membership Number: 131054

Charles E.E. Devenish
Chairman

Sandeep Lakhwara
Managing Director

Place : Mumbai
Dated : 30 May 2013

Place : Bangalore
Dated : 30 May 2013

S. Subramaniam
Company Secretary

DECCAN GOLD MINES LIMITED

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	:	31 March 2013

(Amount ₹ '000)

B. CAPITAL RAISED DURING THE YEAR

Public Issue	:	NIL
Right Issue	:	NIL
Bonus Issue	:	NIL
Private Placement	:	NIL
Employee Stock Option Scheme	:	245

C. POSITION OF MOBILISATION AND DEVELOPMENT

Total Liability	:	28,510
Total Assets	:	28,510

SOURCE OF FUND

Paid up capital	:	58,771
Reserves & Surplus	:	(42,384)
Employees Stock Option Outstanding	:	10,503
Unsecured Loans	:	-
Non- Current Liabilities	:	739
Current Liabilities	:	880

APPLICATION OF FUNDS

Net fixed Assets	:	1,634
Non-Current Assets	:	2,399
Current Assets	:	24,476

D. PERFORMANCE OF THE COMPANY

Total Income	:	1,571
Total Expenditure	:	11,939
Profit/(Loss) Before Tax	:	(10,368)
Profit/(Loss) After Tax	:	(10,368)
Earning per share in Rs.	:	(0.18)
Dividend Rate %	:	-

E. GENERAL NAMES OF THEIR 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
FIRM REGN NO 101083W

For and on behalf of the Board

CA K.V. BESWAL
PARTNER
Membership Number: 131054

Charles E.E.Devenish
Chairman

Sandeep Lakhwara
Managing Director

Place : Mumbai
Dated : 30 May 2013

Place : Bangalore
Dated : 30 May 2013

S. Subramaniam
Company Secretary

NOTES

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NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Annual General Meeting of Deccan Gold Mines Limited will be held on Wednesday, 11 December, 2013 at 3.00 p.m., at Banquet Room, Ground Floor, West End Hotel, 45, New Marine Lines, Mumbai – 400 020 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Statement of Profit and Loss for the year ended 31st March, 2013 and the Audited Balance Sheet as on that date along with the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Charles E.E. Devenish, who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint a Director in place of Dr. M. Ramakrishnan, who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint M/s. V.K. Beswal & Associates, Chartered Accountants, Mumbai (Firm Registration No. 101083W) 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.

SPECIAL BUSINESS :

5. To consider and if thought fit, to pass, with or without modification (s), the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 311 and other applicable provisions, if any, of the Companies Act, 1956 read with Schedule XIII and guidelines for managerial remuneration issued by the Central Government from time to time, the approval be accorded for reappointment of Mr. Sandeep Lakhwara as Managing Director of the Company with effect from 1st May, 2013 for a period of 3 years with liberty to either party to terminate the appointment on three months notice in writing to the other, on a salary of Rs. 1,00,000/- per month with further liberty to the Board of Directors to increase the salary and / or revise the terms of employment, from time to time in such manner as may be in the best interest of the Company subject however to the restrictions, if any, contained in the Companies Act, 1956, including Schedule XIII thereto, as amended up to date.

RESOLVED FURTHER THAT where, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay the above salary to the Managing Director as and by way of minimum remuneration subject to the applicable provisions of Schedule XIII of the said Act.”

By order of the Board
for DECCAN GOLD MINES LIMITED

Place : Bangalore
Date : 13 November, 2013

S. Subramaniam
Company Secretary

REGISTERED OFFICE:

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

DECCAN GOLD MINES LIMITED

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 4 December, 2013 to Wednesday, the 11 December, 2013 (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 102 OF THE COMPANIES ACT, 2013

ITEM NO. 5:

The shareholders may note that Mr. Sandeep Lakhwara was appointed as the Managing Director for a period of 3 years with effect from 1st May, 2010 upon the terms & conditions including remuneration as approved by the Board at its meeting held on 30 April, 2010 and by the shareholders at the Annual General Meeting held on 29 September, 2010.

Pursuant to the recommendation of the Remuneration Committee, the Board of Directors of the Company, at their meeting held on 30 May, 2013, re-appointed Mr. Sandeep Lakhwara as the Managing Director of the Company for a period of 3 years with effect from 1st May, 2013 at a remuneration of Rs. 1,00,000/- per month and upon the other terms and conditions as contained in the resolution pertaining to Item No. 5 of the Notice convening the AGM.

The abstract of the terms and conditions of appointment furnished in the Resolution pertaining to Item No. 5 may be treated as the statement required to be sent to the shareholders pursuant to Section 303 (2) of the Companies Act, 1956.

Further, details regarding Mr. Sandeep Lakhwara, his expertise in specific functional areas, other Directorships / committee memberships, are furnished in the Annexure forming part of the Notice convening the AGM.

The Board recommends the resolution for approval of the shareholders.

Mr. Sandeep Lakhwara is interested in this resolution for his re-appointment as noted hereunder:

Financial Interest	Shareholding in the Company – 80,000 equity shares Remuneration – Rs. 100,000/- per month
Other interest	Not applicable

Apart from Mr. Sandeep Lakhwara, none of the other persons as specified in Section 102 of the Companies Act, 2013 namely the promoters, Directors, Key Managerial Persons, Relatives of Promoters, Directors and Key Managerial Persons or the entities comprising the interest of Promoters, Directors, or Key Managerial Persons are concerned or interested in the above resolution.

By order of the Board
for DECCAN GOLD MINES LIMITED

Place : Bangalore
Date : 13 November, 2013

S. Subramaniam
Company Secretary

REGISTERED OFFICE:

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

DECCAN GOLD MINES LIMITED

ANNEXURE TO NOTICE

DETAILS OF DIRECTORS SEEKING APPOINTMENT / RE-APPOINTMENT

Name	Mr. Charles Edward English Devenish*	Mr. Sandeep Lakhwara	Dr. M. Ramakrishnan
Date of Birth / Age	24 October, 1940 / 73 years	5 September, 1955/ 58 years	27 April, 1940 / 73 years
Appointed on	21 January, 2003	31 July, 2002	24 April, 2004
Qualification	School Leaving Certificate	B.Bus (Curtin University, Western Australia)	M.Sc., (Geology)
		Certified Practising Accountant (Australia)	Ph.D., (Geology & Geochemistry)
Expertise in specific functional areas	Promoter of mineral exploration companies	Managing & developing mineral exploration businesses	Pre-cambrian Geology
Directorship held in Public Companies	Nil	Nil	Nil
Membership / Chairmanships of Committees across Public Companies (other than Deccan Gold Mines Limited)	Nil	Nil	Nil
No. of shares held in the Company	Nil*	80,000	Nil

* Note:

Mr. Charles E.E. Devenish holds Directorship in 3 private limited companies viz., Vasundhara Metal Mining Private Limited; Australian Indian Rural Development Foundation (Section 25 Company); and Vajra Diamond Mining Private Limited.

Further, in terms of Clause 49 of the Listing Agreement entered into with the Stock Exchange viz., BSE, the shareholders may take note that Mr. Charles E.E. Devenish, a non-executive director, does not hold any shares in the Company as on 12 November, 2013 (either in his own name or held by / for other persons on a beneficial basis). However, Mr. Charles E.E. Devenish is a Director / shareholder of Rama Mines (Mauritius) Limited which hold 25,297,144 equity shares in the Company as on 12 November, 2013 constituting 42.97% of the paid-up equity capital of the Company.

DECCAN GOLD MINES LIMITED

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

ATTENDANCE SLIP

I hereby record my presence at the Annual General Meeting held on Wednesday, the 11 December, 2013 at 3.00 p.m., at Banquet Room, Ground Floor, West End Hotel, 45 New Marine Lines, Mumbai - 400 020.

Full name of the Shareholder/Proxy* attending the Meeting

Folio No. / DP ID No. Client ID No.

No. of Shares.....

Full name of the Shareholder
(If the proxy attends instead of Shareholder)

*Delete whichever is not applicable

(Member / Proxy attending the Meeting must fill in this attendance
slip and hand it over at the entrance of the Meeting hall)

Signature of Shareholder / Proxy



PROXY FORM

Folio No. No. of shares held

DP ID No. Client ID No.

I / We

of..... in the district of

being a Member / Member of the above-named Company hereby appoint Mr. / Ms.

..... of.....

in the district ofor failing him / her

Mr./Ms. of..... in the district of

.....as my / our proxy to vote for me / us on my / our behalf at the Annual
General Meeting of the Company to be held on Wednesday, the 11 December, 2013 at 3.00 p.m., Banquet Room,
Ground Floor, West End Hotel, 45 New Marine Lines, Mumbai - 400 020. and at any adjournment thereof.

Signedday of 2013

Affix
Rs. 1.00
Revenue
Stamp

Note : This proxy form, in order to be effective should be duly stamped, completed
and signed and must be deposited at the Registered Office of the Company
not less than 48 hours before the Meeting.

Signature of Shareholder

DECCAN GOLD MINES LIMITED

November 2013

Dear Shareholders,

Deccan Gold Mines Ltd (DGML) continues to be the only gold exploration company listed on the Bombay Stock Exchange (BSE) and during a time when the reliance on gold imports is contributing to the current account deficit and erosion of the Rupee, DGML remains in a unique position with a platform to unlock the value of India's gold resources.

As you are aware our Ganajur ML application has received all the recommendations including certification of the gold Resource as mineable from the Indian Bureau of Mines. The IBM sent its report to the Ministry in June 2013. The application is currently under the scrutiny of the Ministry.

While we are awaiting the grant of Mining Lease we have taken steps to speed up other important issues such as getting Environmental clearance for the project. In this direction we are pleased to inform the MOEF has issued Terms of Reference for both the plant and the Proposed open pit mine. We have undertaken the preparation of the draft EIA and EMP report for the project.

The Ganajur-Karajgi PL block is currently under the extension period. DESPL has proposed to carryout 8000m of drilling covering the Ganajur Main and its adjoining prospects shortly. We are in the process of finalizing the drilling contractor to undertake this exciting drilling programme.

The Mangalgatti PL was granted one year ago in October 2012. Since then the DMG has been going through with various procedures required to execute the PL. DESPL has supplied the original village maps desired by the DMG, attended the inspection by the concerned District Senior Geologist and has also submitted the demand drafts towards the PL fee security deposit. We are hopeful that the DMG will arrange for execution of the PL shortly.

The Bhavihal PL had been recommended by the DMG to the State Secretariat. However, one of the previous Secretaries has returned the file back to the DMG directing him to seek fresh NoC from the Revenue Authorities. The file is currently pending with the DMG waiting for the NoC from the Revenue authorities. We have repeatedly reminded the DMG to speed up the process.

As you are aware, in July 2012, DGML filed a Special Leave Petition (SLP) against Hutti Gold Mines although at Hutti Gold Mines request the hearings were repeatedly postponed to allow them time to respond to our SLP. Recently in September 2013 the Ministry of Mines, Govt. of India has also filed an SLP against Hutti Gold Mines in connection with our dispute. This is an encouraging step as it highlights the Governments will to protect the rights of DESPL and uphold their previous decisions made in connection with this dispute. The SLP by the Union of India has been tagged along with our petition and Hutti has now filed their response and we are hopeful that the scheduled hearing on 10th December 2013 will proceed. DGML, with the support of our legal team in Delhi is of the opinion that we have a strong case and we look forward to a favorable outcome.

Although licensing continues to be a tedious process we remain focused on this area of the business with the assistance of FIMI, Invest India and various other industry organizations; and we are continually making representations to the Government on the need for investor friendly policies and procedures. We have also been working very closely with the Australian High Commissioner, Consulate and their respective teams who are making representations on our behalf at various levels of the Indian Government in terms of expediting our long pending licenses.

We have also been working on establishing and formalizing key partnerships. As you are aware, in August 2013 Geomysore Services (India) Pvt Ltd, a Bangalore based exploration company

approached DGML to be taken over as a wholly owned subsidiary of DGML. We have since completed the due diligence process and the company is evaluating various options in this regard in consultation with its legal and taxation advisors and its Merchant Banker to structure the transaction that best serves the interest of all its shareholders. It is very encouraging to note that GMSI has executed a Mining License for their Jonnagiri Gold Prospect in Andhra Pradesh in October 2013.

On a personal note I would like to formally acknowledge the long term support of our shareholders and appreciate that it has been a long gestation period although know that I am also right along side each and every one of you. I have ultimate faith in the future of this company and rest assured that I am, along with the DGML team continually working towards our joint goals.

Yours truly,

Charles E.E. Devenish
Chairman