



# DECCAN GOLD MINES LIMITED

**ANNUAL REPORT 2020**

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#### **Deccan Gold Mines Limited and Deccan Exploration Services Private Limited**

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## CORPORATE INFORMATION

Chairman	:	Mr Kailasam S (w.e.f. November 12, 2020)
Managing Director	:	Mr Sandeep Lakhwara
Board of Directors	:	Dr Hanuma Prasad Modali Mr Govind Subhash Samant Mr Natesan C Mrs Revathi Thiruvendagam (w.e.f. June 16, 2020) Mrs. Pratima Ram (Chairman / Director till March 29, 2020)
Exploration Director of subsidiary company	:	Mr Saradchandra Rao Peshwa
Head-Legal & Company Secretary	:	Mr Subramaniam S
Chief Financial Officer	:	Mr Karunakaran K
Corporate Identification No	:	L51900MH1984PLC034662
Registered Office	:	Parinee Crescenzo, 803, 8th Floor, Opp. MCA Ground, C38-39, G Block, Bandra Kurla Complex, Bandra (E), Mumbai – 400 051, Maharashtra Tel : 91-22-61554797 Fax : 91-22-67084655 Email : <a href="mailto:info@deccangoldmines.com">info@deccangoldmines.com</a> Web : <a href="http://www.deccangoldmines.com">www.deccangoldmines.com</a>
Corporate Office	:	No. 5, 19th Main Road, 4th Sector, HSR Layout, Bengaluru – 560 102, Karnataka Tel : 91-80-67155700 Fax : 91-80-67155701
Statutory Auditors	:	P R Agarwal & Awasthi Chartered Accountants, Mumbai (Firm Registration No 117940W)
Registrars & Share Transfer Agents	:	Link Intime India Private Limited C 101, 247 Park, LBS Marg, Vikhroli West, Mumbai – 400 083 Tel : 91-22-49186000 Fax : 91-22-49186060 Email: <a href="mailto:rnt.helpdesk@linkintime.co.in">rnt.helpdesk@linkintime.co.in</a>
Bankers	:	Kotak Mahindra Bank

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## **PROFILE OF BOARD OF DIRECTORS**

**Mr KAILASAM SUNDARAM**

Chairman (Independent, Non-executive Director)

Kailasam has over 28 years of corporate experience in the field of corporate law, FEMA, finance & taxation, audit (internal & external), legal and HR matters. Areas of expertise include fund raising for short-term and long-term requirements, listing of securities and handling of direct and indirect tax matters, risk assessment, evaluation of internal controls, understanding and evaluation of systems and processes.

Since July, 2015 he is acting as an Independent Advisor to various corporates providing specialised services on capital structuring (within and outside India), FEMA and other corporate law matters. He is a regular speaker and presents papers on corporate law matters at events conducted by professional bodies.

Kailasam is a Fellow Member of the Institute of Company Secretaries of India and an Associate Member of the Institute of Cost & Management Accountants of India.

**Mr SANDEEP LAKHWARA (B.Bus., CPA)**

Managing Director (Executive)

Sandeep has over 20 years' experience in the exploration and mining sector. 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, mergers and acquisition and corporate regulatory requirements for publicly listed companies. He was appointed on the Board of our Company in July 2002 and since then is primarily responsible for the development of Deccan Gold Mines Limited. 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 electronic and print media.

**Dr MODALI HANUMA PRASAD, M.Sc., Ph.D., MAusIMM**

Director (Non-Independent & Non-Executive)

Hanuma represents the Promoter Group i.e., Rama Mines Mauritius Limited, Mauritius (RMML) on the Board of the Company. He has 20 years of experience in exploration and mining industry, as exploration manager as well as part of the corporate management team. He has a Doctorate in Geology and worked with Geological Survey of India from 1994 to 2001 in geological mapping and mineral exploration projects. Presently, he serves as CEO of Australian Indian Resources Limited, Australia (AIR), a company that has got interests in mineral prospects in India. He also serves on the Board of AIM – listed Lionsgold Limited which also has got interests in mineral prospects in India.

**Mr GOVIND SUBHASH SAMANT**

Director (Non-Independent & Non-Executive)

Govind is an entrepreneur based out of Thailand and is a long-term shareholder of the Company holding a significant stake as on date. Mr Govind has a keen understanding and appreciation of the business model of exploration and mining companies.

**Mr NATESAN CHINNAPAN**

Director (Independent & Non-Executive)

A Post Graduate in Geology, Natesan has 41 years of experience in all facets of exploration and exploitation activities related to minerals like bauxite, limestone, magnesite and graphite. He has proved 10 bauxite deposits in Chhattisgarh and Tamil Nadu. Natesan served as Head of Mines in Bharat Aluminium Co Limited and Madras Aluminium Co Limited (Vedanta Resources) till 2010. During this period, he was instrumental in obtaining forest

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and environmental clearances in Kolli Hills bauxite deposits in Tamil Nadu; Mainpat and Kawardha bauxite deposits in Chhattisgarh.

### **Mrs REVATHI THIRUVENGADAM**

Director (Independent & Non-Executive)

Presently based in Bangalore, Revathi is a Senior Partner of Thiru & Thiru, a LEGAL 500 recommended law firm. Mrs. Revathi holds Bachelor's Degrees in Arts and Education from Sathya Sai University and Law Degree from the University of Bangalore. Upon being called to the Bar in 1992, she joined Thiru & Thiru and played a pivotal role in the development and expansion of the firm. She is a Registered Indian Patent Agent and a Trade Mark attorney and heads the Intellectual Property practice. She also specialises in Real Estate, Debt Recovery and Banking Law. In addition to this she is an accredited trained mediator.

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## **KEY PERSONNEL**

**Mr S.C.R. PESHWA**, FGS (London), MGS (SA)

Exploration Director

Peshwa has 33 years of experience as a mining and exploration geologist and specializes in gold exploration and resource modeling. 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. With his international exposure to different styles for gold mineralization, Peshwa is responsible for the development of DGML's Gold Projects and has implemented different exploration methods as per international standards including QA/QC programmes. Being a Fellow of Geological Society of London and Member of Geological Society of South Africa qualifies him as a competent person as defined by the JORC Code. Mr. Peshwa is also an RQP (Recognition as Qualified Person) awarded by Indian Bureau of Mines.

**Mr K. KARUNAKARAN**

Chief Financial Officer

Karunakaran is a Certified Management Accountant from CMA (Australia) and also holds a Diploma in Management Accounting from CIMA, UK. He has a Masters Degree in Commerce. He possesses nearly three decades of experience in the field of Finance, Accounts and Audit and has worked in organisations in India and abroad. He has got wide experience in matters relating to Indian corporate laws, Banking matters and taxation. Apart from working in reputed corporates in India, Karun worked for 5 years in one of the leading multi divisional company in Sultanate of Oman – Muscat, in the internal audit department and advised management on methodologies to strengthen their internal control systems.

**Mr. S. SUBRAMANIAM**

Head-Legal &amp; Company Secretary

Subramaniam is an Associate Member of Institute of Company Secretaries of India (ICSI) & Chartered Institute of Management Accountants, UK (CIMA). Holds a Bachelors Degree in Law from Bangalore University. He has over 22 years of experience in the field of Company Law and other corporate laws. During his career, he has handled corporate restructuring exercises including mergers / demergers, amalgamations, joint ventures, foreign collaborations, fund raisings & listing of securities on domestic and foreign stock exchanges. He is in charge of the corporate legal and company secretarial matters and also functions as the Compliance Officer of the Company.

**Dr. S.B. HARISH KUMAR**

Exploration Manager

Harish has 21 years of experience in exploration for gold and associated minerals, particularly in the States of Karnataka, Andhra Pradesh, Tamil Nadu and Kerala. He was a key member of the exploration team of involved in the discovery of Ganajur gold deposit. Since then he has been actively involved in the exploration and development of the Ganajur gold project at all stages including geological mapping, ground geophysical surveys, execution of drilling programmes, Scoping, Feasibility, E.I.A , E.M.P and Hydrogeological, studies etc. Besides, he has also been involved in the exploration and development of Mangalagatti and Bhavihal gold prospects of DGML.

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**Mr. RAJEEV P. HANAMASAGAR** (M.Sc IT)  
GIS-IT Manager

Rajeev has 15 years of experience in working on Mining & GIS softwares like DataMine, Surpac, Datamine Discover 3D, Auto-Cad and Mapinfo. With his expertise in Database Management of Mining & Exploration data, he is involved in generation of seamless geological and structural maps for exploration & mining projects using GIS platform matching international standards. In the past, he has assisted in preparing necessary geological maps and drill holes sections forming part of Mining Plan of 2 Gold Projects including the Ganajur Gold Project. Also handles the implementation and maintenance of the Company's technology infrastructure and central information processing system to support efficient data management and communications. Rajeev is also responsible for the secure and effective operation of all computer systems, related applications, hardware and software in the Company.

**Dr. YOGANANDA K.S**  
Senior Geologist

Yogananda has got more than 12 years of experience in field geology, mineral exploration/prospecting and mining industry with a focus on gold exploration in different parts of India and abroad which include Epithermal Gold System in parts of Volcanic Terrain of Djibouti, N-E Africa and the Paleo-Proterozoic mobile belt in southern part of Tanzania.

Yogananda is a key member of the geological team working at the Ganajur Gold Project and the Mangalagatti and Bhavihal prospects.







## DECCAN GOLD MINES LIMITED

Deccan Exploration Services Private Limited (DESPL) explored an area of around 5000 sq. km of the Dharwar-Shimoga Greenstone belt covered under 2 Reconnaissance Permit (RP) blocks and identified 22 gold prospects. 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 (Fig-2).

DESPL submitted a total of Seven (7) Prospecting License (PL) and two (2) Mining Lease (ML) applications covering all the important prospects in the Dharwar-Shimoga basin. All these applications of DESPL are in compliance with the provisions of Section 10A introduced into the Mines and Minerals (Development and Regulation) Act, 1957 (MMDR) vide the Amendment Act of 2015 with effect from March, 2015.

### (2) GANAJUR MAIN GOLD DEPOSIT (GANAJUR GOLD PROJECT):

A Mining Lease (ML) application covering the most important Ganajur Main Gold Deposit was approved by the Ministry of Mines, Government of India (MoM) on 24/07/2015 and

further a clarificatory letter was issued by MoM on 07/02/2017 confirming that their prior approval was under Section 10A(2)(b) of MMDR and advising the Government of Karnataka to execute the Mining Lease and expedite clearances and approvals for starting the mining operations. Despite this and receipt of a positive opinion of the Law Department, Government of Karnataka on the Ganajur ML application subsequently in April 2018, DESPL still awaits the issue of Grant Notification Letter from the Commerce & Industries Department, Government of Karnataka (C & I).

We have held multiple meetings with the Secretary C&I, Director of Mines and Geology and the Mines Minister at the state level as well as multiple letters were submitted to the concerned authorities at the MoM (Ministry of Mines) Delhi. Ganajur Gold Project is also monitored by the Project Monitoring Group (PMG).

We also participated in the meeting convened by the Project Monitoring Group (PMG), Department of Promotion of Industry and Internal Trade, Government of India (DPIIT) that was held on , 16/12/2019 in Bangalore. The meeting was presided over by the Chief Secretary, Government of Karnataka and the Director, Department of Mines and

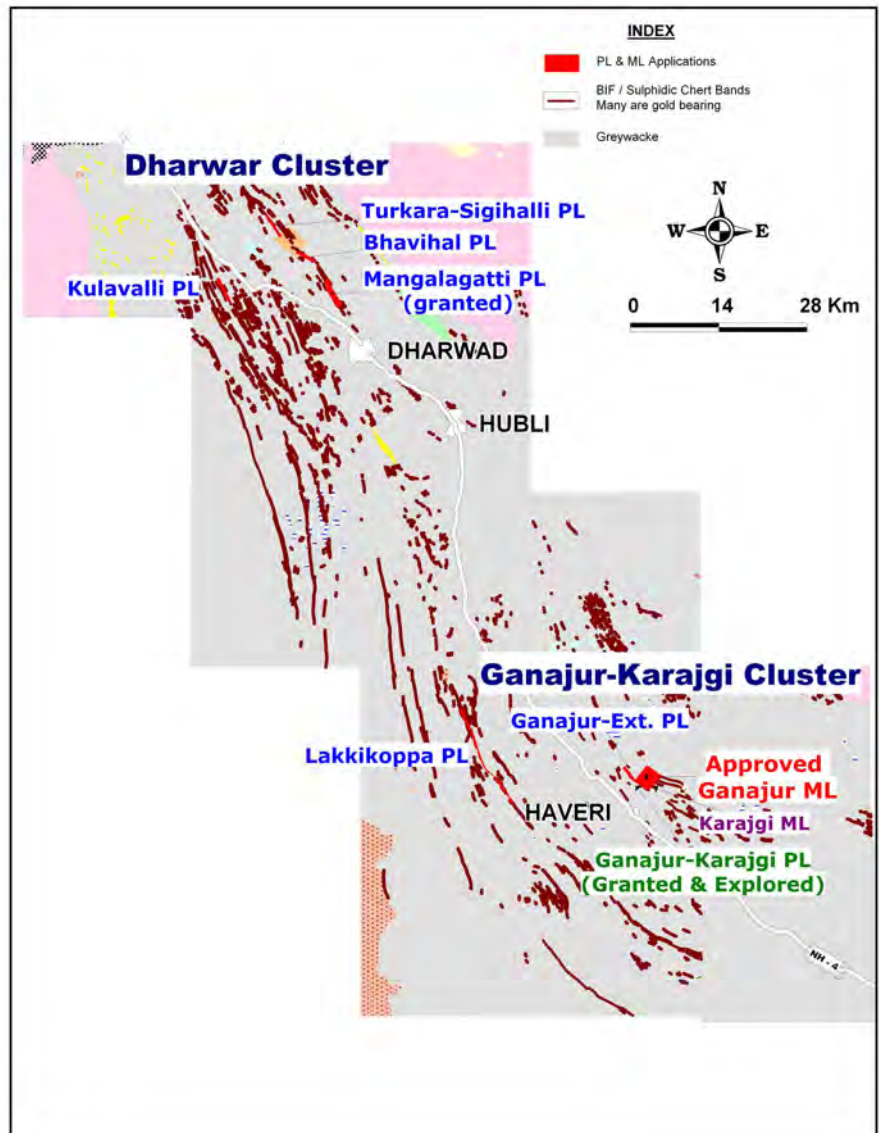


Fig-2: Dharwar -Shimoga Basin, Details of Leases/Applications

Geology, Government of Karnataka (DMG) was present. The Secretary (PMG), DPIIT and other Central Government officials participated in the meeting from Delhi through video conferencing. We submitted our case in the meeting and requested for the issuance of Grant Order. Despite all our efforts the much awaited Letter of Intent/Grant Order has not been issued thereby affecting severely the project implementation and development.

Although we have been updating our shareholders regularly on the progress made with regard to processing of the Ganajur ML application, we present hereunder a status summary:

### **STATUS OF GANAJUR MINING LEASE:**

- After detailed scrutiny and rigorous processing at various levels within the State Government, the Government of Karnataka recommended the proposal for grant of ML for Ganajur Gold Project to Ministry of Mines, Government of India (MoM) for their prior approval during November, 2010.
- After seeking and receiving multiple information / clarifications from State Government and Indian Bureau of Mines (IBM), MoM granted its prior approval for grant of ML for Ganajur Gold Project during July, 2015. Again, MoM clarified in February, 2017 that its prior approval was under Section 10A(2)(b), introduced through an Amendment Act in 2015 into the Mines and Minerals (Development & Regulation) Act, 1957 (MMDR) and further advised that “the grant of ML in this case pertains to the prior approval which has been granted on July 24, 2015, the State Government, may, therefore, get the ML executed in accordance with law at the earliest and the clearances & approvals for starting the mining operation may be expedited.”
- As per State Government (C & I) guidelines for processing ML applications, the file was then referred to DMG which subjected the MoM approved Ganajur ML application again to processing with its internal SoP / checklist (which included another sign-off from IBM). Upon processing, the file was sent by DMG to C & I for further processing.
- After processing the file and apparently as a matter of abundant precaution, Secretary, C & I referred the file to Law Department, Government of Karnataka during October, 2017 for an opinion. After a detailed study of the file, Law Department furnished a positive opinion on Ganajur ML application to C & I during April, 2018 with regard to its compliance with the MMDR Act, 1957 and advised the C & I to process the file.
- Despite this, C & I wrote a letter to MoM seeking further (substantially similar) clarifications on the Ganajur ML application despite the same having been positively clarified by their own office to MoM and confirmed by the IBM as well as Law Department, Government of Karnataka.
- Vide its response letter dated 08/10/2018, the MoM sought to know why the Government of Karnataka is contradicting its own stand and sought reasons / clarifications for the same. MoM also pointed out that it was the State Government that had earlier recommended the grant of ML and if it has obtained a legal opinion based on which it is seeking further clarifications, the same may be forwarded to it. The legal opinion from the Law Department, Government of Karnataka received on April 23, 2018 was not attached by C & I when seeking further clarifications from MoM.
- We expected the C & I to forward its reply to MoM attaching Law Department's opinion that it has received on the Ganajur ML application.
- However the C&I and the DMG took lot of time in sending its response to the Centre and the DMG was not ready to provide a fresh map showing the details of the tenements. Due to inaction from the State Government a decision was taken after consulting our Sr. Counsel to file a writ of Mandamus with the High Court of Karnataka, Bangalore.
- Writ of Mandamus was filed before the Hon'ble High Court, Bangalore on 10/12/2018.
- In the final hearing on 21/03/2019, the Writ Petition was expeditiously resolved in DESPL's favour and disposed.
- The Hon'ble High Court of Karnataka passed an Order directing the C & I to consider the Ganajur Mining Lease (ML) application of DESPL, within a period of 6 weeks, in the light of approvals received by DESPL from various authorities including representations made by the Company to the Government.