

DECCAN GOLD MINES LIMITED

(Formerly : WIMPER TRADING LIMITED)

19th Annual Report 2002-2003

DECCAN GOLD MINES LIMITED
(Formerly : WIMPER TRADING LIMITED)

DIRECTORS

Mr. Charles Devenish

Mr. Sandeep Lakhwara

Mr. Ashok Gupta

Mr. M. R. Menon (Alternate to Mr. Charles Devenish)

AUDITORS

V. K. Beswal & Associates

Chartered Accountants

408/410, Rewa Chambers,

31, New Marine Lines,

Mumbai - 400 020.

REGISTERED OFFICE

49A, Nariman Bhawan,

227, Nariman Point,

Mumbai - 400 021.

(w.e.f. 15/7/2003)

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NOTICE

NOTICE is hereby given that the 19th ANNUAL GENERAL MEETING of the Shareholders of DECCAN GOLD MINES LIMITED will be held on Tuesday, 30th September 2003 at 11:00 A.M. at 49A, Nariman Bhawan, 227, Nariman Point, Mumbai - 400 021 to transact the following business:

AS ORDINARY BUSINESS:

1. To receive, consider and adopt the Directors' Report and the Audited Balance Sheet as at 31st March, 2003 and Profit & Loss Account for the year ended on that date.
2. To appoint a Director in place of Mr. Charles Devenish who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Auditors and to fix their remuneration.

AS SPECIAL BUSINESS:

4. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT Mr. Ashok Gupta, who was appointed as an Additional Director of the Company pursuant to the provisions of Section 260 of the Companies Act, 1956 read with the Articles of Association of the Company and who would vacate his office at the ensuing Annual General Meeting and in respect of whom the Company has received a notice under Section 257 of the Companies Act, 1956 along with necessary deposit from a shareholder proposing the candidature of Mr. Ashok Gupta as a Director of the Company, be and is hereby appointed as a Director of the Company whose office shall be liable to retirement by rotation."

By Order of the Board of Directors

Place : Mumbai

Dated : 27th June, 2003

SANDEEP LAKHWARA

Director

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND ON A POLL, TO VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
2. Proxies in order to be effective must be properly signed and delivered. Any instrument appointing a proxy or proxies should be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.
3. The Explanatory Statement pursuant to Section 173 of the Companies Act, 1956, in respect of Item No. 4 is appended hereto.
4. The Register of members and share transfer books will remain closed from Monday, 29th September 2003 to Tuesday, 30th September 2003 (Both days inclusive).

DECCAN GOLD MINES LIMITED*(Formerly : WIMPER TRADING LIMITED)***EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956.****Item No. 4:**

Mr. Ashok Gupta was appointed by the Board as an additional director on 21st January, 2003. His tenure as an additional director of the Company expires on the date of the ensuing Annual General Meeting of the Company. Brief Profile of Mr. Gupta is as under :

Date of Birth	20.05.1950
Qualifications	C.A.
Expertise in specific functional area	He is Chartered Accountant by profession with expertise in the field of Mergers, Acquisitions & Takeovers.

The Company has received a notice from a shareholder under Section 257 of the Companies Act, 1956, signifying his intention to propose candidature of Mr. Ashok Gupta, as the Director of the Company.

None of the Directors, except Mr. Ashok Gupta shall be deemed to be interested or concerned in the aforesaid resolution.

By Order of the Board of Directors

Place : Mumbai

Dated : 27th June, 2003

SANDEEP LAKHWARA**DIRECTOR**

Annual Report 2002-2003**DIRECTORS' REPORT**

To

The Members,

The Directors present their 19th Annual Report on the business operations of the Company alongwith the Statement of Audited Accounts for the year ended 31st March 2003.

FINANCIAL RESULTS:

(Rs in '000s)

Particulars	<u>Current Year</u>	<u>Previous Year</u>
Total Income	123.93	135.66
Profit /(Loss) before Taxation	(88.93)	91.28
Less : Provision for Tax	2.17	13.16
Profit/(Loss) after Tax	<u>(91.10)</u>	<u>78.12</u>
Balance brought forward	<u>(688.66)</u>	<u>(766.78)</u>
Balance transferred to Balance Sheet	<u>(779.76)</u>	<u>(688.66)</u>

OPERATIONS:

The Capital and Finance market conditions remained sluggish and sub-due during the major part of the year under review. During the year under review, the income of the Company comprised of Profit on sale of Investments amounting to Rs. 1,23,925/-. The Company suffered a Loss of Rs. 88,930/-. The total accumulated Loss of Rs. 7,79,760/- has been carried forward to the Balance Sheet.

Barring unforeseen circumstances, your Directors are optimistic that the Company would be able to report better performance during the current year.

MANAGEMENT DISCUSSION AND ANALYSIS:

The Company has changed its business from trading activities to undertake business activities pertaining to mining and exploration. Considering the potential for more discoveries in India and to encourage private investment to fuel the development of the State Mineral Resources and the mining industry as a whole, the Government of India adopted a National Mineral policy in the mining sector in the year 1993 and accordingly amended the MM (R&D) Act and the MC Rules in the year 1994. The Act was amended in December 1999 to enable private investors to take up mineral exploration rights in different States of India. According to the liberalized policy, the applications for Exploration, Prospecting and Mining Licences filed by both Private and Public Sector undertakings shall be treated at par and shall be granted on first come first served basis.

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Four prospects are in process of being transferred in favour of your Company. These prospects are North Hutti, South Hutti, Ramgiri and Mangalur. Detailed exploration including drilling shall be done to upgrade these prospects. Your Company has access to a team of Geologists and Geophysicists, who have been working in the field of upgrading the prospects being taken over. Your Company intends to use international consultants as required to achieve its objective of making a discovery of an economically mineable gold deposit.

DIVIDEND:

In view of the loss incurred during the year under review, your Directors regret their inability to recommend any dividend for the year ended 31st March 2003.

SIGNIFICANT CHANGES DURING THE YEAR UNDER REVIEW:**⇒ CHANGE IN MANAGEMENT CONTROL:**

During the year under review, Rama Mines (Mauritius) Limited situated at Mauritius entered into an agreement with the erstwhile promoters of the Company to acquire 1,69,930 Equity Shares representing 69.36% of the paid up capital of the Company. In compliance with the provisions of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, the aforesaid acquirer by way of an open offer further acquired 29,000 Equity Shares representing 11.84% of the paid up equity capital of the Company. In view of the aforesaid acquisitions of the share capital in the Company, there has been a change in management control of the company in favour of Rama Mines (Mauritius) Limited.

⇒ COMMENCEMENT OF NEW BUSINESS ACTIVITIES:

During the year under review, the Company decided to change its business from trading related activities to mining and exploration of gold and base metals. The company obtained consent of the members of the Company by way of postal ballot for alteration of the objects clause of the Memorandum of Association to carry on the new business activities. The Registrar of Companies, Maharashtra has vide Certificate for Registration of Special Resolution passed for alteration of objects clause dated 25th June, 2003 registered the aforesaid alterations to the objects clause of the Memorandum of Association of the Company.

⇒ CHANGE OF NAME:

With a view to reflect the new business activities being undertaken by the Company, the name of the Company was changed from "WIMPER TRADING LIMITED" to "DECCAN GOLD MINES LIMITED". The Registrar of Companies, Maharashtra has recorded the aforesaid change of name of the Company vide fresh certificate of incorporation pursuant to change of name of the Company dated 19th March, 2003.

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Necessary updation in the records of the Stock Exchange, Mumbai as regards the new name of the Company have been effected.

⇒ SHIFTING OF THE REGISTERED OFFICE :

With a view to facilitate administrative convenience, the Registered office of the Company was shifted with effect from 21st January, 2003 from "Air India Building, 14th Floor, Nariman Point, Mumbai - 400 021" to "51-A, Gopal Mansion, Turner Road, Opp. Copper Chimney Restaurant, Bandra (West), Mumbai - 400 050."

⇒ SUB-DIVISION OF THE FACE VALUE OF SHARES :

During the period under review, consent of the members of the Company was obtained for sub-dividing the face value of the entire equity capital of the Company from Rs.10/- per share to Re.1/- per share. The Board of Directors of the Company had determined 4th April, 2003 as the record date for the said purpose. However as advised by the Stock Exchange, Mumbai, the Company had subsequently agreed to fix the record date only after dematerialisation of the securities with both the depositories and the shares being traded in compulsory demat list and thus, the aforesaid record date was cancelled. Fresh record date shall be fixed subsequent to the Company's scrip being transferred to Compulsory demat list, as issued by Securities and Exchange Board of India.

⇒ RIGHTS ISSUE:

The members of the Company at the Extraordinary General Meeting held on 18th February, 2003 approved issue of further 4,90,00,000 Equity Shares of Re.1/- each on rights basis in the ratio of twenty equity shares for every share held by the members on such record date as may be determined by the Board of Directors of the Company. The proposed rights issue shall open only subsequent to sub-division of the face value of the equity shares from Rs.10/- per share to Re.1/- per share and trading of the company's shares being effected under compulsory demat mode.

⇒ INCREASE IN AUTHORISED SHARE CAPITAL:

With a view to accommodate further issue of equity shares, the Authorised Share Capital of the Company was increased from Rs. 24.50 lacs to Rs. 6 Crores after obtaining the consent of the members at the Extraordinary General Meeting held on 18th February, 2003. All the necessary formalities for the aforesaid increase in Authorised Capital have been completed.

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⇒ **DEMATERIALISATION OF SECURITIES :**

Considering the benefits of scripless trading, your Company has entered into tripartite agreement with both the depositories viz. National Securities Depository Limited and Central Depository Services (India) Limited. In view of the same, the Company's securities can now be held in electronic form which is more convenient method of holding and trading in the securities of the Company. The Equity Shares of the Company have been admitted as an eligible security for dematerialisation by the aforesaid depositories under ISIN No. INE945F01017.

⇒ **DIRECTORS:**

During the year under review, there was a change in the constitution of the Board. Mr. G. P. Gala and Mr. S.P. Jain resigned from directorship with effect from 21st January 2003. Mr. Charles Devenish and Mr. Surendra Chaku were appointed as Directors to fill in casual vacancy caused by resignation of Mr. G.P. Gala and Mr. S. P. Jain. In addition, Mr. M. R. Menon was appointed as an Alternate Director to Mr. Charles Devenish.

Subsequently, Mr. Surendra Chaku has due to other pre-occupations tendered his resignation from the directorship with effect from 7th April, 2003. Your Directors place on record their deep appreciation for the valuable contribution made by the outgoing Director during his association with the Company.

Subject to the approval of the members of the Company, Mr. Sandeep Lakhwara was appointed as Managing Director of the Company with effect from 21st January, 2003. However, the resolution when put to vote at the Extraordinary General Meeting held on 18th February, 2003 was dropped. In view of the same, appointment of Mr. Sandeep Lakhwara as Managing Director of the Company became void ab-initio.

Mr. Ashok Gupta who was appointed as Additional Director of the Company with effect from 21st January, 2003 pursuant to the provisions of Section 260 of the Companies Act, 1956 and pursuant to the provisions of the Articles of Association of the Company, would vacate his office on the date of the ensuing Annual General Meeting of the Company. The Company has received Notice under Section 257 of the said act from shareholder proposing the respective candidature of the said Additional Director for the office of Director of the Company. Accordingly, resolution has been proposed in the Notice of the forthcoming Annual General Meeting of the Company for the appointment of Mr. Ashok Gupta as Director of the Company.

Mr. Charles Devenish who retires by rotation, being eligible, has offered himself for re-appointment.