



Our time starts now...

Alphageo (India) Limited | Annual Report 2012-13

Cautionary statement: In this Annual Report we have disclosed forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements – written and oral – that we periodically make contain forward-looking statements that set out anticipated results based on the management’s plans and assumptions. We have tried wherever possible to identify such statements by using words such as ‘anticipate’, ‘estimate’, ‘expects’, ‘projects’, ‘intends’, ‘plans’, ‘believes’, and words of similar substance in connection with any discussion of future performance.

We cannot guarantee that these forward-looking statements will be realized, although we believe we have been prudent in assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind.

We undertake no obligation to publicly update any forwardlooking statements, whether as a result of new information, future events or otherwise.

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The last few years have been one of the most challenging for the reservoir imaging sector, the world over.

The last few years have also been one of the most rewarding for the sector.

Compelling players to deepen their service offerings. Widen their geographic footprint. Emerge bigger and better.

At Alphageo, we did precisely this by drawing out a new blueprint, building capabilities and entering new regions.

So much so, that we can safely say that

...our time starts now. _____

our time starts now...



Beyond the domestic

**For more than a couple of decades,
Alphageo was an Indian company
engaged in Indian terrains...**

During this period, the Company successfully delivered 57 projects across diverse challenging geographies (operational and logistical).

In 2012-13, Alphageo made a big leap. The Company extended its presence to new international locations.

Alphageo made a successful foray into Myanmar, a largely unexplored E&P market. The Company emerged as the only Indian seismic services provider to win three of the seven blocks offered in the first round in the face of intense Chinese competition. These contracts provide Alphageo with a US\$7 million revenue visibility over the next 12 months.

This ability to win large international projects has set the stage for an exciting new beginning for Alphageo.

Our time starts now...

The new contracts provide
Alphageo with a

US\$7

million revenue visibility
over the next 12 months.



Technological capability

Through good years and bad, Alphageo invested in increasing competence and cutting-edge technologies...

The result is that with the business of geo-physical mapping now at the cusp of an attractive take-off, the Company's contemporary gross block is its biggest insurance.

Alphageo invested ₹1,373 Lakh in cutting-edge technology for improved data analytics, unlocking value in an increasingly data-driven world. This meant that there was no longer the need for laying miles of cables across challenging topographies, thereby reducing human intervention and

associated labour costs.

Besides, the Company's top-of-the-line equipment emphasises its ability to work in hilly, hostile terrains on the one hand and deliver faster project turnaround on the other.

This capability makes it possible for Alphageo's customers to take informed decisions on where and how to start exploring thereby strengthening their overall effectiveness.

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₹1,373

Lakh in cutting-edge technology
for improved data analytics.

Besides, the Company's modern
equipment emphasises its ability
to work in hilly, hostile terrains on
the one hand and deliver faster
projects turnaround on the other.



Service capability

At Alphageo, we are engaged in business to strengthen the downstream activities of our customers...

This is a rich and enduring tradition at our Company. The Company was the first in India's seismic services industry to offer 3D geophysical mapping. These investments were made to provide more reliable data to our customers, making it possible to take informed decisions, accelerate project turnaround and make seismic surveys affordable.

In recent times, we undertook a project for Oil India with a new '3D-SEIS loop' service. The initial data collection proved promising and more importantly, at only a fraction of the cost of the usual 3D service.

This new service showcases the ability to strengthen our presence in a niche competitive environment.

In recent times, we undertook a project for Oil India with a new
‘3D-SEIS loop’
service.



Alphageo (India) Limited. Widely respected as India's largest inland integrated seismic services provider in the private sector.

Possesses the unique distinction of possessing a rich bank of experience across some of the most diverse and difficult terrains of the world.

Under-borrowed. Possessing contemporary technologies. High-margin business model.

Just the complement to grow the business in a sustainable way in a growing sector.



- ▶ Headquartered in Hyderabad, India, Alphageo (India) Limited provides 2D and 3D seismic and related services (seismic data acquisition, processing and interpretation) for the oil and gas sector.
- ▶ The Company's intellectual capital comprises Indians and expatriates (experts in geology, geophysics and reservoir and survey technology) with significant industry experience.
- ▶ The Company established a wholly-owned subsidiary, Alphageo International Limited, in Dubai (UAE) and a wholly-owned, step-down subsidiary, Alphageo DMCC in Dubai (UAE) to capitalise on international opportunities.
- ▶ The Company's shares are listed on the Bombay and National Stock Exchanges.

Vision

Emerge as a leading geophysical services player with global operations to deliver time-critical, quality data at competitive prices.

Mission

Alphageo's goal is to emerge as the industry's premier provider of cost-effective seismic services and geophysical solutions.

- ▶ We strive to deliver high-quality services while maintaining a safe, enjoyable and challenging workplace for our employees
- ▶ We hold in highest regard the environment and societies in which we work
- ▶ We are committed to excellence in all that we do, and through this, create value for all our stakeholders

Values

Do what is right: We are committed to maintaining the highest standards of ethical conduct in all we do. We believe that honesty and integrity instills trust, forming the cornerstone of our business. We abide by the laws of India and other countries in which we conduct business. We strive to be good citizens and take responsibility for our actions.

Respect others: We recognise that our success as an enterprise depends on the talent, skills and expertise of our people and our ability to function as a well-integrated team. We appreciate our diversity and believe that respect – for our colleagues, customers, partners and all those with whom we interact – is an essential element of all positive and productive business relationships.

Perform with excellence: We understand the importance of our mission and the trust our customers place in us. With this in mind, we strive to excel in every aspect of our business and approach every challenge with a determination to succeed.

1st

Alphageo was the first mover in providing 3D services in the seismic survey space in India

25

Successfully completed projects for more than 25 customers comprising leading national and international enterprises

85%

Projects completed on schedule through superior logistics and people management

24+

Number of years of rich experience in understanding diverse, difficult and varied topographies

1,000+

Person years of sectoral experience

12+

The number of states in which the Company enjoys rich working experience

15,000

Channel count (installed capacity)

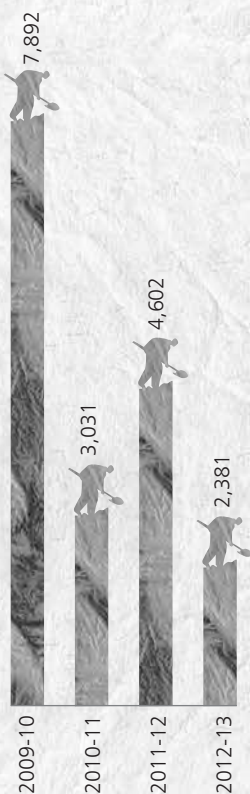
37.87%

Promoter holding as on March 31, 2013

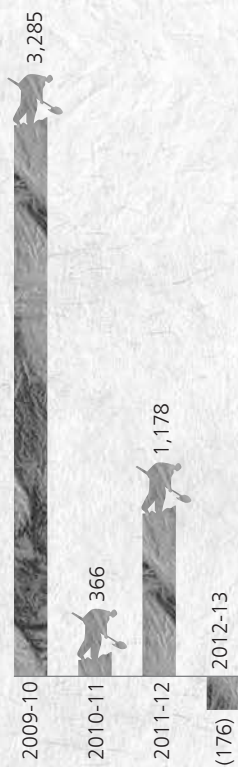
What we achieved in 2012-13

Completed the **NTPC** project in Cambay Basin, Gujarat, in June 2012

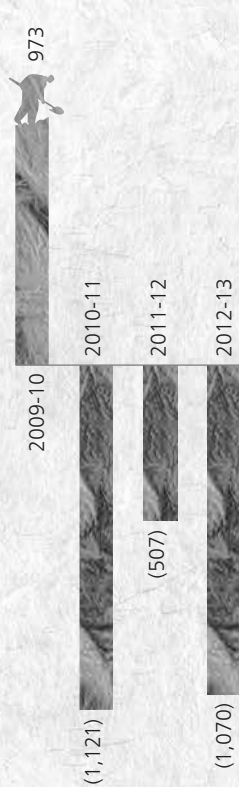
Total income
(₹ in Lakh)



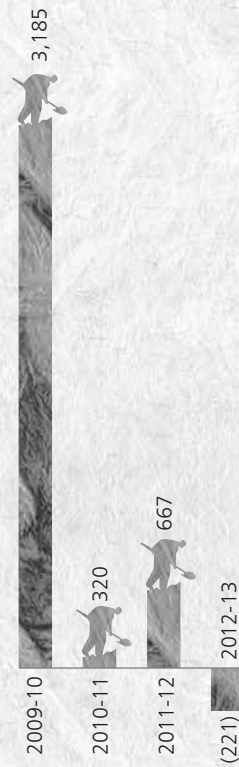
EBIDTA
(₹ in Lakh)



Post-tax profit/ (loss)
(₹ in Lakh)



Cash profit
(₹ in Lakh)



Received two contracts
cumulating

US\$ 12

million from Myanmar,
emerging as the first
Indian seismic survey
provider to establish a
footprint in this nation

Received a contract for

₹1,752

Lakh from Oil India Ltd

Invested

₹1,373

Lakh in sophisticated
technology, strengthening
our competitive edge

Gross block
(₹ in Lakh)



Capital employed
(₹ in Lakh)



Reserves and surplus
(₹ in Lakh)



Book value
(₹)



10 minutes with the Chairman

“This is a visible transition period for the domestic seismic survey industry.”

Mr. Z. P. Marshall, *Chairman, Alphageo (India) Limited*

Dear Shareholders

The year 2012-13 was one of the toughest in living memory as the business pipeline in India ran dry. During the year under review, the Company could only complete the NTPC project and received one contract from Oil India Limited in January, 2013, which was delayed due to licensing issues. Besides, our Manipur project remained stalled due to issues beyond our control. The result was that our topline of ₹797 Lakh (standalone) was our lowest in a decade.

However, the silver lining in this grim scenario was the performance of our international business. We received two projects from Myanmar for a cumulative project value of about US\$12 million, an important achievement for the following reasons:

- ▶ We emerged as the only Indian company to establish a strong

foothold in the Myanmar E&P sector

- ▶ We successfully out-bid entrenched Chinese players
- ▶ We de-risked our business from an excessive dependence on a single geography (India)

The other heartening development was that we received an assignment from Oil India to be executed in 2013-14. The mix of these developments indicates credible revenue visibility for Alphageo 2013-14 onwards.

The Indian scenario

This is clearly a transition period for India's seismic survey sector. Not too long ago, India would periodically report about nine-to-ten seismic survey opportunities a year; today, this has declined to about two-to-three a year.

The apparent contradiction between such an industry

scenario and crude oil movement needs to be explained.

Allottees under the final NELP rounds were largely industrial groups making a first-time entry into the business of oil exploration. Given their relative inexperience, they do not appear too keen to make large exploration investments. Moreover, the Government is yet to finalise and implement the Open Acreage Licensing Policy (OALP), which is accepted as the next progressive and logical step forward for India's E&P space.

The current trend is expected to reverse over the medium-term. Business prospects will improve as governmental regulations imposed heavy penalties and block confiscation following survey inaction beyond a certain period from the date of allotment. Besides, the



Business prospects will improve as governmental regulations imposed heavy penalties and block confiscation following survey inaction beyond a certain period from the date of allotment.

government plans to implement the OALP in the near future.

A new Speculative Seismic Survey Policy is also being worked upon in the regulatory corridors. This initiative will divide India into blocks on which private operators can undertake seismic surveys and market the acquired data to interested corporates to apply to the government for a license for E&P activities. This policy indicates attractive opportunities for the seismic services business.

The international business

The international market for seismic services remains robust as nations work towards building their energy security. In addition, surging shale gas production in the US and the possibility of replicating this success worldwide can potentially revolutionise global energy markets. Every nation is seeking to explore this new energy source, which can provide sizeable global seismic survey opportunities.

At Alphageo, we follow a policy of cautious aggression when it comes to our international business. We are not driven by the motivation of expanding our presence across multiple nations, but are focused on establishing a strong footprint in select countries, building credibility, brand equity and leveraging it for onward geographic expansion.

As a first step towards this, we selected to establish our footprint in Myanmar, a country with hitherto negligible exploration activity. It was only recently that the Government opened the space and in fiscal 2012-13 witnessed the first round of licenses for oil blocks. The second round is expected to commence in the coming months, offering licenses for 18 blocks. As we continue working on our first assignment, we can safely say that we have established our credentials in this space.

Additionally, we are scouting for similar opportunities in the Middle East and Africa to strengthen our global presence and expect that it would take anywhere between 18-24 months for these to yield significant results.

Message to shareholders

While the going has been tough in the recent past, our present order book and enhanced capabilities provide us with the confidence of robust business growth and return to profitability, translating into shareholder value creation.

Regards,

Z P Marshall,
Chairman

Management discussion and analysis



Global economy

Growth in the global economic output remained weak and below projections during 2012. According to IMF's April 2013 report, the global output is estimated to have grown by only by 3.2% in 2012 – significantly lower than the 4% growth recorded in 2011.

Advanced economies remained on a declining growth trajectory largely attributable to the eurozone crisis, which was partially offset by a better showing by the US as well as Japan re-entering the growth zone. However, emerging markets and developing economies witnessed a marked decline in growth rates.

Optimism around better economic prospects gathered steam in recent months due to

the following:

- ▶ Temporary resolution of the fiscal cliff and debt-ceiling related issues in the US
- ▶ The Federal Reserve's pledge to hold interest rates down till unemployment rate falls below 6.5%
- ▶ The European Central Bank promising unlimited bond buying to support the euro
- ▶ Improved quality of economic data being collated especially from the US and China

However, the global economy remains in a difficult phase with global output projected to grow at 3.3% in 2013 which is widely expected to be a year of transition with advanced economies and emerging markets and developing economies gradually approaching the pre-crisis growth rate levels.

Indian economy

India's economic growth decelerated for the second year in succession, declining from 6.2% in 2011-12 to 5% in 2012-13. The slowdown is largely attributed to weakness in industry, which grew by a mere 1.3%. The manufacturing sector (accounting for 55% of the industry) recorded a dismal 1.9% growth in 2012-13. The services sector – the key driver of economic growth over the last few years – decelerated to 6.6%, significantly below the trending levels.

From a demand side perspective, growth in private final consumption expenditure, the largest component of the aggregate demand, moderated to 4.1% in 2012-13 against the preceding five-year average of



A value-at-risk (VAR) analysis by Goldman Sachs suggests that a US\$10 increase in oil price would reduce GDP growth by 0.2 percentage points.

8.1% with investment growth decelerating to 2.5% in 2012-13 from the last five-year average of 9.2%.

India's twin-deficit challenge also came under the spotlight. The country's current account deficit widened to an all time high at 5.4% of GDP during the first nine months of 2012-13 against 4.1% during the same period last year, contributed by high oil prices, strong gold imports, subdued merchandise exports and a marginal decline in net services exports. Fiscal deficit however was reined in at 5.2% (Budget 2013 estimates) by aggressively curtailing expenditure.

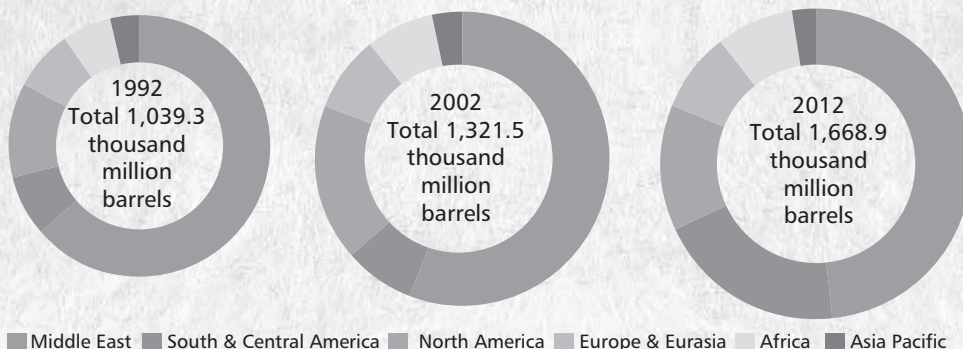
As per RBI estimates, the India economy is expected to grow at 5.7% during 2013-14, representing a modest improvement over the previous year. While the agricultural sector is expected to return to trending levels on the back of a normal monsoon, the outlook for industrial activity remains subdued given the slow pace of investments and structural bottlenecks such as shortage of power, coal, natural gas and disruption in mining activity in some states. Growth in services and exports is also likely to remain sub-par in the backdrop of a sluggish world economy.

Global oil sector

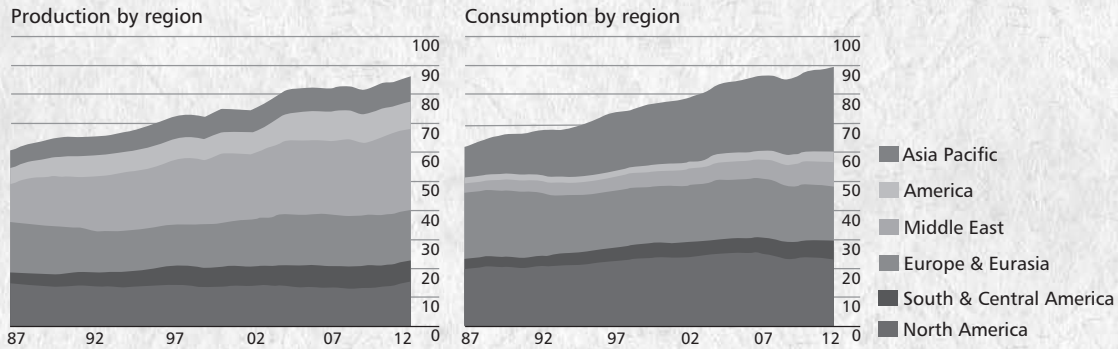
Oil remains the world's leading fuel, accounting for close to one-third of the global energy consumption, but continued to lose market share for the 13th consecutive year.

The year 2012 witnessed a slowdown in the growth of energy consumption globally, partly as a result of the economic slowdown but also because individuals and businesses have responded to high prices by becoming more efficient in their use of energy. Concurrently, the review shows that energy supply is coming from increasingly diverse sources as the world's

Distribution of proven oil reserves in 1992, 2002 and 2012 (%)



Oil production/ consumption by region (million b/d)



energy markets continue to adapt, innovate and evolve.

On the supply side, the most noticeable phenomenon remains what is known as the 'American shale revolution'. In 2012, the US recorded the largest oil and natural gas production increases in the world and witnessed the largest gain in oil production in its history.

Global oil production increased by 1.9 million barrels per day (b/d) or by 2.2%. PEC accounted for about three-quarters of the global increase despite a decline in Iranian output (-680,000 b/d) due to international sanctions. Libyan output (+1 million b/d) nearly regained all of the ground lost in 2011. For a second consecutive year, output reached record levels in Saudi Arabia, the UAE and Qatar. Iraq and Kuwait also registered significant increases (+1 million b/d) with Canada, Russia and China offsetting

unexpected outages in Sudan/ South Sudan (-340,000 b/d) and Syria (-160,000 b/d), as well as declines in mature provinces such as the United Kingdom and Norway.

Global oil consumption grew by 890,000 b/d, or 0.9%, below the historical average. Oil had the weakest global growth rate among fossil fuels for the third consecutive year. OECD consumption declined by 1.3% (530,000 b/d), the sixth decrease in the past seven years; the OECD now accounts for just 50.2% of global consumption. Outside the OECD, consumption grew by 1.4 million b/d, or 3.3%. China recorded the largest increment in global consumption (+470,000 b/d, +5%) although the growth rate stayed below the 10-year average. Japanese consumption grew by 250,000 b/d (+6.3%), the strongest growth increment since 1994. Light distillates were the fastest-growing refined

product category (by volume) for the first time since 2009.

With Indian oil marketing companies importing more than 70% of the country's crude oil needs, every Re 1 depreciation vis-à-vis the US\$ is resulted in a loss of ₹9,200 crore for these companies.

Global oil trade in 2012 grew by 1.3%, or 0.7 million b/d. At 55.3 million b/d, trade accounted for 62% of global consumption, up from 57% a decade ago. The relatively small global increase conceals large regional changes. The US net imports fell by 930,000 b/d and are now 36% below their 2005 peak. Conversely, China's net oil imports grew by 610,000 b/d, 86% of the global increase. Growth in net exports from Canada and North Africa, together with reduced US oil import dependence, offset declining exports from several regions.

Oil consumption per capita, 2012



Global natural gas

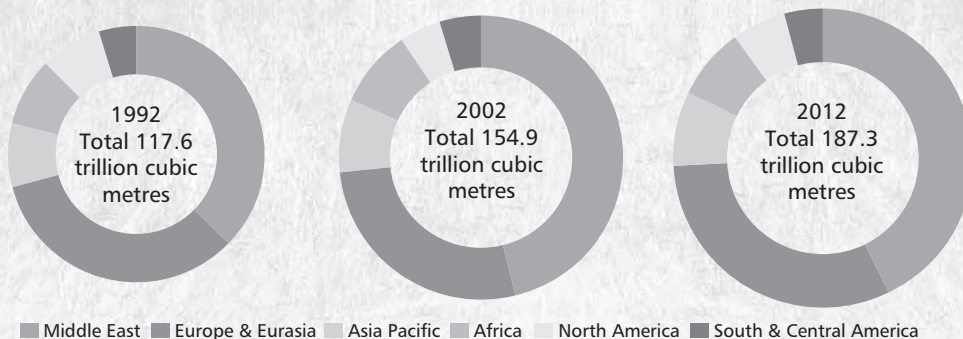
Global natural gas production grew by 1.9%. The US once again recorded the largest volumetric increase (+4.7%) and remained the world's largest producer. Norway (+12.6%), Qatar (+7.8%) and Saudi Arabia (+11.1%) also witnessed significant production increases while Russia (-2.7%) had the world's largest decline in volumetric terms.

World natural gas consumption grew by 2.2% which was below the historical average of 2.7%. Consumption growth was

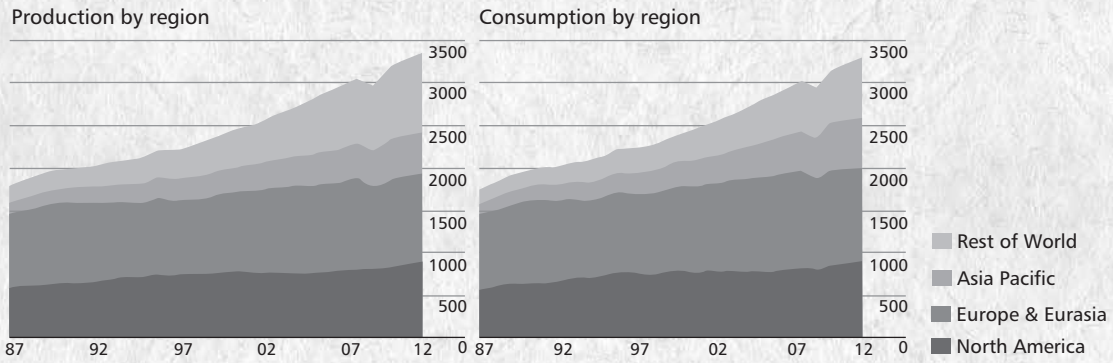
above average in South and Central America, Africa and North America where the US (+4.1%) recorded the world's largest increment. In Asia, China (+9.9%) and Japan (+10.3%) were responsible for the next-largest growth increments. These increases were partly offset by declines in the EU (-2.3%) and the Former Soviet Union (-2.6%). Globally, natural gas accounted for 23.9% of primary energy consumption. OECD consumption grew more rapidly than non-OECD consumption for the first time since 2000.

Global natural gas growth was weak, growing by just 0.1% in 2012. Pipeline shipments grew by 0.5% with declines in net Russian exports (-12%) partly offset by growth in Norwegian exports (+12%). US net pipeline imports dropped by 18.8%. Global LNG trade fell for the first time (-0.9%) with a decline in net European LNG imports (-28.2%) being offset by net increases in Asia (+22.8%). Among exporters, an increase in Qatari (+4.7%) shipments was nearly offset by a decline in Indonesia (-14.7%). LNG's share of global gas trade declined slightly to 31.7%.

Distribution of proven gas reserves in 1992, 2002 and 2012 (%)



Gas production/ consumption by region (billion cu. m)



Gas consumption per capita, 2012 (tonnes of oil equivalent)



Indian oil and gas sector

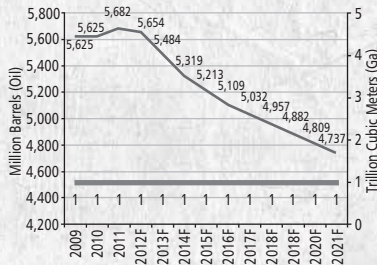
The Indian oil and gas sector is a critical component of the country's economy, accounting for 15% of the country's gross domestic product (GDP). A nation's economic growth is directly linked with energy demand, and a conservative estimate of 7% growth is expected to double India's per

capita energy consumption from 560 kilograms of oil equivalent (kgoe) in FY10 to 1,124 kgoe by FY32.

As oil and gas remain the principal sources for meeting the required energy needs in India, its demand is forecast to rise further. In 2011, natural gas accounted for 10% of the country's total energy requirements, whereas estimates suggest that this figure

will reach 20% by 2025, with oil and gas together accounting for around 45% of the total demand. Market reports estimate that this growth is expected to help the Indian gas market become as large as the Japanese gas market, the largest consumer of LNG in Asia, by end-2015. Despite having significant reserves, the increase in demand in India is expected to be primarily met through imports.

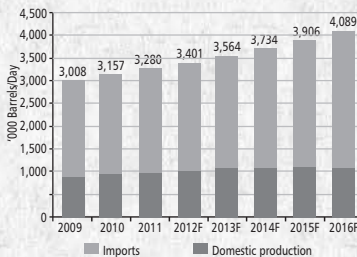
India's total oil and gas reserves



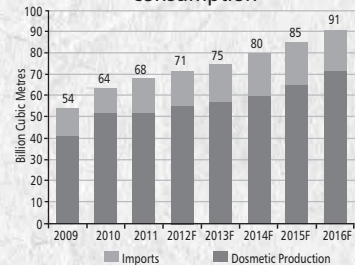
Source : Business Monitor International: India Oil and Gas Report, 2012

India's total oil and gas market dynamics

Oil imports, production and consumption*



Gas imports, production and consumption*



* Total consumption = Imports + Production

Oil and gas imports

India currently imports crude oil worth US\$160 billion, representing the largest item in the country's import basket. In the field of natural gas, India is the fifth largest importer after Japan, South Korea, the UK and Spain.

2012-13 in retrospect

In 2012-13, total crude oil production was estimated at 37.762 million tonnes with a 30.7% contribution from private/joint venture companies. Natural gas production in 2012-13 was

about 111.4 million standard cubic metres a day (mscmd) with 39.7% of the share coming from private/joint venture companies. In 2012-13, India bought a total of 182.5 million tonnes crude, representing about 79% of its requirements.

According to the Petroleum Ministry, in 2013-14, crude oil production is estimated at 39.396 million tonnes while natural gas production is likely to be 105 mscmd.

Going ahead, oil imports will

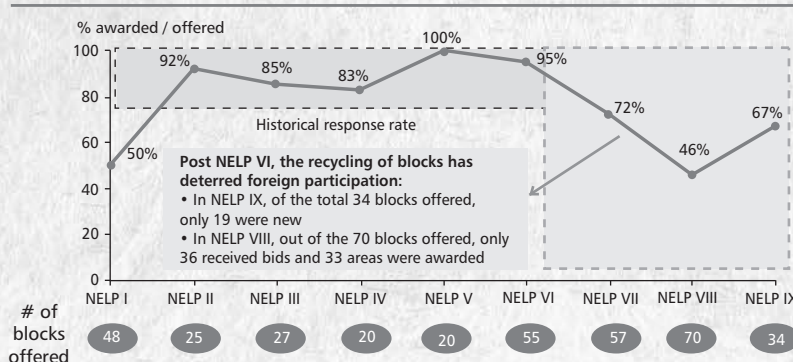
continue to grow as Indian refiners expand capacity to meet rising demand – India's refining capacity is set to grow by 46% to 6.23 million b/d by March 2017.

Government policies for boosting production

To cope up with high demand, the Indian Government has adopted policies such as allowing 100% FDI in many segments of the oil and gas sector such as refineries, pipelines, petroleum products, natural gas and infrastructure related to the marketing of petroleum products.

Blocks offered and awarded in all NELP rounds

of blocks put up for bidding has significantly increased, but awarded blocks have not kept pace



Post NELP VI, the recycling of blocks has deterred foreign participation:

- In NELP IX, of the total 34 blocks offered, only 19 were new
- In NELP VIII, out of the 70 blocks offered, only 36 received bids and 33 areas were awarded

- 249 blocks awarded out of 360 offered
- Active participation from private domestic players with ~40% of acreage
- Large proportion of acreage awarded to ONGC
- Only ~12% of the acreage awarded to foreign players
- No international companies in NELP IX

Other policy initiatives to promote investments include the New Exploration Licensing Policy (NELP) to aid both public and private sector companies while bidding for exploration rights. A total of 254 production sharing contracts have been signed under NELP, so far. The initiative has resulted in the discovery of 68 oil and gas fields. NELP allows 100% FDI in small to medium-sized oil fields. However, NELP may soon be replaced by the Open Acreage Licensing Policy (OALP), which invites bids all year round unlike NELP which invites bids annually.

Recent oil and gas finds

ONGC made a huge oil discovery off the Western coast in 2012. The discovery was made in the currently producing D1 oilfield and will catapult D1 to become the third largest field in the Western offshore following the prolific Mumbai High and Heera oil rigs. D1, which is currently producing 12,500 b/d, had an approved peak output of 36,000 b/d. With the new discovery, peak output is expected to jump to 60,000 b/d or three million tonnes a year.

Discovery-to-delivery

Out of 117 NELP discoveries as of April 2012, a development plan

has been approved only for 11% of the discoveries, even as India spends ₹1,800 crore in importing oil every day.

As the country seeks to scale-up its exploration programme, there is a need to simultaneously fast-track project development. In the oil and gas sector, there is no equipment or facility that requires more than 18 months lead time to commission. Hence, the solution lies in adopting an integrated field development plan that is dynamic and looks at the life cycle of the development of a block vis-à-vis the current process of individual field development plan for a discovery. This can significantly shorten the discovery-to-delivery cycle, contributing to enhanced domestic production.

Going ahead

As per the World Energy Outlook 2011, IEA has projected India's energy demand at 1,464 MMtoe by 2035. The shares of coal, oil and natural gas are 42%, 24% and 11%, respectively. Nuclear, hydro and renewable sources together are expected to account for 7%. Hence, fossil fuels are expected to continue fuelling the country's economic growth.

Oil Ministry's PPAC forecasts fuel consumption at 155.63 MT. Demand for diesel, which accounts for 45% of the fuel consumption in India, is projected to grow by 8.3% to 70.1 MT (it was previously projected to grow by 5.9%). PPAC projects a 5.5% growth in petrol demand to reach 15.82 MT.

Furthermore, India's natural gas demand is likely to more than double to 473 mscmd by 2016-17 with most of the additional demand coming from power plants, according to Oil Ministry's projections for the Twelfth Five Year Plan (2012-13 to 2016-17).

Moreover, Business Monitor International (BMI) forecasts that India will account for 12.4% of the Asia Pacific regional oil demand by 2015, while satisfying 11.2% of the supply (*Source: Indian Brand Equity Foundation, June 2013*).

The Ministry of Petroleum & Natural Gas recently set the ball rolling with a vision to reduce oil imports by 50% (2020), 75% (2025) and 100% (2030) and a roadmap is being evolved. The first significant step in this direction is the policy decision to allow exploration in all production blocks.

Changing fortunes

As per the Rajasthan Budget Study 2013-14, revenue from the petroleum sector now constitutes more than 40% of the total non-tax revenue of the State Government from just 0.2% in 2008-09. The petroleum sector is estimated to contribute ₹5,500 crore to the State Government's non-tax revenue, primarily because of oil production from the Barmer Basin.

Estimated demand for petroleum products and natural gas in the Twelfth and Thirteenth Five Year Plans (TMT)

Product	2012-13	2013-14	2014-15	2015-16	2016-17	Twelfth Five Year Plan	Thirteenth Five Year Plan
LPG	16,986	18,363	19,765	20,857	21,831	97,802	118,848
Motor spirit	16,091	17,527	19,083	20,766	22,588	96,055	144,634
High-speed diesel oil	65,040	68,654	72,589	76,904	81,599	364,786	491,557
Naphtha	12,353	11,417	11,417	11,022	11,022	57,231	72,400
Aviation turbine fuel	6,009	6,587	7,202	7,849	8,540	36,187	54,304
Superior kerosene oil	7,949	7,631	7,326	7,033	6,751	36,690	30,838
FO/ LSHS	7,954	7,902	7,899	7,872	7,872	39,499	39,225
Light diesel oil	400	400	400	400	400	2,000	2,000
Others	20,155	21,954	23,043	24,269	25,606	115,027	151,180
Grand total	152,937	160,435	168,724	176,972	186,209	845,277	1,104,986
Natural gas (mscmd)	293	371	405	446	473	1,988	2,761

TMT: thousand metric tonnes

(Source: Report of the Working Group on Petroleum and Natural Gas Sector for the Twelfth Five Year Plan)

The exploration sector

The reality today is over 75% of our sedimentary basins are yet to be categorised as 'moderate-to-well-explored' even as we import over 75% of our oil demand, spending a whopping US\$160 billion-plus in the process in 2012-13.

India's estimated recoverable reserve base of 2,041 MMT of O+OEG is valued at more than US\$1 trillion, almost equivalent to the market capitalisation of all listed companies in India.

India presents significant unexplored opportunities for

the exploration and production (E&P) industry. So far, only 73 billion barrels of oil and oil equivalent gas could be established through exploration out of 205 billion barrels of prognosticated hydrocarbon resources. Thus, about 133 billion barrels of prognosticated

resources remain to be unlocked through exploration. The size of the prize could be significant when the 65% of prognosticated hydrocarbon resources are moved to 'in-place volumes' from 'yet-to-find' category.

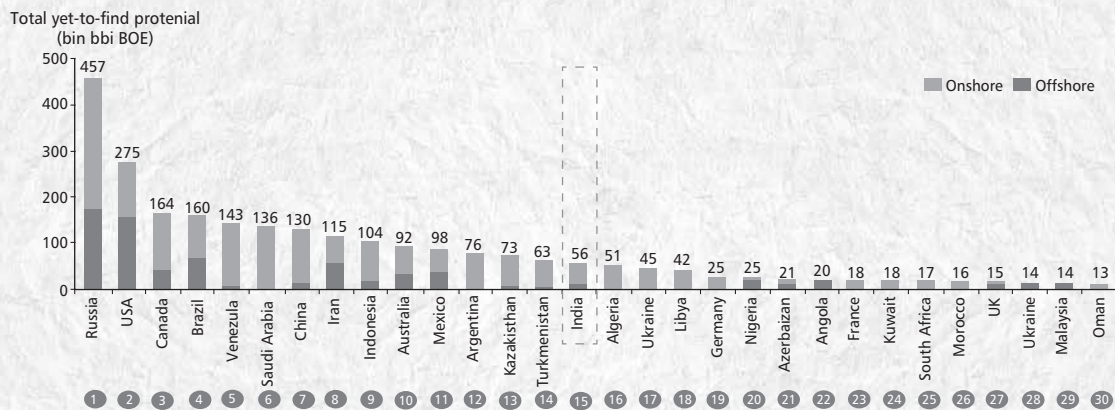
On an average, India drills about 200 exploratory wells

every year while the US drills about 2,000. Factoring in the geological risks, this pace needs to be accelerated to identify and drill out each prospect in the 26 sedimentary basins that provide the hydrocarbon base for India spread over 3 million sq. km.

The 'Hydrocarbon Vision 2025'

aims at 100% exploration coverage of sedimentary basins by 2025. To achieve this, our exploration efforts need to be scaled up by 50% of the sedimentary basin to the 'moderate-to-well-explored' category in the next five years by 2020.

India's yet-to-find reserve potential places it in the world's top-15



Shale gas

Shale gas can emerge as an important new source of energy in the country. India has several shale formations which seem to hold shale gas. Shale gas formations are spread over several sedimentary basins such as Cambay, Gondwana, Krishna-Godawari on-land and Cauvery.

Shale is a rock formation that contains extractable gas found abundantly across the country,

especially in the Gangetic plain, Gujarat and Assam. India holds 6.1 trillion cubic feet of technically recoverable shale gas reserves in three basins, according to a report by the US Geological Survey – this is about 30 times the 2P (proved and probable) reserves in Reliance's D6 assets.

The Ministry of Petroleum and Natural Gas has signed a MoU with the Department of Energy, USA, for assessing shale gas

resources in India and imparting training to Indian geoscientists and engineers and seeking assistance in formulating a regulatory framework.

According to the US Energy Information Administration (EIA), it is estimated that the top-33 countries, including the US, are estimated to have around 6,622 trillion cubic feet of technically recoverable shale gas resources.

Global shale gas reserves distribution



(Source: US energy information administration)

Internal control

Alphageo's internal control systems and procedures are designed to enable the reliable reporting of financial statements, reporting timely feedback on achievements of operational/strategic goals and ensures compliance with laws and regulations. The Company's overall system of internal control

is commensurate with the size and nature of operations and effective implementation of internal control via self-assessment procedures ensure compliance with policies, plans and statutory requirements.

Human resources

Alphageo's employees represent its primary strength. The

Company's HR function is aligned with its overall growth vision and a dedicated team continuously works on areas such as recruitment and selection policies, disciplinary procedures, reward/recognition programmes, learning and development policies and all-round employee development.

Analysis of the consolidated financial statements



Alphageo's performance was adversely impacted due to the external hindrances which impacted the entire sector. The Company registered a topline of ₹2,357 Lakh and suffered a net loss of ₹989 Lakh in fiscal 2012-13.

Statement of Profit and Loss

Revenue

Revenue declined from ₹4,393 Lakh in 2011-12 to ₹2,357 Lakh in 2012-13. This decline was primarily due to the paucity of business from the Indian oil E&P space. Indian operations contributed about ₹797 Lakh in 2012-13 – a decline of 68% against revenue earned in 2011-12. Partial execution of the Myanmar project contributed the balance.

Operating cost

Survey expenses: It declined by 46% largely due to a slowdown in the business. The Company was marginally impacted due to the stalled Manipur project where the Company was required to maintain its resources (crew and equipment). This is clearly

borne out in an important reality – while Indian operations contributed 34% to the topline and accounted for 45% of the survey expenses.

Employee expenses: Employee expenses declined by 22% from ₹541 Lakh in 2011-12 to ₹423 Lakh in 2012-13 due to rationalisation of the team, in line with declining business volumes.

Finance cost

The Company's interest liability declined from ₹54 Lakh in 2011-12 to ₹46 Lakh in 2012-13. This decline was due to a domestic short-term loan repayment. The Company's international operations increased its short-term loan by ₹272 Lakh towards the latter part of fiscal 2012-13 – as a result of which the interest

liability remained unaffected.

Depreciation

Provision for depreciation declined 33% from ₹1,144 Lakh in 2011-12 to ₹768 Lakh in 2012-13. This was due to the accelerated depreciation policy consistently followed by the Company due to which a large section of its plant and machinery stands fully depreciated.

Other expenses

Expenses under this head increased from ₹327 Lakh in 2011-12 to ₹501 Lakh in 2012-13. The increase was attributes to the creation of provision for doubtful debts and losses due to foreign currency translation accounts, which were not present in 2011-12.



The Company had no long-term debt on its books. The debt-equity ratio stood at 0.11:1 as on March 31, 2013.

Balance Sheet

Capital employed

The capital employed in the business increased 13% from ₹5,195 Lakh as on March 31, 2012 to ₹5,856 Lakh as on March 31, 2013. This increase was due to a preferential issue of share capital and share warrants, an increase in short-term borrowings and credit extended by the equipment suppliers.

Shareholders' funds

The share capital grew from ₹515 Lakh as on March 31, 2012 to ₹577 Lakh as on March 31, 2013 – the increase was due to the allotment of 2.50 Lakh shares at ₹60 per share (at a premium

of ₹50 per share) and money received against allotment of 2.50 Lakh warrants at a price ₹60 per warrant (convertible into one Equity Share of ₹10/- each at a premium of ₹50 per share) to promoters on preferential basis. The warrants issued are to be converted into Equity Shares within 18 months from allotment (to be exercised before February 9, 2014). Shareholders' funds declined due to losses incurred in 2012-13. Post-warrant conversion, the enhanced equity would stand at ₹565 Lakh as on March 31, 2014 – the promoters' stake would be 40.44% as on that date.

Loan funds

The Company's debt portfolio increased 64% from ₹281 Lakh as on March 31, 2012 to ₹460 Lakh as on March 31, 2013 due to an increase in the short-term loans availed in 2012-13 to fund increased working capital requirement for international operations. The Company had no long-term debt on its books. The debt-equity ratio stood at 0.11:1 as on March 31, 2013 against 0.06:1 as on March 31, 2012 – allowing Alphageo the flexibility to borrow additional funds if required.

(₹ in Lakh)

	Note	As on March 31, 2012	As on March 31, 2013
Long-term debt	3	NIL	NIL
Short-term debt	5	270 Lakh	460 Lakh
Current maturities of long-term debt	7	11 Lakh	NIL

Current liabilities

Total current liabilities as on March 31, 2013 stood at ₹3,261 Lakh against ₹1,665 Lakh as on March 31, 2012. The increase in current liabilities was mainly on account of an increase in short-term borrowings for meeting working capital needs of international projects and due to creditors for capital equipment purchased by the Company towards the end of the year 2012-13 of ₹1,272 Lakh.

Fixed assets

The gross block of the assets

put to use and under works in progress increased from ₹12960 Lakh as on March 31, 2012 to ₹14629 Lakh as on March 31, 2013 largely due to addition to plant and machinery and software.

Inventories

The inventory balance increased in line with the Company's strategic decision to stock consumables for seamless operations.

Trade receivables

Outstanding receivables declined significantly due to an astute

receivable management policy. The Company has nearly halved the outstanding, in excess of six months, over the previous year balance – this has also been subsequently recovered. To be prudent, for receivables in respect of the Manipur project where the work under suspension due to the circumstances beyond control of the Company, a provision for ₹88 Lakh has been made for the year ended March 31, 2013.

Cash flow statement

Despite an operational loss incurred by the Company, it was able to strengthen its business liquidity – it generated ₹90 Lakh as net cash flow from operating activities against an outflow of ₹269 Lakh in 2011-12. This was

primarily due to efficient working capital management.

In 2012-13, the Company has invested ₹503 Lakh in fixed assets which will strengthen its operational capability and

competitive edge in the global markets. This was partially funded by the preferential issue of shares and warrants to the promoters of parent company and increase in short-term borrowings.

Managing business uncertainties

“Only those who dare to fail greatly can ever achieve greatly.” – Robert F. Kennedy

Risk is the face of business uncertainty, affecting corporate performance and prospects. As a diversified enterprise, Alphageo possesses a systems-based approach to risk management. A combination of centrally-issued policies and divisionally-evolved procedures ensure business risks are effectively addressed.

1 The allotment of oil blocks to first-time entrants in the oil and gas sector with little investment intent could impact seismic services growth.

Risk mitigation

This will impact the entire sector and Alphageo will be no exception. But the need for seismic survey can at best be postponed and not eliminated as the government has

laid down a strict timeframe within which the allottee is required to commence exploration. Failing which it was required to pay a penalty and run the risk of losing the block. Further, Alphageo is

scouting beyond the domestic borders for growth opportunities to de-risk itself from the slow progress in India – its success in project execution in Myanmar is an important step in this direction.

2 Dropping contract rates to capitalise on every business opportunity could hurt business profitability.

Risk mitigation

Alphageo's demonstrated ability to deliver timely and accurate data in some of the most challenging Indian terrains positions it as a partner of choice among global

oil E&P players and earns it a premium over the industry benchmark. The Company's aggressive depreciation policy provides it with the unique advantage of pricing competitively

when bidding for new projects. Additionally, the Company is also working on novel seismic survey strategies enabling it to provide superior services at optimised rates.

3 Weak financial statements could impact the Company's ability to attract reputed domestic and global players.

Risk mitigation

The financial loss in business operations for the last three years has impacted the Balance Sheet only marginally as the Company continued to generate

positive cash flows during the same period. Its sizeable reserves balance at ₹3,530 Lakh and a low debt-equity ratio of 0.11:1 as on March 31, 2013, facilitates in liquidity

mobilisation. The Company's healthy order book about ₹5,525 Lakh as on March 31, 2013, provide sizeable revenue visibility thereby strengthening customer confidence

DIRECTORS' REPORT

To
The Members,

Your Directors are pleased to present Twenty Sixth Annual Report and Audited Accounts and the report on Company's business and operations for the financial year ended 31st March, 2013.



Results of Operations

The Results of operations of the Company for the year ended 31st March, 2013 are summarised below:

Particulars	₹ in Lakh	
	2012-13	2011-12
Income From Seismic Survey	796.86	2520.04
Income from Provision of Services	53.84	--
Total Income	990.17	2723.50
Profit/(Loss) Before Finance costs and Depreciation	(430.28)	383.98
Finance Costs	40.99	52.08
Depreciation and Amortisation	491.63	891.79
Profit / (Loss) Before Tax	(962.90)	(559.89)
Tax Expense	32.07	(50.44)
Profit / (Loss) After Tax	(994.97)	(509.45)

Operational and Financial Performance

During the year ended March 31, 2013 the Company has earned ₹796.86 Lakh from execution of Seismic Survey and ₹53.84 Lakh from Provision of Services against total revenue of ₹2520.04 Lakh for the year ended March 31, 2012. Your Company has executed the Contract for 3D Seismic Survey and Data Acquisition for NTPC Ltd successfully. The Contract for 2D Seismic Survey in North East Region, having the

circumstances beyond the control of the Company, could not allow yielding the targeted income and made the company to incur expenditure keeping the resources idle without any contributing income for longer periods. This is one of the reasons for suffering the operational losses for the year ended March 31, 2013.

Your Company has been awarded a contract for 3D Seisloop Seismic Survey in MZ-ONN-2004/1 Block

in Mizoram which is first of its kind in India and successful completion will make the company pioneer in introducing and adopting this technology.

On technology front your company has replenished the Equipment with latest technology costing ₹1387 Lakh.

The Company has executable orders on hand worth ₹1752 Lakh as on March 31, 2013 and assurances for ₹1500 Lakh on successful execution of awarded contracts. Your Company is confident that the awarded contract will be executed at utmost satisfaction of the client and striving hard to plan and perform major portion of the extension work within the forthcoming financial year.

Group Performance

On international front, Alphageo has made a successful foray into Myanmar, an emerging market for exploration and production activity for energy and oil sector. Alphageo emerged as the only Indian seismic survey service provider to win three of seven blocks offered in the first round in the face of intense Chinese competition. Alphageo has been awarded a contract by world leading oil and gas exploration and production company Petronas through its subsidiary in Myanmar and another contract by an Exploration and Production company based in Indonesia for its block in Myanmar. Thus Alphageo has an executable orders internationally worth about ₹3773 Lakh on hand as on March 31, 2013. The group financial performance for the year has been reported in later part of this report.

Dividend

In order to keep the resources for the operations of the Company, no dividend is recommended for the year ended 31 st March, 2013.

Management Discussion and Analysis Report

Management Discussion and Analysis Report for the year under review as stipulated in Clause 49 of the Listing Agreement with Stock Exchanges, is presented as separate section forming part of the Annual Report.

Share Capital

During the year, with the approval of the Members of the Company and respective statutory authorities and in compliance with applicable laws, rules and regulations, the Company has issued and allotted to promoter and promoter group on preferential basis 2,50,000 Equity Shares of ₹10/- each at a premium of ₹50/- per share and 2,50,000 Convertible Warrants of ₹60/- each convertible into One Equity Share of ₹10/- each at premium of ₹50/- per share at the option of Allottees on fulfillment of terms and conditions attached to issue of warrants.

The issue of equity shares resulted in increase in paid up share capital from ₹514.84 Lakh to ₹539.84 Lakh.

The Convertible Warrants thus allotted are subject to conversion into Equity Shares on or before 09 th February 2014 other wise result in forfeiture of allotment money paid by the Allottees.

Subsidiaries

The Company has one 100% owned Subsidiary, Alphageo International Limited, incorporated in Jebel Ali Free zone Area in Dubai and one 100% owned step down subsidiary Alphageo DMCC incorporated in Dubai Multi commodity Centre (DMCC) for providing Seismic Services in the international markets.

In accordance with the general circular issued by the Ministry of Corporate Affairs, Government of India, the Balance Sheet, Statement of Profit and Loss and other documents of the subsidiary companies are

not being attached with the Balance Sheet of the Company. Shareholders who wish to have a copy of the full report and accounts of the subsidiaries will be provided the same on receipt of a written request from them. These documents will be available for inspection at the Corporate Office of the Company and that of the respective subsidiary companies on any working day during business hours. The Consolidated Financial Statements presented by the Company include the financial results of its subsidiary companies.

Consolidated Financial Statements

In compliance with the Accounting Standard-21 on consolidated financial statements and with the listing agreement with the stock exchanges, the consolidated financial statements for year ended 31st March, 2013 have been prepared and the same together with Auditors Report thereon form part of this Annual Report.

The Financial Performance of the Group for the year ended 31st March, 2013 is summarised below:

Particulars	₹in Lakh	
	2012-13	2011-12
Revenue From Operations	2356.67	4393.42
Total Income	2380.69	4602.79
Profit/(Loss) Before Finance costs and Depreciation	(175.76)	721.31
Finance Costs	45.66	54.30
Depreciation And Amortisation	767.73	1143.50
Profit / (Loss) Before Tax	(989.15)	(476.49)
Tax Expense	81.16	30.86
Profit / (Loss) After Tax	(1070.31)	(507.35)

The group performance for the year ended 31st March, 2013 has resulted in an operational turnover of ₹2356.67 Lakh compared to 4393.42 Lakh for previous year ended 31st March, 2012. Set back in domestic operations and movement costs of equipment and resources across several geographies resulted in Loss before Finance Costs and Depreciation of ₹175.76 Lakh for the current year against Profit before Financial Costs and Depreciation of ₹721.31 Lakh in previous financial year. Your Directors are confident that execution of the orders on hand worth ₹5525 Lakh as on March 31, 2013 in the forthcoming financial year will result in better financial performance of the Group in the forthcoming financial year.

Directors

Mr. Z.P. Marshall and Mr. Ashwinder Bhel, Directors, retire by rotation and being eligible offer themselves for re-appointment at the ensuing Annual General Meeting.

Corporate Governance

The Company is continued to be in good compliance with Corporate Governance requirements set in Clause 49 of Listing Agreement with Stock Exchanges. The Corporate Governance Report is presented as a separate section forming part of the Annual Report. The requisite Certificate from the Auditors of the Company confirming the compliance with the conditions of Corporate

Governance as stipulated in Clause 49 of the Listing Agreement is annexed with the Report on Corporate Governance.

Auditors

The auditors, M/s. P.V.R.K. Nageswara Rao & Co., Chartered Accountants, Hyderabad, hold office until conclusion of the ensuing Annual General Meeting, have confirmed their eligibility and willingness to accept office, if re-appointed.

Auditors' Report

The Auditors' observations under Emphasis of Matter of their Report read with respective Explanatory Note of Notes on Financial Statements referred therein are Self-explanatory and do not call for any further information and explanations.

Deposits

The Company has not accepted any deposits from the Public under section 58A of the Companies Act, 1956 and as such, no amount of principal or interest was outstanding as of the Balance Sheet Date.

Particulars of Employees

There are no employees who are, in receipt of remuneration of ₹60 Lakh or more per annum, if employed throughout the year or ₹5 Lakh or more per month if employed for a part of the year, falling within the provisions of Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975, during the year ended 31.03.2013.

Directors' Responsibility Statement

Pursuant to the requirement under Section 217 (2AA) of the Companies Act, 1956 with respect to Directors' Responsibility Statement, it is hereby confirmed that:

- (i) In the preparation of the annual accounts for the year ended 31 st March, 2013, the applicable

accounting standards read with requirements set out under Schedule VI to the Companies Act, 1956, have been followed and that there are no material departures from the same;

- (ii) The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2013 and of the loss for the year ended on that date;
- (iii) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- (iv) The annual accounts for the year ended 31st March, 2013 have been prepared on a going concern basis.

Employees Stock Option Scheme

The Compensation Committee of Board of Directors administers and monitors the Employees' Stock Option Scheme of the Company under name "Alphageo ESOS 2008". The applicable disclosures as stipulated under Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 as at 31st March, 2013 are provided in Annexure to this Report.

Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo

The particulars as prescribed under section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the report of the Board of Directors) Rules, 1988, are:

- a. Conservation of Energy : Not Applicable
- b. Technology Absorption : NIL

c. Foreign Exchange Earnings and Outgo:

- i. Activities relating to export, initiatives to increase exports, Developments of New Export markets for Products and Services and Export Plan:

The Company, primarily, continued to maintain focus on providing seismic services in domestic markets.

- ii. Total Foreign Exchange Earned and Outgo:

a. Total Foreign Exchange Earned	₹ 263.07 Lakh
b. Total Foreign Exchange Used:	
For Capital Goods	₹ 1430.18 Lakh
For Others	₹ 25.58 Lakh
Total	₹ 1455.76 Lakh

Transfer of amounts to Investor Education and Protection Fund

Pursuant to the provisions of Section 205A(5) of the Companies Act, 1956, the declared dividends transferred to Unpaid Dividend Accounts of the Company, which remain unclaimed for a period of

seven years from the date of such transfer, have been transferred to the Investor Education and Protection Fund (IEPF) established by the Central Government pursuant to Section 205(C) of the said Act.

Pursuant to the provisions of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amount lying with companies) Rules, 2012, the Company has uploaded the details of unclaimed amount of dividend as on 28th September, 2012 on the Ministry of Corporate Affairs website.

Appreciation

Your Directors take this opportunity to thank the Shareholders, Clients, Vendors, Service Providers and Bankers for their consistent support to the Company. The Directors also wish to place on record their appreciation of the sincere and dedicated services of the employees for the working of the Company.

For and on behalf of the Board

Hyderabad
01.08.2013

Z.P. Marshall
Chairman

ANNEXURE TO DIRECTORS' REPORT

Details of Stock Options Pursuant to SEBI Guidelines on Stock Options as on 31.03.2013

S No	Particulars	ALPHAGEO ESOS-2008	
1.1	Options Granted on	15.10.2008	09.11.2009
1.2	Options Granted –Nos.	70,000	86,000
2	Pricing Formula	The exercise price shall be at the discount of 20% of the "Market Price" on the date of grant of the options as defined in the ESOP Guidelines i.e. ₹153.76p	The exercise price is ₹150/- Per Share.
3	Options Vested	70,000	86,000
4	Options exercised	14,933	NIL
5	Total number of equity shares arising out of the options exercised	14,933	NIL
6	Options lapsed	55,067	65,766
7	Variation of terms of Options	At the AGM held on 25.09.2009, the pricing formula was changed such that the exercise price shall be the price as determined by the Board of Directors / Compensation Committee of the Board of Directors from time to time and shall not be less than the par value and shall not be more than the market price on the day on which grants would be decided.	
8	Money realised by exercise of the Options	₹22,96,098	NA
9	Total number of Options in force	NIL	20,234
10	Employee wise details of Options granted to:		
	i) Senior Managerial Personnel	As per Note 1	As per Note 1
	ii) Any employee who receives in any of year of grant of options amounting to 5% or more of options granted during the year.	NIL	NIL
	iii) Employees who were granted options during any one year, equal to or exceeding 1% of the issued capital of the Company at the time of the grant	NIL	NIL
11	Diluted earnings per share (EPS) calculated in accordance with AS-20 for the year ended On 31 st March 2013	(18.79)	(18.79)
12	i) Method of Calculations of employees Compensation Cost	The Company has calculated the employee compensation cost using the intrinsic value of the stock options.	
	ii) Difference between the employee compensation cost to compared at (i) above and the employee compensation cost that shall have been recognized if fair value of options had been used	NIL	NIL

S No	Particulars	ALPHAGEO ESOS-2008	
13	Weighted average exercise price and weighted average fair value of options granted during the year whose exercise price equals market price of stock on the grant date.		
	Stock Options granted on	15/10/2008	9/11/2009
	Weighted Average Exercise Price (₹)	₹153.76	₹150.00
	Weighted Average Fair Value (₹)	₹153.73	₹150.00
	Closing Market Price at NSE on the date prior to the Grant (₹)	₹192.20	₹247.55
14	A description of method and significant assumption used during the year to estimate the fair value of options granted during the year.	The Black-Scholes options-pricing model was developed for estimating fair value of traded options that have no vesting restrictions and are fully transferable. Since, options-pricing models require use of substantive assumptions; changes therein can materially affect the fair value of options. The options-pricing models do not necessarily provide a reliable measure of the fair value of options.	
	i) Risk Free Interest Rate	7%	
	ii) Expected Life	4	
	iii) Expected Volatility based on daily closing	-10.11%	-9.63%
	iv) Expected Dividend Yield	0.35%	0.46%
	v) The Price of underlying share in the market at the time of options granted	192.20	247.55

Note1: Details of Options granted to senior managerial personnel

S No	Name of the Personnel	Options Granted	Options Exercised		Options Lapsed	Options Outstanding as on 31.03.2013
			Price ₹	Nos.		
1	S Balaji	7000	153.76	1000	4666	1334
2	Sachinder Singh	4100	153.76	300	3800	NIL

For and on behalf of the Board

Hyderabad
01.08.2013

Z.P. Marshall
Chairman

REPORT ON CORPORATE GOVERNANCE

The Securities and Exchange Board of India (SEBI) regulates corporate governance practices of listed companies in India and prescribed the regulations in Clause 49 of the Listing Agreements of the Stock Exchanges. This clause specifies the standards that listed companies have to meet and the disclosures that they have to make as a part of their Annual Reports. In accordance with the above said regulations the report containing the details of corporate governance practices followed by Alphageo (India) Limited and other voluntary compliances is as under:

Company's Philosophy on Corporate Governance

The Company believes that adopting, consisting implementation and gradual strengthening of good corporate governance practices contributes establishment of good corporate cultures which aim at true corporate governance. The Company emphasises the need for full transparency and accountability in all its transactions in order to protect the interest of

its stakeholders. The Board of Directors ('the Board') is entrusted with responsibility for overseeing the implementation of corporate governance practices in the Company. The corporate governance process and systems being followed have been gradually strengthened over the years.

The Board of Directors

The Board of Directors is responsible for the management, general affairs, direction and performance of the Company and has been vested with the requisite powers and authorities.

Board Composition and Category of Directors

The Company is adhered to its policy of maintaining optimum combination of Executive and Non-Executive Directors on its Board in compliance with requirements of listing agreement with stock exchanges. The details of composition of the Board and category of Directors as on 31 st March, 2013 are provided herein below:

S. No.	Name of the Director	Category
1	Mr. Z. P. Marshall	Chairman, Non-Executive, Independent
2	Mr. Alla Dinesh	Managing Director, Executive, Promoter
3	Mr. Alla Rajesh	Non-Executive, Promoter
4	Mr. S. Ravula Reddy	Non-Executive, Promoter
5	Mr. P. K. Reddy	Non-Executive, Independent
6	Mr. Ashwinder Bhel	Non-Executive, Independent

All the independent directors have met with the criteria of independence as provided under clause 49 of the listing agreement.

Directorships and Committee Memberships

All the Directors have confirmed that they are not members of more than ten committees of the Board and do not act as Chairman of more than five committees across all the companies in which they are Directors. The details of Directorships and Committee Memberships of the Directors as on 31 st March 2013 held are as under:

Name of the Director	Number of		
	Other Directorship	Committee Membership of Company's & other Board	Committee Chairmanship of Company's & other Board
Mr. Z. P. Marshall	-	-	4
Mr. Alla Dinesh	1	-	-
Mr. Alla Rajesh	6	4	-
Mr. S. Ravula Reddy	1	-	-
Mr. P. K. Reddy	1	4	-
Mr. Ashwinder Bhel	2	2	-

Board Meetings and Attendance of Directors

The Board meets atleast five times in a year to discuss and decide on Company's business policy and strategy apart from other business and financial performance. Apart from the above, additional Board meetings will be convened to address specific needs if any of the Company otherwise the Board's approval will be taken by passing resolution by circulation, as permitted by law, which will be approved in the immediate next Meeting of the Board held. The Board meetings are generally held at the Corporate Office of the Company at Hyderabad. Agenda for each meeting along with explanatory notes are drafted and distributed well

in advance to the Directors. Every Board member is free to suggest the inclusion of items on the agenda. The gap between two consecutive meetings did not exceed four months.

During the year ended 31st March 2013, the Board met Seven times viz. 28th May 2012, 25th June 2012, 10th August 2012, 28th September 2012, 6th November 2012, 6th February 2013 and 2nd March 2013.

The attendance record of the Directors at the Board Meetings held during the financial year 2012-13 and at the 25th Annual General Meeting held on 28.09.2012 is as given hereunder:

Name of the Director	No. of Board Meetings held during the year	No. of Board meetings attended	Whether attended last AGM
Mr. Z.P. Marshall	7	7	Yes
Mr. Alla Dinesh	7	5	Yes
Mr. Alla Rajesh	7	5	Yes
Mr. S. Ravula Reddy	7	1	No
Mr. P.K. Reddy	7	7	Yes
Mr. Ashwinder Bhel	7	3	No
DR. Avinash Chandra*	7	Nil	No

*Dr. Avinash Chandra has resigned from the Board w.e.f. 14.05.2012.

Code of Conduct

The Board of Directors of the Company laid a Code of Conduct for Directors and senior management personnel. The Code of Conduct is posted on the Company's web-site www.alphageoindia.com. All Directors and designated personnel in the senior management affirmed compliance with the Code for the year under review. The declaration to this effect, signed by Mr. Alla Dinesh, Managing Director, is included in later part of this report.

Committees of the Board

As a part of good governance practice, the Board has set up the Committees of the Board to carry out clearly defined roles which are otherwise to be performed by the Board. The Board supervises the execution of the roles and responsibilities under the delegated authorities by the committees. The committees can request special invitees to join the meetings. The Minutes of meeting of the committees will be placed before the Board for its review. However, the Board is ultimately responsible for actions of its committees. As of now, the Board has constituted FOUR, statutory or non-statutory, Committees of the Board titled as:

- A. Audit Committee.
- B. Remuneration Committee.
- C. Compensation Committee.
- D. Shareholders' /Investors' Grievance Committee.

Audit Committee

Scope, Objective and Terms of reference

The scope of the activities of the Audit Committee is as set out in Clause 49 of the Listing Agreement with the Stock Exchanges read with Section 292A of the Companies Act, 1956.

The primary objective of Audit committee is to monitor and provide effective supervision of the management's financial reporting process and to ensure accurate, timely and proper disclosures and transparency and quality of financial reporting.

The Terms of Reference of the Committee inter alia includes the following:

1. To oversee the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. To review of performance of the Company's Internal Control Systems, Internal Audit Functions and Accounting Practices;
3. To recommend the appointment and removal of Statutory Auditors, fixation of Audit fees and also to approve the payment for other services;
4. To review with the management, the quarterly and annual financial statements before submission to the Board for approval focusing primarily on :
 - ▶ Any changes in the accounting policies and practices.
 - ▶ The going concern assumption.
 - ▶ Compliance with accounting standards.
 - ▶ Compliance with Stock Exchanges and legal requirements concerning financial statements.
 - ▶ Qualifications in draft audit report
 - ▶ Disclosure of Related Party Transactions, if any
5. To review Company's financial and risk management policies;
6. To approve appointment of CFO after assessing the qualifications, experience and background etc., of the Candidate;
7. To review the management discussion and analysis of financial condition and results of operations.

Composition of the Audit Committee as on 31st March 2013

The Audit Committee is constituted as per the requirements of clause 49 of the Listing Agreement. The composition of audit committee is in compliance with the requirements of clause 49(II)(A) of the Listing Agreement. It consists of 4 members, 3 of them

including Chairman are independent directors. The Chairman of audit committee was present at the last Annual General Meeting of the Company. The Chief Financial Officer and Other Officers make periodic presentations to the Audit Committee. Representatives of Statutory Auditors also participate in the Audit Committee meetings. Company Secretary/Compliance Officer of the Company acts as Secretary to the Audit Committee.

The Audit Committee currently comprises of the following Directors:

1. Mr. Z. P. Marshall, Chairman
2. Mr. P. K. Reddy, Member
3. Mr. Alla Rajesh, Member
4. Mr. Ashwinder Bhel, Member

Audit Committee Meetings and Attendance during the Financial Year 2012-13

The Audit Committee met four times during the financial year 2012-13 on 28th May 2012, 10th August 2012, 6th November, 2012 and 6th February 2013.

The details of attendance of the members at Audit Committee Meeting is as under:

Sl.	Name	Category	Designation	No. of Meetings Attended
1.	Mr. Z. P. Marshall	Independent Director	Chairman	4
2.	Mr. A. Rajesh	Promoter Director	Member	3
3.	Mr. P. K. Reddy	Independent Director	Member	4
4.	Mr. Ashwinder Bhel	Independent Director	Member	1

Remuneration Committee

The purpose of remuneration committee is to discharge the Board's responsibilities relating to remuneration of the Company's Executive Directors and to administer the issue of shares and share warrants as per SEBI (ICDR) Regulations, 2009. The committee has overall responsibility for approving and evaluating and recommending plans, policies and programmes for the above mentioned purposes.

Terms of reference

The broad terms of reference of the Remuneration Committee are:

- a. Review the performance of the Managing director and other Executive Directors, if any, after considering the Company's performance.
- b. Recommend the remuneration including salary, perquisites and commission to be paid to the

Company's Managing Director and Executive Directors to the Board.

- c. Finalize the perquisites package of the Managing Director and Executive Directors within the overall ceiling fixed by the Board.
- d. Look after, handle and administer the issue of shares and share warrants as per Regulation 71 of SEBI (ICDR) Regulations 2009.

Composition, Meetings and Attendance

The remuneration committee of the Company consists four Non-Executive Directors as members. 3 of them are Independent Directors. The remuneration committee met thrice on 30th June 2012, 10th August 2012 and on 2nd March, 2013 during the year 2012-13.

The details of attendance of the members at Committee Meetings are as under:

Sl.	Name	Category	Designation	No. of Meetings Attended
1.	Mr. Z. P. Marshall	Independent Director	Chairman	3
2.	Mr. Alla Rajesh	Promoter Director	Member	2
3.	Mr. P. K. Reddy	Independent Director	Member	3
4.	Mr. Ashwinder Bhel	Independent Director	Member	2

Remuneration Policy:

The Non-Executive Directors of the Company are paid sitting fees for each meeting of the Board and the Audit Committee attended by them. The appointment and remuneration of the Executive Directors is governed by resolution passed by the Board of Directors and the shareholders of the Company, which covers terms of such appointment, read with the service rules of the Company. Remuneration paid to the Executive Directors is recommended by the Remuneration Committee, approved by the Board and is within the limits set by the shareholders at the General meeting.

The details of remuneration paid/payable to the Directors for the year 2012- 2013 are:

i) Non-executive Director(s):

Name	Sitting Fee ₹	No. of options allotted under ESOS 2008	No. of Shares held as on 31.03.2013
Mr. Z.P. Marshall	58,830	3,300	500
Mr. Alla Rajesh	42,442	Nil	1,26,567
Mr. P.K. Reddy	58,830	3,300	Nil
Mr. S. Ravula Reddy	8,333	Nil	Nil
Mr. Ashwinder Bhel	24,721	3,300	Nil
Dr. Avinash Chandra*	Nil	3,300	550

*Dr. Avinash Chandra has resigned from the Board w.e.f. 14.05.2012.

ii) Executive Director:

The details of remuneration paid/payable to Mr. Alla Dinesh, Managing Director are:

Name of the Director	Salary ₹	Perquisites ₹	Contribution to P.F ₹	Total ₹
Mr. A. Dinesh	24,00,000	12,98,332	2,88,000	39,86,332

*The remuneration to the Managing Director for the year 2012-13 was as approved by the members at their Annual General Meeting held on 23.09.2011.

Compensation Committee

Terms of Reference

The broad terms of reference of the Compensation Committee includes monitor and administer the plan, allotment of shares pursuant to exercise of options granted in terms of Alphageo ESOS 2008 to the employees of the Company and also to the employees of the Subsidiary Companies.

Composition, Meetings and Attendance

The Compensation Committee of the Company consists of THREE Non-Executive Directors as members of the Committee. The Committee met once on 02nd March, 2013 during the year 2012-13.

The details of attendance of the members at Committee Meetings are as under:

Sl.	Name	Category	Designation	No. of Meetings Attended
1.	Mr. Z. P. Marshall	Independent Director	Chairman	1
2.	Mr. Alla Rajesh	Promoter Director	Member	1
3.	Mr. P. K. Reddy	Independent Director	Member	1

Shareholders /Investors Grievance Committee

Terms of Reference

The Committee primarily focuses on shareholder grievances, inter alia, approves the issue of duplicate share certificate, share transfer, transmission and reviews all matters connected with servicing of investors. The Committee oversees the performances of the Registrar and Transfer Agents and recommends measures for overall quality improvement of investor services.

Composition, Meetings and Attendance

The Chairman of the Committee is an independent non-executive Director. The Committee met 3 times during the year 2012-13 on 15th May 2012, 31st December 2012 and on 2nd March, 2013.

The composition of the Committee and their attendance are given below:

Sl.	Name	Category	Designation	No.of meetings attended
1	Mr. Z P Marshall	Independent Director	Chairman	3
2	Mr. Alla Rajesh	Promoter- Director	Member	1
3	Mr. P.K. Reddy	Independent Director	Member	3

Mr. Venkatesa Perumallu Pasumarthy, CFO is the Compliance Officer as per the requirements of the Listing Agreement.

Investors' Grievance Redressal

During the year ended 31st March, 2013, 14 Complaints were received from the Shareholders. All Complaints were redressed and none of them were pending as on 31st March, 2013.

Secretarial Audit

A qualified practicing Company Secretary has carried out secretarial audit every quarter to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. The audit confirms that the total issued/paid-up capital is in agreement with the aggregate total number of shares in physical form, shares allotted and advised for demat credit but pending execution and the total number of dematerialized shares held with NSDL & CDSL.

Unclaimed Dividend

The details of Dividend paid in earlier years remain unclaimed as on 31.3.2013 are as given below:

Financial Year	Date of declaration of Dividend	Last date for claiming the Dividend	Unclaimed amount as on 31.03.2013 (₹)	Due date for transfer to Investor Education and Protection Fund (IEPF)
2005-06	18.12.2006	17.12.2013	1,72,034.00	16.01.2014
2006-07	28.09.2007	27.09.2014	2,43,318.00	26.10.2014
2007-08	24.09.2008	23.09.2015	2,10,531.00	22.10.2015
2008-09	25.09.2009	24.09.2016	2,64,020.50	23.10.2016
2009-10	24.09.2010	23.09.2017	2,27,740.50	22.10.2017
2010-11	23.09.2011	22.09.2018	1,67,840.00	21.10.2018

Subsidiary Companies

The Company has an 100% owned subsidiary company- Alphageo International Limited located in Dubai of United Arab Emirates.

There are no material non-listed Indian subsidiary companies under the Company to nominate its Directors on such subsidiaries.

As a majority shareholder, the Company has its representatives on the Board of the subsidiary company and monitors the performance of such company. The financial statements and details of significant transactions periodically provided by the Foreign Subsidiary will be placed with Audit Committee and Board of Directors for their review.

General Body Meetings

A. Details of location and time of holding the last three Annual General Meetings are:

Year	Location	Date and time
23rd AGM-2010	Sundarayya Vignana Kendram, Baghlingampally, Hyderabad	24-09-2010, 11.00 A. M.
24th AGM-2011	Sundarayya Vignana Kendram, Baghlingampally, Hyderabad	23-09-2011, 11.00 A. M.
25th AGM-2012	Sundarayya Vignana Kendram, Baghlingampally, Hyderabad	28-09-2012, 11.00 A. M.

B. Special Resolutions passed at last three Annual General Meeting:

1. At the 23rd Annual General Meeting held on 24.09.2010, Special Resolutions for the following business were passed:

▶ Inclusion of Employees of Subsidiaries of the Company in the Alphageo ESOS 2008 Scheme

2. At the 24th Annual General Meeting held on 23.09.2011, Special Resolutions for the following business were passed:

▶ Re-appointment of Mr. Alla. Dinesh as Managing Director for a period of 5 years and fixing his remuneration for a period of 3 years from the date of appointment.

C. Special Resolutions passed through Postal Ballot during the year under review:

There were no resolutions passed by way of postal ballot during the year under review.

Disclosures

(i) Related Party transactions:

There were no materially significant related party transactions that may have potential conflict with the interest of the Company at large during the year under review. The details of related party transactions as required under Accounting Standard 18 notified under the Companies Act, 1956 are given at Note No.24.II.12 of Notes to Financial Statements for the year ended on 31st March 2013.

(ii) Compliances by the Company:

There is no non-compliance of any regulations by the Company and no penalties or strictures were imposed by the Stock Exchanges, SEBI or any other statutory authority on any matter related to capital markets, during the last three years.

(iii) Whistle Blower Policy and Access of personnel to the Audit Committee:

The Company does not have a formal Whistle

Blower Policy. However, the Company's personnel have access to the Chairman of the Audit Committee in cases such as concerns about unethical behaviour, frauds and other grievances. No personnel of the Company have been denied access to the Audit Committee.

(iv) Compliance with the Mandatory requirements and Implementation of the Non-Mandatory requirements:

The Company has complied with the mandatory requirements of the Corporate Governance Clauses of the Listing Agreement. The Company has not implemented the non-mandatory requirements enlisted by way of annexure to Clause 49 of the Listing Agreement.

(v) Disclosure of accounting treatment:

The Company follows accounting standards notified under the Companies Act, 1956 in the preparation of financial statements. The Company has not adopted a treatment different from the prescribed in any accounting standard in the preparation of financial statements.

(vi) Management Discussion and Analysis Report:

The Management Discussion and analysis report forms part of this Annual report.

(vii) Code of Conduct:

The Company has obtained declaration from the Managing Director confirming compliance of Code of Conduct.

Declaration as required under Clause 49 (I) (D) (ii) of the Stock Exchange Listing Agreement

I hereby declare that all the Directors and senior personnel of the Company have affirmed compliance with Code of Business Conduct for the financial year ended on 31st March 2013.

Hyderabad
01.08.2013

Alla Dinesh
Managing Director

Means of Communication

The Quarterly, half-yearly, annual financial results, notices as well as proceedings of the Annual General Meeting are communicated to the stock exchanges immediately after the conclusion of the respective meetings. The results are published in prominent English newspapers viz. Business Standard and Telugu newspapers viz. Andhra Prabha.

The audited financial statements viz., Balance Sheet and Statement of Profit and Loss along with the annexures thereto are posted on the Company's website www.alphageoindia.com in the Shareholders section. A separate section is provided in the shareholders section viz. Grievances; provides the Details of the Compliance Officer, Registrars and Share Transfer Agents, their addresses, telephone numbers, fax numbers and e-mail addresses to redress the shareholders grievances.

Certificate on Corporate Governance

As required by Clause 49 of the Listing Agreement, a certificate issued by M/s. PVRK Nageswara Rao & Co., Chartered Accountants, Statutory Auditors of the Company, regarding compliance of conditions of Corporate Governance is given as an annexure to this Report.

CEO/CFO Certification

As required by Clause 49 of the Listing Agreement, the certification from Managing Director and CFO was placed at a duly convened meeting of the Board of Directors and is given as an annexure to this report.

General Shareholder Information:

a) Annual General Meeting

DATE : Monday the 30th September, 2013

TIME : 11.00 AM

VENUE : "Sundarayya Vignana Kendram",
1-8-1/B/25A, Baghlingampally,
Hyderabad – 500 044 (AP)

b) Book Closure Dates

22nd September, 2013 to 30th September, 2013
(both days inclusive)

c) Financial Calendar for the year 2013-14 (Tentative)

Results for Quarter ending June, 2013

- Within 45 days of end of quarter.

Results for Quarter ending September, 2013

- Within 45 days of end of quarter.

Results for Quarter ending December, 2013

- Within 45 days of end of quarter.

Results for Quarter ending March, 2014

- Last Week of May, 2014

d) Listing of equity shares & stock code

The equity shares of the company are listed at:

(i) BSE Limited., Mumbai, 1st Floor, New Trading Ring, P.J. Towers, Dalal Street, Fort, Mumbai - 400 001 and the listing fee for 2013-14 has been paid by the company.

(ii) National Stock Exchange of India Limited., Mumbai, "Exchange Plaza", Bandra-Kurla Complex, Bandra – East, Mumbai - 400 051 and the listing fee for 2013-14 has been paid by the company.

e) Stock Codes-

(i) BSE SCRIP CODE – 526397; SCRIP ID:
ALPHAGEO

(ii) NSE SCRIP SYMBOL: ALPHAGEO

f) ISIN code – INE 137C01018

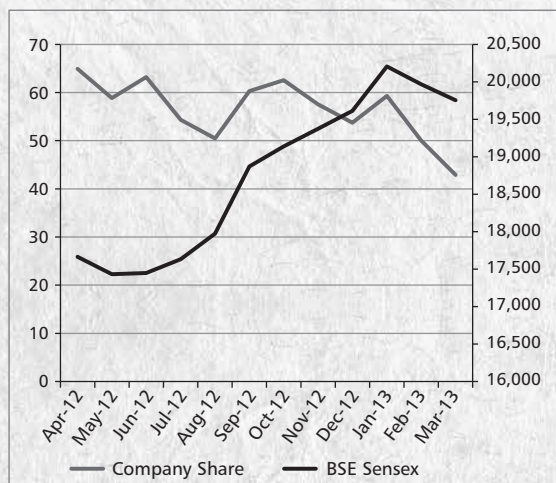
h) Stock Market Data

Monthly high, low quotations and trading volumes of the Company's equity shares during the financial year 2012-13 at BSE and NSE are noted below:

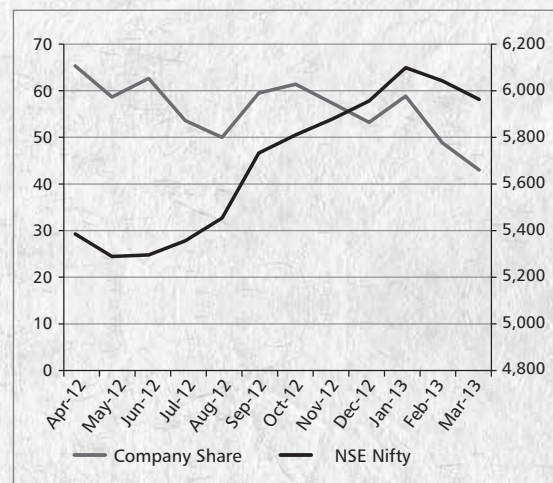
Month	BSE			NSE		
	High ₹	Low ₹	No of Shares Traded	High ₹	Low ₹	No of Shares Traded
April-2012	64.90	55.00	30,806	65.95	53.00	45,814
May-2012	58.85	41.00	37,579	59.10	40.05	47,136
June-2012	63.20	39.25	5,73,079	63.20	39.00	7,48,241
July-2012	54.35	43.55	46,874	53.90	42.65	37,638
August-2012	50.45	40.50	30,051	50.20	41.20	22,546
September-2012	60.30	41.25	77,097	60.00	42.05	91,274
October-2012	62.55	52.00	28,963	61.95	50.15	36,431
November-2012	57.55	49.40	32,705	57.75	48.00	42,810
December-2012	53.70	43.05	74,688	53.50	43.40	58,146
January-2013	59.30	42.75	3,77,510	59.30	44.10	1,48,890
February-2013	50.00	39.65	1,10,703	49.00	39.05	56,507
March-2013	42.90	31.10	1,13,805	43.00	31.00	56,595

i) Performance of the Company in comparison with the broad-based indices

Comparison of Company's share price with BSE SENSEX



Comparison of Company's share price with NSE Nifty



j) Registrar and Transfer Agents

M/s Karvy Computershare Private Limited.

Plot No. 17 to 24, Vithal Rao Nagar, Madhapur, Hyderabad-500 081

Ph: 040-23420818 Fax: 040-23420814

E-mail: einward.ris@karvy.com

Website: www.karvycomputershare.com

k) Distribution of Shareholding as on 31st March 2013.

Nominal Value ₹	Shareholders		Amount	
	Numbers	%	Numbers	%
1 to 5000	8411	91.67	952617	17.69
5001 to 10000	382	4.16	307602	5.71
10001 to 20000	183	2.00	270858	5.03
20001 to 30000	53	0.58	133039	2.47
30001 to 40000	39	0.43	138362	2.57
40001 to 50000	25	0.27	115618	2.15
50001 to 100000	36	0.39	265915	4.94
100001 and Above	46	0.50	3200756	59.44
Total	9175	100.00	5384767	100.00

l) Shareholding Pattern as On 31st March 2013:

Sl.	Category	No of Share holders	No of shares	%
1.	Promoter and Promoter Group - Indian	14	1722153	31.98
2.	Promoter and Promoter Group -Foreign	3	306316	5.69
3.	Mutual Funds & UTI	11	8600	0.16
4.	Foreign Institutional Investors	2	2900	0.05
5.	Non-Resident Indians	209	80656	1.50
6.	Bodies Corporate	274	623811	11.58
7.	Others- Individuals Upto ₹1 Lakh	8622	1880023	34.92
8.	Others –Individuals exceeding ₹1 Lakh	21	753965	14.00
9.	Trusts	1	4282	0.08
10.	Clearing Members	18	2061	0.04
	TOTAL	9175	5384767	100.00

m) Dematerialisation of Shares and Liquidity

The equity shares of the Company are compulsory traded in dematerialisation form and are available for trading under National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). As on 31 st March, 2013, 95.55% of Equity Shares are in dematerialisation Form.

The Company's depository registrar promptly intimates the DP in the event of any deficiency and the shareholder is also kept abreast. The pending demat requests in the records of the depositories if any, are continually reviewed and appropriate action initiated.

n) Address for Correspondence

For all matters relating to Shares and Annual Reports & Grievances:

Mr. Venkatesa Perumallu Pasumarthy

Chief Financial Officer & Compliance Officer

ALPHAGEO (INDIA) LIMITED

6-3-250/2, Road No.1,

Banjara Hills, Hyderabad – 500034 (AP)

Ph: 040-22320502/03 Fax: 040-23302238

E-mail: cfo@alphageoindia.com

Website: www.alphageoindia.com

For ALPHAGEO (INDIA) LTD.,

Hyderabad
01.08.2013

Z. P. Marshall
Chairman

Auditors' Certificate on Corporate Governance

To
The Members of
Alphageo (India) Limited

We have examined the compliance of the conditions of Corporate Governance by Alphageo (India) Limited for the year ended on 31st March, 2013, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

The compliance of the conditions of corporate governance is the responsibility of the management. Our examination was limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of Corporate Governance as stipulated in the said clause. It is neither an audit nor 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 and based on the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We 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 P.V.R.K. Nageswara Rao & Co
Chartered Accountants
Firm's Registration Number: 0022835

P.V.R.K. Nageswara Rao
Partner
Membership No. 18840

Hyderabad
01.08.2013

Certification of Managing Director and Chief Financial Officer pursuant to Clause 49(V) of the Listing Agreement with stock exchanges.

To,
The Board of Directors of
Alphageo (India) Limited,
Hyderabad

We certify that:

- (a) We have reviewed the Balance sheet and Statement of Profit and Loss and Notes thereon as well as the Statement of Cash Flows of Alphageo (India) Limited for the year ended March 31, 2013 and these reports:
- (i) do not contain any materially untrue statement or omission of any material fact or contain statements that might be misleading;
 - (ii) together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) To the best of our knowledge and belief, there are, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting. We have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting. We have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which they are aware and the steps they have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the auditors and the Audit committee
- (i) significant changes in internal control over financial reporting during the year; and
 - (ii) significant changes in accounting policies if any, made during the year and that the same have been disclosed in the notes to the financial statements; and
 - (iii) instances, if any, of significant fraud of which we have become aware and the involvement therein of the management or an employee having a significant role in the company's internal control system over financial reporting.

Hyderabad
28.05.2013

A. Dinesh
Managing Director

Venkatesa Perumallu Pasumarthy
Chief Financial Officer

FINANCIAL SECTION

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Independent Auditor's Report

To
The Members of
ALPHAGEO (INDIA) LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of ALPHAGEO (INDIA) LIMITED ("the Company"), 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 ("the Act"). 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.

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 the 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.

Emphasis of Matter

We draw attention to Note No. 24.II.23 of the financial statements of the company as at 31st March, 2013, the current liabilities exceed its current assets by Rs. 11,12,22,600/- and the company has incurred cash loss amounting to Rs. 3,81,96,945/- during the year. The management has prepared the financial statements for the current year on going concern basis, being confident of its continued and profitable operations and confident of discharging all its current liabilities. Our opinion is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. 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.
2. 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;
 - 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 sub-section (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.

For P.V.R.K. Nageswara Rao & Co.,
Chartered Accountants
Firm's Registration Number: 002283S

P.V.R.K. Nageswara Rao
Partner
Membership Number: 18840

Hyderabad
28.05.2013

Annexure to Independent Auditor's Report

Referred to in Paragraph 1 under the heading of 'Report on Other Legal and Regulatory Requirements' of our report of even date

- 1 (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
(b) As explained to us, the fixed assets have been physically verified by the management according to the phased programme designed to cover all the fixed assets on rotation basis. In respect of fixed assets verified according to this programme, which is considered reasonable, no material discrepancies were noticed on such verification.
(c) The fixed assets disposed off during the year did not represent substantial part of the fixed assets of the Company, which affect going concern status of the Company.
- 2 (a) As explained to us, the inventories, representing machinery spares and survey consumables, of the company have been physically verified at reasonable intervals during the year by the Management.
(b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
(c) The Company has maintained proper records of inventories and the discrepancies noticed on physical verification of stocks as compared to book records, which in our opinion were not material, have been properly dealt with in the books of account.
- 3 (a) The Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Consequently the provisions of Clause 4(iii)(b), 4(iii)(c) and 4(iii)(d) of the Order are not applicable to the Company.
(b) The Company has taken unsecured loans from two parties covered under section 301 of the Act during the year. The balance as on 31st March, 2013 and the maximum amount involved during the year was Rs.70,00,000/-.
(c) In our opinion the rate of interest and other terms and conditions of loans taken from the parties covered in the register maintained under section 301 of the Act are not prima facie prejudicial to the interests of the company.
- (d) The Company is regular in repayment, where applicable, of principal amount and interest on unsecured loans taken from the parties covered in the register maintained under section 301 of the Act.
- 4 In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the Company and the nature of its business with regard to purchase of inventory representing machinery spares and survey consumables, fixed assets and for the sale of seismic survey and other related services. During the course of our audit, we have neither come across nor have been informed of any continuing failure to correct major weaknesses in the aforesaid internal control system.
- 5 (a) According to the information and explanations given to us and as confirmed by the Managing Director of the Company, we are of the opinion that the particulars of contracts or arrangements that need to be entered in the register maintained under section 301 of the Act 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 of the Act and exceeding the value of Rs.5,00,000/- 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 According to the records of the Company and as per the information and explanations given to us, the Company has not accepted any deposits from public during the year covered by the directives issued by the Reserve Bank of India and the provisions of Section 58A and 58AA or other relevant provisions of the Act and the rules framed there under. Consequently, the provisions of Clause 4(vi) of the Order are not applicable to the Company.
- 7 As per the information and explanations given to us, the Company has an internal audit system commensurate with the size and nature of its business.
- 8 In respect of this company, maintenance of cost records has not been prescribed by the Central Government under Section 209(1)(d) of the Companies Act, 1956.

9 (a) According to the records of the Company and as per the information and explanations given to us, the Company is generally regular in depositing the undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees State Insurance, Sales Tax, Income Tax, Wealth Tax, Service Tax, Customs duty, Excise duty, Cess and other material statutory dues applicable to it with the appropriate authorities. In respect of these statutory dues, there are no outstanding dues as

on 31.3.2013 which are outstanding for a period of more than six months from the date they became payable.

(b) According to the records of the Company and as per the information and explanations given to us, there are no dues of Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty and Cess, which have not been deposited on account of any dispute as on 31.3.2013, except Income Tax the details of which are as given below:

Name of the Statute	Nature of the dues	Year to which it relates	Amount (Rs.)	Forum where dispute is pending
Income Tax Act, 1961	Income Tax and Interest	2007-08	42,99,660/-	Application for rectification of mistake U/s.154 of the Income Tax Act, 1961 filed with Deputy Commissioner of Income Tax, Circle 1(1), Hyderabad.

10 As per the information and explanations given to us and on an overall examination of the financial statements of the company for the current and immediately preceding financial year, we report that the Company does not have any accumulated losses at the end of the current financial year nor incurred cash losses in the immediately preceding financial year. During the year company has incurred cash losses of Rs.3,81,96,945/-

on an overall examination of the Balance Sheet of the Company, the funds raised on short term basis during the year have not been used for long term investment purposes.

11 During the year the Company has not defaulted in repayment of dues to financial institutions, bank and debenture holders.

18 The Company has made preferential allotment of shares to three parties covered in the Register maintained under section 301 of the Act during the year. In our opinion and according to the information and explanations given to us, the price at which shares have been issued is not prejudicial to the interests of the company.

12 As per the information and explanations given to us, as the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities to anybody during the year, the provisions of Clause 4 (xii) of the Order are not applicable to the Company.

19 As the Company has not issued any debentures during the year, which requires the creation of security or charge, the provisions of Clause 4(xix) are not applicable to the Company.

13 In our opinion, as the Company is not a chit fund or a nidhi or mutual benefit fund or society, the provisions of Clause 4 (xiii) of the Order are not applicable to the Company.

20 As the Company has not raised any money by public issues during the year, the provisions of Clause 4(xx) are not applicable to the Company.

14 In our opinion, as the Company is not dealing in or trading in shares, securities, debentures and other investments, the provisions of Clause 4(xiv) of the Order are not applicable to the Company.

21 During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, and as per the representation given by the Company and relied on by us, we have neither come across any instance of material fraud on or by the Company, noticed or reported during the year, nor have we been informed of such cases by the management.

15 As per the information and explanations given to us, the Company has not given any guarantees for the loans taken by others from banks or financial institutions.

For P.V.R.K. Nageswara Rao & Co.,
Chartered Accountants
Firm's Registration Number: 002283S

16 According to the records of the Company, during the year the Company has not raised any term loans and the term loans raised in earlier years have been applied for the purposes for which they were raised in the relevant years.

P.V.R.K. Nageswara Rao
Partner

17 As per the information and explanations given to us and

Hyderabad
28.05.2013

Membership Number: 18840

Balance Sheet

As at 31st March, 2013

(Amount in Rupees)

	Note No.	As at 31st March, 2013		As at 31st March, 2012	
EQUITY AND LIABILITIES					
Shareholders' funds					
Share capital	1	5,39,83,670		5,14,83,670	
Reserves and surplus	2	31,31,01,179		40,27,24,697	
Money received against share warrants		37,50,000	37,08,34,849	-	45,42,08,367
Non-current liabilities					
Long-term borrowings	3	-		-	
Long-term provisions	4	17,14,391	17,14,391	4,48,730	4,48,730
Current liabilities					
Short-term borrowings	5	1,88,29,152		2,70,27,159	
Trade payables	6	1,97,90,012		3,23,25,028	
Other current liabilities	7	15,11,74,872		2,87,27,645	
Short-term provisions	8	2,23,947	19,00,17,983	6,34,474	8,87,14,306
TOTAL			56,25,67,223		54,33,71,403
ASSETS					
Non-current assets					
Fixed assets					
Tangible assets	9	11,94,77,054		17,20,17,535	
Intangible assets		40,702		1,10,940	
		11,95,17,756		17,21,28,475	
Capital work-in-progress		14,77,58,895		1,04,23,714	
		26,72,76,651		18,25,52,189	
Non-current investments	10	13,22,13,750		13,22,13,750	
Deferred tax assets (net)	11	6,68,71,535		7,00,77,274	
Long-term loans and advances	12	1,74,09,904	48,37,71,840	12,67,007	38,61,10,220
Current assets					
Inventories	13	93,41,059		21,71,117	
Trade receivables	14	2,33,23,718		12,47,64,644	
Cash and bank balances	15	1,19,36,256		98,31,792	
Short-term loans and advances	16	2,79,04,280		1,95,18,552	
Other current assets	17	62,90,070	7,87,95,383	9,75,078	15,72,61,183
TOTAL			56,25,67,223		54,33,71,403
Summary of significant accounting policies and other explanatory information	24				

Per Our Report of even date

For and on behalf of the Board

For P.V.R.K.Nageswara Rao & Co.,
Chartered Accountants

A.Dinesh
Managing Director

Z.P.Marshall
Chairman

Firm's Registration Number: 002283S

P.V.R.K.Nageswara Rao
Partner

Venkatesa Perumallu Pasumarthy
Chief Financial Officer

Membership Number: 18840

Hyderabad
28.05.2013

Statement of Profit and Loss For the year ended 31st March, 2013

(Amount in Rupees)

	Note No.	For the year ended 31st March, 2013	For the year ended 31st March, 2012
REVENUE			
Seismic Survey and related service income		7,96,85,719	25,20,03,915
Sale of traded goods		14,93,891	3,26,096
Other income	18	1,78,37,304	2,00,19,624
Total Revenue		9,90,16,914	27,23,49,635
EXPENSES			
Survey and survey related expenses	19	7,41,10,088	16,83,54,746
Purchase of Stock-in-trade		11,94,645	2,75,462
Employee benefits expense	20	3,98,55,209	4,31,22,601
Finance costs	21	40,99,073	52,07,508
Depreciation and amortisation expense	22	4,91,62,559	8,91,79,423
Other expenses	23	2,68,85,287	2,21,99,329
Total Expenses		19,53,06,861	32,83,39,069
Loss before tax		9,62,89,947	5,59,89,434
Tax expense			
Deferred tax		32,05,739	(46,86,070)
Income tax adjustments of earlier years		1,301	(3,58,231)
Loss after tax		9,94,96,987	5,09,45,133
Loss per equity share			
(Nominal value: Rs.10/- per share)			
Basic/Diluted		18.79	9.92
Summary of significant accounting policies and other explanatory information	24		

Per Our Report of even date

For and on behalf of the Board

For P.V.R.K.Nageswara Rao & Co.,
Chartered Accountants
Firm's Registration Number: 0022835

A.Dinesh
Managing Director

Z.P.Marshall
Chairman

P.V.R.K.Nageswara Rao
Partner
Membership Number: 18840

Venkatesa Perumallu Pasumarthy
Chief Financial Officer

Hyderabad
28.05.2013

Cash Flow Statement

For the year ended 31st March, 2013

(Amount in Rupees)

	For the year ended 31st March, 2013	For the year ended 31st March, 2012
I CASH FLOW FROM OPERATING ACTIVITIES:		
Loss before tax for the year	(9,62,89,947)	(5,59,89,434)
Add/ (Less) : Adjustments for:		
Depreciation and Amortisation	4,91,62,559	8,91,79,423
Exchange difference on translation of foreign currency cash and cash equivalents	-	(72,975)
Interest Expense	20,84,317	37,42,283
Interest Income	(19,44,280)	(11,90,366)
Bad debts written off	-	27,93,672
Provision for doubtful debts	88,51,739	-
Employee Compensation costs written back	(26,26,531)	(29,83,618)
Profit on Sale of Tangible Assets (Net)	(80,88,903)	(15,47,553)
Book Deficit on Assets Discarded	78,704	4,43,265
	4,75,17,605	9,03,64,131
	(4,87,72,342)	3,43,74,697
Add / (Less) : Adjustments for Working Capital Changes:		
(Increase) in Inventories	(71,69,942)	(14,69,151)
Decrease/(Increase) in Trade receivables	9,25,89,187	(4,41,98,053)
(Increase)/Decrease in Fixed Deposits pledged with banks and dividend accounts with banks	(42,32,276)	1,19,55,080
(Increase) in Other current assets	(44,86,442)	-
(Increase) in Long-term loans and advances	(8,493)	(38,775)
Decrease in Short-term loans and advances	15,88,767	12,83,44,949
(Decrease) in Trade payables	(1,25,35,016)	(50,70,323)
(Decrease)/Increase in Other current liabilities	(44,97,182)	37,50,983
(Decrease) in Short-term provisions	(4,10,527)	(96,899)
Increase/(Decrease) in Long-term provisions	12,65,661	(31,304)
	6,21,03,737	9,31,46,507
Cash generated from operations	1,33,31,395	12,75,21,204
Less : Direct taxes paid	22,75,666	91,35,073
Net Cash flow from operating activities	1,10,55,729	11,83,86,131
II CASH FLOW USED IN INVESTING ACTIVITIES:		
Purchase of fixed assets	(1,62,27,499)	(26,71,721)
Sale of fixed assets	1,73,69,762	42,82,315
Investment in subsidiaries	-	(13,20,86,175)
Advance to subsidiaries	(2,36,59,346)	-
Interest received	11,15,730	12,90,407
Net Cash used in Investing Activities	(2,14,01,353)	(12,91,85,174)

Cash Flow Statement For the year ended 31st March, 2013 (contd.)

(Amount in Rupees)

	For the year ended 31st March, 2013	For the year ended 31st March, 2012
III CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds from issue of share capital including securities premium	1,50,00,000	-
Proceeds from issue of share warrants	37,50,000	-
Proceeds/(Repayment) from short-term borrowings	(81,98,007)	1,49,18,589
Interest Paid	(21,17,169)	(34,25,931)
Dividend Paid	(2,17,012)	(58,03,875)
Net Cash Flow From Financing Activities	82,17,812	56,88,783
IV Exchange difference on translation of foreign currency cash and cash equivalents	-	72,975
V Net decrease in cash and cash equivalents	(21,27,812)	(51,10,260)
VI Cash and cash equivalents as at the beginning of the year	26,44,296	76,81,581
VII Cash and cash equivalents as at the end of the year	5,16,484	26,44,296

Note:

- Figures in brackets indicate cash outgo.
- The above cash flow statement has been prepared under the indirect method set out in Accounting Standard -3 "Cash flow statements" as specified in the Companies (Accounting Standards) Rules, 2006.
- Summary of significant accounting policies and other explanatory information (Note No.24) form an Integral part of the Cash Flow Statement.
- Previous year figures have been regrouped / reclassified to conform to current year classification.

Per Our Report of even date

For and on behalf of the Board

For P.V.R.K.Nageswara Rao & Co.,
Chartered Accountants
Firm's Registration Number: 0022835

A.Dinesh
Managing Director

Z.P.Marshall
Chairman

P.V.R.K.Nageswara Rao
Partner
Membership Number: 18840

Venkatesa Perumallu Pasumarthy
Chief Financial Officer

Hyderabad
28.05.2013

Notes to Balance Sheet

(Amount in Rupees)

	As at 31st March, 2013		As at 31st March, 2012	
1 SHARE CAPITAL				
Authorised:				
1,00,00,000 Equity Shares of Rs.10/- each		10,00,00,000		10,00,00,000
Issued:				
53,96,167 (Previous year 51,46,167) Equity Shares of Rs.10/- each		5,39,61,670		5,14,61,670
Subscribed and fully paid up:				
53,84,767 (Previous year 51,34,767) Equity Shares of Rs.10/- each fully paid up		5,38,47,670		5,13,47,670
Add: Forfeited shares		1,36,000		1,36,000
		5,39,83,670		5,14,83,670

Reconciliation of the number of Equity Shares Outstanding is set out below:

	As at 31st March, 2013 Number		As at 31st March, 2012 Number	
Shares outstanding at the beginning of the year		51,34,767		51,34,767
Shares issued during the year		2,50,000		-
Shares outstanding at the end of the year		53,84,767		51,34,767

The details of Shareholders holding more than 5% equity shares is set out below :

Name of Shareholder	As at 31st March, 2013		As at 31st March, 2012	
	No. of shares held	% of holding	No. of shares held	% of holding
Promoters Group				
Alla Dinesh	3,75,022	6.96	3,00,022	5.84
Kamala Rajupet	3,74,466	6.95	-	-
Other than Promoters Group				
Bharat Jayantilal Patel	-	-	2,86,818	5.59

Terms/rights attached to equity shares:

The company has only one class of equity shares having a par value of Rs.10/- per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends in Indian rupees.

Terms of Share warrants convertible into equity shares:

2,50,000 Share Warrants allotted on 10th August 2012 at an issue price of Rs.60/- each, comprising of Rs.10/- each towards face value and Rs.50/- each towards premium are convertible at the option of the holder thereof in one or more tranches to 2,50,000 Equity Shares on or before expiry of 18 months from the date of allotment. The last date for exercise of option by the holder is 9th February 2014.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

The Number of equity shares reserved for issue against exercise of stock options granted to employees:

Nos.	20,234	61,969
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Notes to Balance Sheet

(Amount in Rupees)

	As at 31st March, 2013		As at 31st March, 2012	
2 RESERVES AND SURPLUS				
Capital reserve:				
Share warrants forfeiture account		1,61,18,047		1,61,18,047
Securities premium account				
As per last account	15,65,04,831		15,65,04,831	
Add: Premium received on allotment of equity shares issued during the year	1,25,00,000	16,90,04,831	-	15,65,04,831
Share options outstanding account:				
As per last account	50,46,117		99,17,073	
Less: Deletions/ Allotments during the year	30,72,290		48,70,956	
	19,73,827		50,46,117	
Less: Deferred employee compensation costs	-	19,73,827	4,45,759	46,00,358
General reserve		3,00,00,000		3,00,00,000
Balance in statement of profit and loss (surplus):				
As per last account	19,55,01,461		24,64,46,594	
Less: Loss as per statement of profit and loss	9,94,96,987		5,09,45,133	
		9,60,04,474		19,55,01,461
		31,31,01,179		40,27,24,697

3 LONG-TERM BORROWINGS

Term Loans (Secured):				
From ICICI Bank Limited		-		11,14,377
Less: Current maturity of long term debt		-		11,14,377
		-		-
1. Nature of Security:				
Secured by hypothecation of relevant vehicle acquired against the loan				
2. The above Term Loan and interest due thereon have been paid upto date and there are no defaults in repayment of principal and interest.				

4 LONG-TERM PROVISIONS

Provision for employee benefits		17,14,391		4,48,730
		17,14,391		4,48,730

Notes to Balance Sheet

(Amount in Rupees)

	As at 31st March, 2013	As at 31st March, 2012
5 SHORT- TERM BORROWINGS		
Loans repayable on demand: (Secured)		
Working capital loan from State Bank of India	68,29,152	1,95,27,159
1. Nature of Security:		
Primary Security:		
Secured by hypothecation of entire chargeable current assets of the company.		
Collateral Security:		
First charge on entire fixed assets of the company.		
The above loan is further secured by equitable mortgage of certain immovable properties belonging to Mr.A.Dinesh, Managing Director of the Company, Mr.A.Rajesh, Director of the Company and Mrs.A.Savita, relative of Managing Director of the Company.		
Personal Gurantees:		
Sri. A.Dinesh - Managing Director of the Company		
Sri. A.Rajesh - Director of the Company		
Smt. A.Savita - Relative of Managing Director of the Company		
2. Rate of Interest : 4.5% above Base Rate		
The above loan and interest due thereon have been paid upto date and there is no default in repayment of the same during the year.		
From a body corporate (Unsecured)	50,00,000	50,00,000
Rate of Interest: 18% p. a		
Loans and advances from related parties (Unsecured)	70,00,000	25,00,000
Rate of Interest: 12% p.a and 14% p. a		
	1,88,29,152	2,70,27,159
6 TRADE PAYABLES		
Dues of micro and small enterprises (Refer Note No.24.II.6)	-	-
Dues of creditors other than micro and small enterprises	1,97,90,012	3,23,25,028
	1,97,90,012	3,23,25,028

Notes to Balance Sheet

(Amount in Rupees)

	As at 31st March, 2013	As at 31st March, 2012
7 OTHER CURRENT LIABILITIES		
Current maturity of long term debt	-	11,14,377
Interest accrued but not due on borrowings	2,97,616	3,30,468
Unclaimed dividend accounts (There is no amount due and outstanding to be credited to investor education and protection fund)	12,85,484	15,02,496
Other Payables:		
Creditors for capital works	12,71,94,273	-
Statutory liabilities	25,66,743	45,63,562
Employee benefits payable	1,62,82,040	1,70,79,156
Others	35,48,716	41,37,586
	15,11,74,872	2,87,27,645

8 SHORT-TERM PROVISIONS		
Provision for employee benefits	2,23,947	6,34,474
	2,23,947	6,34,474

Notes to Balance Sheet

9 FIXED ASSETS

(Amount in Rupees)

Description	GROSS BLOCK			DEPRECIATION/AMORTISATION			NET BLOCK			
	Cost As at 01.04.2012	Additions During the year	Deductions During the year	Total Cost As at 31.03.2013	Upto 31.03.2012	For the year	On Deductions	Upto 31.03.2013	As at 31.03.2012	As at 31.03.2013
TANGIBLE ASSETS:										
Freehold Land	2,19,08,666	-	-	2,19,08,666	-	-	-	-	2,19,08,666	2,19,08,666
Buildings	14,46,800	-	-	14,46,800	1,06,123	23,583	-	1,29,706	13,17,094	13,40,677
Plant and Equipment	99,13,93,435	57,73,633	15,76,30,789	83,95,36,279	85,35,27,506	4,73,05,925	14,84,17,019	75,24,16,412	8,71,19,867	13,78,65,929
Electrical Fittings	51,720	7,912	-	59,632	51,720	7,912	-	59,632	-	-
Furniture and Fixtures	21,09,727	6,800	1,84,427	19,32,100	10,52,634	1,04,167	1,84,427	9,72,374	9,59,726	10,57,093
Vehicles	1,28,82,281	-	-	1,28,82,281	77,77,398	7,39,166	-	85,16,564	43,65,717	51,04,883
Office Equipment	78,76,919	1,03,808	3,31,917	76,48,810	48,12,588	4,31,907	2,41,368	50,03,127	26,45,683	30,64,331
Data Processing Equipment	71,62,988	19,250	1,32,350	70,49,888	54,87,032	4,79,661	77,106	58,89,587	11,60,301	16,75,956
	104,48,32,536	59,11,403	15,82,79,483	89,24,64,456	87,28,15,001	4,90,92,321	14,89,19,920	77,29,87,402	11,94,77,054	17,20,17,535
INTANGIBLE ASSETS:										
Software	2,21,782	-	-	2,21,782	1,10,842	70,238	-	1,81,080	40,702	1,10,940
TOTAL	104,50,54,318	59,11,403	15,82,79,483	89,26,86,238	87,29,25,843	4,91,62,559	14,89,19,920	77,31,68,482	11,95,17,756	17,21,28,475
PREVIOUS YEAR TOTAL	107,40,69,906	8,28,670	2,98,44,258	104,50,54,318	81,04,12,652	8,91,79,423	2,66,66,232	87,29,25,843	17,21,28,475	26,36,57,254

Notes to Balance Sheet

(Amount in Rupees)

	As at 31st March, 2013	As at 31st March, 2012
10 NON-CURRENT INVESTMENTS		
(Long-term investment)		
Non Trade-Unquoted, fully paidup (At Cost less provision for other than temporary diminution in value)		
Investment in subsidiary:		
1,05,036 Shares of AED 100 each in		
Alphageo International Limited	13,22,13,750	13,22,13,750
Aggregate amount of Unquoted Investments	13,22,13,750	13,22,13,750
Aggregate Provision for diminution in value of investments	Nil	Nil

11 DEFERRED TAX ASSET (NET)		
Balance at the beginning of the year	7,00,77,274	6,53,91,204
Add/less: Adjustments for the year (Refer Note No.24.II.15)	32,05,739	46,86,070
	6,68,71,535	7,00,77,274

12 LONG-TERM LOANS AND ADVANCES		
(Unsecured, Considered good)		
Capital advance	1,75,188	-
Security Deposits	12,75,500	12,67,007
Prepaid taxes (Net of provision for taxation)	1,59,59,216	-
	1,74,09,904	12,67,007

13 INVENTORIES		
(Valued at lower of cost and net realisable value)		
Stock of stores and spares	93,41,059	21,71,117
	93,41,059	21,71,117

14 TRADE RECEIVABLES		
Outstanding for a period exceeding six months from the date they became due for payment:		
Unsecured, considered good	1,79,13,134	3,54,13,134
Others:		
Unsecured, considered good	54,10,584	8,93,51,510
Unsecured, considered doubtful	88,51,739	-
Less: Provision for doubtful debts	88,51,739	-
	2,33,23,718	12,47,64,644

Notes to Balance Sheet

(Amount in Rupees)

	As at 31st March, 2013		As at 31st March, 2012	
15 CASH AND BANK BALANCES				
Cash and cash equivalents:				
Cash on hand	1,69,835		2,37,803	
Balances with banks:				
In Current accounts	3,46,649	5,16,484	24,06,493	26,44,296
Other bank balances:				
In Dividend accounts	12,95,484		15,12,496	
In Term deposits	1,01,24,288	1,14,19,772	56,75,000	71,87,496
(Held as margin money as security against letters of credit and guarantees issued by banks)				
		1,19,36,256		98,31,792

16 SHORT-TERM LOANS AND ADVANCES

(Unsecured, considered good)				
Loans and advances to a related party (Refer Note No.24.II.7)		2,36,59,346		
Prepaid expenses		7,23,780		29,32,995
Prepaid taxes (Net of provision for taxation)		-		1,36,84,851
Loans and advances to employees		11,64,200		8,57,000
Other loans and advances		23,56,954		20,43,706
		2,79,04,280		1,95,18,552

17 OTHER CURRENT ASSETS

Interest accrued on fixed deposits		95,132		71,067
Other receivables from subsidiary (Refer Note No.24.II.12)		43,01,646		9,04,011
Other receivable from Step-down subsidiary (Refer Note No.24.II.12)		18,93,292		-
		62,90,070		9,75,078

Notes to Statement of Profit and Loss

(Amount in Rupees)

	For the year ended 31st March, 2013	For the year ended 31st March, 2012
18 OTHER INCOME		
Interest income	19,44,280	11,90,366
Net gain on foreign currency transaction and translation	-	20,61,016
Credit balances written back	-	1,48,11,864
Profit on sale of assets	80,88,903	15,47,553
Income from provision of services	53,83,975	-
Sale of used spares and consumables	13,36,698	-
Bad debts writtten off recovered	1,06,338	-
Excess liabilities written back	5,27,110	1,29,677
Other non-operating income	4,50,000	2,79,148
	1,78,37,304	2,00,19,624

19 SURVEY AND SURVEY RELATED EXPENSES

Consumption of stores and spare parts	8,50,062	29,59,011
Labour charges	48,99,476	73,78,460
Survey and drilling charges	5,18,38,507	11,41,35,417
Fuel	40,58,460	82,22,375
Vehicle hire charges	49,40,840	92,25,243
Repairs to machinery	7,97,368	45,40,448
Camp rental charges	14,95,643	21,56,725
Technical consultancy charges	5,52,500	-
Camp expenses	13,95,426	90,57,535
Transport and handling charges	11,84,329	15,09,979
Other survey expenses	20,97,477	91,69,553
	7,41,10,088	16,83,54,746

20 EMPLOYEE BENEFITS EXPENSE

Salaries, wages and other allowances	3,59,72,814	3,77,97,936
Contribution to provident and other funds	20,31,392	19,25,170
Contribution to ESI	89,706	1,45,177
Expense on employee stock option scheme	(26,26,531)	(29,83,618)
Staff welfare expenses	43,87,828	62,37,936
	3,98,55,209	4,31,22,601

21 FINANCE COSTS

Interest expense	20,84,317	37,42,283
Other borrowing costs	20,14,756	14,65,225
	40,99,073	52,07,508

Notes to Statement of Profit and Loss

(Amount in Rupees)

	For the year ended 31st March, 2013	For the year ended 31st March, 2012
22 DEPRECIATION AND AMORTISATION EXPENSE		
Depreciation	4,90,92,321	8,91,09,185
Amortisation expense	70,238	70,238
	4,91,62,559	8,91,79,423

23 OTHER EXPENSES

Rent	19,69,672	26,79,200
Repairs and maintenance to other assets	3,05,261	1,84,157
Directors sitting fees	1,93,156	1,34,500
Printing and stationery	9,33,720	10,73,361
Communication expenses	10,96,328	13,48,987
Travelling and conveyance	47,83,400	52,38,075
Insurance	21,54,766	32,27,817
Rates and taxes, excluding taxes on income	6,30,218	2,15,620
Payment to auditors:		
As auditor	3,00,000	3,00,000
For Tax audit	1,75,000	1,75,000
For Quarterly reviews	1,05,000	90,000
For Taxation matters	55,000	50,000
For Other services	1,50,000	82,000
For Reimbursement of expenses	9,000	9,525
Legal and professional charges	6,19,640	7,58,371
Advertisement	3,76,942	2,89,191
Vehicle maintenance	1,60,986	3,76,667
Donations	9,000	88,750
Bad debts written off	-	27,93,672
Book deficit on assets discarded	78,704	4,43,265
Provision for doubtful debts	88,51,739	-
Net loss on foreign currency transaction and translation	13,99,395	-
Miscellaneous expenses	25,28,360	26,41,171
	2,68,85,287	2,21,99,329

Notes to Standalone Financial Statements

24 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION:

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of preparation

The financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on an accrual basis in all material respects with the notified Accounting Standards by the Companies (Accounting Standards) Rules, 2006(as amended), other pronouncements of the Institute of Chartered Accountants of India and the relevant provisions of the Companies Act, 1956. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year. The financial statements are presented in Indian rupees rounded off to the nearest rupee.

All assets and liabilities have been classified as current or non-current as per the company's normal operating cycle and other criteria set out in Revised Schedule VI to the Companies Act, 1956. Being service provider, the company has assumed its operating cycle as 12 months for the purpose of current/non-current classification of assets and liabilities.

B. Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities on the date of financial statements and reported amounts of revenues and expenses for the year. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates. Difference between actual results and estimates are recognised in the period in which the results are known/materialised.

C. Fixed assets and depreciation

- i) Fixed Assets are stated at cost of acquisition inclusive of inland freight, duties and taxes and incidental expenses related to acquisition.
- ii) Depreciation on Fixed Assets is being provided under Straight Line Method prorata at the rates mentioned below:
 - a) Machinery in the nature of Geophone strings and cables @ 19.00% per annum.
 - b) Machinery in the nature of equipment used for 3D Seismic Survey @ 19.00% per annum.
 - c) In case of all other assets at the rates specified in Schedule XIV of the Companies Act, 1956.

D. Intangible assets and amortisation

Cost relating to Intangible assets, which are acquired, are capitalised and amortised over the period of 3 years, which is based on their estimated useful life.

E. Foreign exchange transactions

Transactions in Foreign Exchange, other than those covered by forward contracts are accounted for at the exchange rate prevailing on the date of transactions. Exchange differences arising on foreign currency transactions settled during the year are recognised in the Statement of Profit and Loss.

Monetary assets and liabilities denominated in foreign currencies as at the balance sheet date other than those covered by forward contracts are translated at the year end rates. The resultant exchange differences are recognised in the Statement of Profit and Loss.

Non-monetary assets and liabilities are recorded at the rates prevailing on the date of the transaction.

F. Investments

- i. Investments that are readily realisable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long term investments.
- ii. Current investments are carried at lower of cost and fair value determined on individual investment basis.
- iii. Long-term investments are carried at cost of acquisition. Provision is made for decline, other than temporary, in the value of investments.

Notes to Standalone Financial Statements

24 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION: (contd.)

- iv. On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

G. Inventories

Stock of Stores and spares is valued at lower of cost and net realisable value. Cost is determined considering the cost of purchase and other costs incurred for acquisition and on the basis of first in first out method (FIFO).

H. Employee stock option scheme

In accordance with the Securities and Exchange Board of India guidelines, the excess of the market price of the shares, at the date of grant of option under the employee stock option scheme, over the exercise price is treated as employee compensation and the same is amortised over the vesting period of the stock options.

I. Taxes on income

- i. Provision for taxation is the aggregate of current income tax, deferred income tax charge / (credit) for the year.
- ii. **Current income tax:**

The provision for taxation is based on assessable profits of the company as determined under the Income Tax Act, 1961. The Company also provides for such disallowances made on completion of assessment pending appeals, as considered appropriate depending on the merits of each case.
- iii. **Deferred income tax**

Deferred income taxes are recognised for the future tax consequences attributable to timing differences between the financial statement determination of income and their recognition for tax purposes. The effect on deferred tax assets and liabilities of a change in tax rates is recognised in income using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognised and carried forward only to the extent that there is a reasonable certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realised.

J. Proposed dividend

Proposed Dividend as proposed by the Board of Directors is provided in the books of account, pending approval at the Annual General Meeting.

K. Leases

Lease of assets under which all the risks and rewards of ownership are effectively retained by the lessor are classified as operating leases. Lease payments under operating leases are recognised as an expense on straight line basis over the period of lease.

L. Borrowing costs

Borrowing costs are attributable to the acquisition of qualifying asset are capitalised as part of cost of such asset till such time as the asset is ready for its intended use. Other borrowing costs are recognised as expense for the period.

M. Earnings per share:

- i) The basic earnings per share (EPS) is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.
- ii) For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of equity shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

N. Employee benefits

Defined contribution plans:

Provident Fund: Contribution to Provident Fund is made at the prescribed rates to the Employees Provident Fund Scheme by the Central Government and is charged to the Statement of Profit and Loss.

Notes to Standalone Financial Statements

24 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION: (contd.)

Defined benefit plans:

- i) **Gratuity:** The Company makes contribution to a scheme administered by the Life Insurance Corporation of India ('LIC') to discharge gratuity liabilities to the employees. Annual contribution to the fund as determined by the LIC is expensed in the year of contribution. The shortfall between the accumulated funds available with LIC and liability as determined on the basis of an actuarial valuation is provided for at the year end. The Actuarial gains/losses are immediately taken to Statement of Profit and Loss.
- ii) **Leave encashment:** The company records its unavailed leave liability based on actuarial valuation using projected unit credit method.

Short term employee benefits

Short term employee benefits are recognised as an expense as per the company's scheme based on expected obligation on undiscounted basis.

State Plans: Employer's contribution to Employee's State Insurance is charged to Statement of Profit and Loss.

O. Revenue recognition

Revenue from services is recognised as per the terms of the contracts with customers when the related services are performed or the agreed milestones are achieved.

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

P. Contingent liabilities

These are disclosed by way of Notes on the Balance sheet. Provision is made in the accounts in respect of those contingencies which are likely to materialise into liability after the year end, till the finalisation of accounts and have material effect on the position stated in the Balance Sheet.

Q. Provisions

A provision is recognised when there is a present obligation as a result of past event. It is probable that an outflow of resources will be required to settle the obligation and in respect of which a reliable estimate can be made. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

R. Cash and cash equivalents

Cash and cash equivalents for the purpose of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

II. OTHER EXPLANATORY INFORMATION

1. Corporate Information:

Alphageo (India) Limited (the Company or AGIL) is a public limited company incorporated under the provisions of Companies Act, 1956 having its registered office at Hyderabad in the state of Andhra Pradesh, India. The Equity Shares of the Company are listed with Stock Exchanges in India viz., BSE Limited, Mumbai and The National Stock Exchange of India Limited, Mumbai.

The Company is a leading service provider of 2 Dimensional and 3 Dimensional Sismic Data Acquisition, Processing and Interpretation Services for Oil Exploration and Production Sector in India. The Company possesses an experience of working in difficult terrains while respecting local socio-economic realities and environment. The Company has expanded its activities through its Subsidiary and Step-down Subsidiary viz., Alphageo International, Dubai and Alphageo DMCC, Dubai to cater to the international markets.

2. Previous year figures have been regrouped/ recast/ rearranged wherever necessary to conform to current year classification.

Notes to Standalone Financial Statements

24 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION: (contd.)

3. Contingent Liabilities and Commitments: (Amount in Rupees)

Particulars	2012-13	2011-12
Contingent Liabilities:		
Towards Guarantees issued by bank	5,42,90,500	3,54,50,500
Income tax demands disputed by the company	94,55,450	16,57,548

4. In the opinion of the Board, all assets other than fixed assets and non-current investments have a value on realisation in the ordinary course of business atleast equal to the amount at which they are stated and provision for all known liabilities have been made.

As a matter of prudence, company has made a provision of Rs.88,51,739/- towards doubtful recovery of Trade Receivables.

5. Disclosure on utilisation of proceeds of preferential issues in terms of SEBI (ICDR) Regulation 2009:

In pursuance of approval, under Section 81(1A) of the Companies Act 1956, of the Members at the Extra Ordinary General Meeting held on 30th July, 2012 and in compliance with SEBI (Issue of Capital And Disclosure Requirements) Regulations, 2009 and applicable laws, rules and regulations, the Company has issued and allotted, to promoter and promoter group on preferential basis, 2,50,000 Equity shares of Rs. 10/- each at a premium of Rs. 50/- per share (issue price Rs. 60/- per equity share) and 2,50,000 Convertible Warrants of Rs. 60/- each convertible into One Equity Share of Rs. 10/- each at the option of the Allotees with in a period of 18 months from the date of issue subject to fulfillment of terms of the issue on which 25% of the issue price has been received as allotment money. The Company in aggregate has received Rs.1,87,50,000/- on issue of these Securities during the year. The Proceeds thus received have been utilised in total in terms of one of the objects of issue viz., for enhanced financial requirements of the Subsidiaries for execution of their contracts.

6. Dues of the Micro and Small Enterprises:

Information as required to be disclosed under Schedule VI of the Companies Act,1956 with reference to micro and small enterprises under the micro, small and medium enterprises development Act, 2006 (Act) as given below and the information mentioned at Note No.6 Trade Payables w.r.t. dues of micro and small enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company and relied on by the auditors:

Particulars	2012-13	2011-12
Principal Amount remaining unpaid as on 31st March.	NIL	NIL
Interest due thereon as on 31st March.	NIL	NIL
Interest paid by the Company in terms of Section 16 of Micro, Small and Medium Enterprise Development Act, 2006, along with the amount of payment made to the supplier beyond the appointed day during the year.	NIL	NIL
Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Act.	NIL	NIL
Interest accrued and remaining unpaid as at 31st March.	NIL	NIL
Further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Act.	NIL	NIL

Notes to Standalone Financial Statements

24 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION: (contd.)

7. Information pursuant to Clause 32 of Listing Agreement with Stock Exchanges w.r.t. Loans and Advances in the nature of interest bearing loans to wholly owned Subsidiary is as given below:

(Amount in Rupees)

Particulars	Balance as on		Maximum Balance Outstanding during the year	
	31.03.2013	31.03.2012	31.03.2013	31.03.2012
Alphageo International Limited	2,36,59,346	--	2,42,96,250	53,20,800

8. Employee Stock Option Scheme:

- a. In respect of Options granted to employees under the Employees Stock Option Scheme, in accordance with the guidelines issued by Securities and Exchange Board of India, the accounting value of options, determined based on market price of the share on the before day of the grant of the Option, is accounted as Deferred Employee Compensation Costs and the same is being amortised on straight line basis over the vesting period of stock options. Consequently for the current year, an amount of Rs.26,26,531/- has been written back (Previous Year Rs.29,83,618/-).

- b. Movement in the options during the year is as detailed below: (Nos)

Particulars	2012-13	2011-12
Options outstanding at the beginning of the year	61,969	1,26,667
Granted during the year	--	--
Expired/Forfeited during the year	41,735	64,698
Exercised during the year	--	--
Options exercisable at the end of the year	20,234	61,969

9. Derivative Instruments:

- i. There are no foreign currency exposures that are covered by derivative instruments as on 31.03.2013 (Previous year: Rs.Nil).
 ii. The details of foreign currency exposures that are not hedged by any derivative instruments or otherwise are as under:

(Amount in Rupees)

Particulars	As on 31.03.2013		As on 31.03.2012	
	Amount in Foreign Currency US\$	Equivalent Amount in Indian Currency	Amount in Foreign Currency US\$	Equivalent Amount in Indian Currency
Payables for supplies	23,43,257.50	12,74,48,135	4,667.50	2,38,773
Loans and advances and receivables	6,48,378.77	3,52,64,867	17,671.48	9,04,011

Notes to Standalone Financial Statements

24 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION: (contd.)

10. Employee Benefits:

The disclosures required under Accounting Standard 15 "Employee Benefits": (Amount in Rupees)

Particulars	2012-13	2011-12
i. Defined Contribution Schemes		
Employer's Contribution to Provident Fund	12,29,432	11,93,797
ii. State Plans		
Employer's Contribution to State Insurance Scheme	89,706	1,45,177
iii. Defined Benefit Plans		

The present value of obligation in respect of Provision for Payment of Gratuity and Leave encashment is determined, based on actuarial valuation using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation, recognised and charged off during the year are as under:

a. Reconciliation of opening and closing balances of Defined Benefit obligation: (Amount in Rupees)

Gratuity (Unfunded)	2012-13	2011-12
i) Components of Employer Expense		
Current Service Cost	3,13,662	2,78,437
Interest Cost on benefit obligation	3,72,331	3,05,354
Return on Plan Assets	(3,26,323)	(2,46,131)
Actuarial (gain)/loss	4,42,290	2,77,073
Net benefit expense	8,01,960	6,14,733
ii) Actual Return on Plan Assets	(3,26,323)	(2,46,131)
iii) Net Asset / Liability recognised in Balance Sheet		
Define Benefit Obligation	54,97,188	46,54,136
Fair Value Of Plan Assets	(37,14,224)	(36,42,458)
Status (Surplus)/Deficit	17,82,964	10,11,678
Unrecognised Past Service Cost	--	--
Net (Asset)/Liability recognised in Balance Sheet	17,82,964	10,11,678
iv) Changes in the PV of DBO		
At the beginning of the year	46,54,136	38,16,926
Current Service Cost	3,13,662	2,78,437
Interest Cost	3,72,331	3,05,354
Actuarial (gain)/loss	4,42,290	2,77,073
Benefits paid	(2,85,231)	(23,654)
At the end of the year	54,97,188	46,54,136
v) Changes in Fair Value of Plan Assets		
Opening Fair Value of Plan Assets	36,42,458	26,88,608
Expected Return	3,26,323	2,46,131
Contributions	30,674	7,31,373
Benefits Paid	(2,85,231)	(23,654)
Actuarial Gain/ Loss	--	--
Closing Fair value of Plan Assets	37,14,224	36,42,458

Notes to Standalone Financial Statements

24 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION: (contd.)

a. Reconciliation of opening and closing balances of Defined Benefit obligation: (contd.)		(Amount in Rupees)	
Gratuity (Unfunded)	2012-13	2011-12	
vi) Movement in Balance Sheet			
Opening Liability	10,11,678	11,28,318	
Expenses as above	8,01,960	6,14,733	
Contribution Paid	(30,674)	(7,31,373)	
Closing Liability	17,82,964	10,11,678	
vii) Actuarial assumptions:			
Mortality Table (L.I.C)	1994-96		
	(Ultimate)	(Ultimate)	
Discount rate (per annum)	8.00%	8.00%	
Attrition Rate (per annum)	4.00%	4.00%	
Rate of escalation in salary (per annum)	4.00%	4.00%	
Expected rate of return	9.00%	9.00%	
b. Reconciliation of opening and closing balances of Defined Benefit obligation:		(Amount in Rupees)	
Leave Encashment (Unfunded)	2012-13	2011-12	
i) Statement of Profit and Loss			
Current Service Cost	24,987	3,446	
Interest Cost on benefit obligation	5,722	6,647	
Return on Plan Assets	--	--	
Actuarial (gain)/loss	53,139	(734)	
Past Services cost	--	--	
Net benefit expense	83,848	9359	
ii) Balance Sheet			
At the beginning of the year	71,526	83,009	
Current Service Cost	24,987	3,446	
Interest Cost	5,722	6,647	
Actuarial (gain)/loss	53,139	(734)	
Benefits paid	--	(20,922)	
At the end of the year	1,55,374	71,526	
iii) Actuarial assumptions:			
Mortality Table (L.I.C)	1994-96		
	(Ultimate)	(Ultimate)	
Discount rate (per annum)	8.00%	8.00%	
Attrition Rate (per annum)	4.00%	4.00%	
Rate of escalation in salary (per annum)	4.00%	4.00%	

The estimates of rate of escalation in salary considered in actuarial valuation, is determined taking into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is as certified by the actuary.

Notes to Standalone Financial Statements

24 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION: (contd.)

11. Segmental Reporting:

As the Company's business consists of one reportable business and geographical segment of Seismic Data Acquisition and its related services within India, no separate disclosures pertaining to attributable revenues, profits, assets, liabilities and capital employed are considered necessary.

12. Related Party Transactions:

The details of transactions with the related parties as defined in the Accounting Standard AS-18 "Related Party Disclosures":

i. List of Related Parties with whom transactions have taken place and nature of relationships:	Transactions during the year (Yes/No)
a. Key Management Personnel Sri A. Dinesh	
b. Relatives of Key Management Personnel Sri A. Rajesh Smt. Kamala Rajupet Sri A. Sashank Smt A. Savita Ms A. Anisha	
c. Concern in which Key Management Personnel have substantial interest (Significant interest): A. Dinesh(HUF)	Yes
d. Concerns in which the Relatives of Key Management Personnel have substantial interest (Significant interest): Aquila Drilling Private Limited Transducers and Controls Private Limited A. Rajesh(HUF) IIC Technologies Limited IIC Academy Private Limited IIC Geosurveys Private Limited	Yes No Yes No No No
e. Subsidiary: Alphageo International Limited	Yes
f. Step-down subsidiary: Alphageo DMCC	Yes

Notes to Standalone Financial Statements

24 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION: (contd.)

12. Related Party Transactions: (contd.)

ii. Details of Transactions

(Amount in Rupees)

Sl. No.	Nature of Relation/Nature of Transactions	2012-13		2011-12	
		Amount of Transaction	Amount outstanding as on 31.03.2013	Amount of Transaction	Amount outstanding as on 31.03.2012
1	Key Management Personnel:				
	Remuneration	39,86,332	8,33,201 (Credit)	39,68,444	8,06,504 (Credit)
	Interest on Loan	2,79,041	1,46,712 (Credit)	91,977	37,971 (Credit)
	Acceptance of Loan	45,00,000	45,00,000 (Credit)	74,00,000	25,00,000 (Credit)
	Repayment of Loan	25,00,000	--	49,00,000	--
	Allotment of Equity Shares including Premium	45,00,000	--	--	--
2	Relatives of the Key Management Personnel:				
	Sitting Fees	42,442	--	39,500	--
	Rent	30,000	20,730 (Credit)	--	--
	Allotment of Equity Shares including Premium	75,00,000	--	--	--
	Allotment of Share Warrants	30,00,000	--	--	--
3	Concerns in which Key Management Personnel has Substantial Interest:				
	Rent	1,00,000	93,000 (Credit)	--	--
4	Concerns in which Relative of the Key Management Personnel has Substantial Interest:				
	Survey/Drilling Charges	2,37,06,000	99,62,035 (Credit)	4,48,09,900	1,64,58,749 (Credit)
	Acceptance of Loan	25,00,000	25,00,000 (Credit)	35,00,000	--
	Repayment of Loan	--	--	35,00,000	--
	Interest on Loan	61,644	55,480 (Credit)	1,76,229	--
	Allotment of Equity Shares including Premium	30,00,000	--	--	--
	Allotment of Share Warrants	7,50,000	--	--	--
	Rent	1,00,000	93,000 (Credit)	--	--
5	Subsidiary				
	Investment	--	--	13,20,86,175	--
	Share Application Money Appropriated	--	--	12,54,26,925	--
	Sale of Fixed Assets	--	--	21,84,468	--
	Sale of Survey Consumables	--	--	--	--
	Loan given	2,36,59,346	2,36,59,346 (Debit)	53,20,800	--
	Loan given received back	--	--	53,20,800	--
	Recovery of payments of expenses	34,97,161	34,97,161 (Debit)	9,04,011	9,04,011 (Debit)
	Recovery of payments of expenses received back	9,04,011	--	--	--
	Interest Income	8,04,030	8,04,485 (Debit)	1,61,977	--
	Income from provision of services	53,83,975	54,10,584 (Debit)	--	--
6	Step-down subsidiary				
	Sale of used Fixed Assets	1,72,88,562	18,93,292 (Debit)	19,89,845	--
	Sale of Survey Consumables and Spares	14,93,891	--	3,26,096	--
	Receipt of deposit for providing services	--	--	48,57,549	--
	Repayment of deposit for providing services	--	--	48,57,549	--
	Sale of used spares and consumables	13,36,698	--	--	--

Notes to Standalone Financial Statements

24 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION: (contd.)

12. Related Party Transactions: (contd.)

iii. Disclosure in respect of transactions which are more than 10% of the total transactions of the same type with related parties during the year:

		(Amount in Rupees)	
Nature of Transaction	Name of the Related Party	2012-13	2011-12
Remuneration	Sri. A. Dinesh	39,86,332	39,68,444
Interest on Loan Taken	Sri. A. Dinesh	2,79,041	91,977
	Aquila Drilling Private Limited	61,644	1,76,229
Repayment of Loan	Sri. A. Dinesh	25,00,000	49,00,000
	Aquila Drilling Private Limited	--	35,00,000
Acceptance of Loan	Sri. A. Dinesh	45,00,000	74,00,000
	Aquila Drilling Private Limited	25,00,000	35,00,000
Sitting Fees	Sri. A. Rajesh	42,442	39,500
Drilling Charges	Aquila Drilling Private Limited	2,37,06,000	4,48,09,900
Investment	Alphageo International Limited	--	13,20,86,175
Share Application Money Appropriated	Alphageo International Limited	--	12,54,26,925
Allotment of Equity shares including premium	Sri. A. Dinesh	45,00,000	--
	Smt. Kamala Rajupet	75,00,000	--
	Aquila Drilling Private Limited	30,00,000	--
Allotment of Share Warrants	Aquila Drilling Private Limited	7,50,000	--
	Sri A. Sashank	7,50,000	--
	Smt A. Savita	15,00,000	--
	Ms A. Anisha	7,50,000	--
Rent	Sri A. Dinesh(HUF)	1,00,000	--
	Sri A. Rajesh(HUF)	1,00,000	--
	Smt. Kamala Rajupet	30,000	--
Sale of used Fixed Assets	Alphageo International Limited	--	21,84,468
	Alphageo DMCC	1,72,88,562	19,89,845
Sale of Consumables and Spares	Alphageo DMCC	14,93,891	3,26,096
Loan Given	Alphageo International Limited	2,36,59,346	53,20,800
Loan Given Received Back	Alphageo International Limited	--	53,20,800
Interest Income	Alphageo International Limited	8,04,030	1,61,977
Receipt of deposit for providing services	Alphageo DMCC	--	48,57,549
Repayment of deposit for providing services	Alphageo DMCC	--	48,57,549
Recovery of payments of expenses	Alphageo International Limited	34,97,161	9,04,011
Recovery of payments of expenses received back	Alphageo International Limited	9,04,011	--
Income from provision of Services	Alphageo International Limited	53,83,975	--
Sale of used spares and consumables	Alphageo DMCC	13,36,698	--

Notes to Standalone Financial Statements

24 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION: (contd.)

13. Leases

The Company has various operating leases for Office and other premises that are renewable on a periodic basis by mutual consent on mutually agreeable terms and cancellable at its option. Rental/lease expenses for operating leases recognised in the Statement of Profit and Loss for the year is Rs.29,47,143/- (Previous Year Rs.38,77,625/-).

14. Loss Per Share

(Amount in Rupees)

Particulars	2012-13	2011-12
The Numerator and Denominator used to calculate Loss Per Share:		
A Loss attributable to Equity shareholders	9,94,96,987	5,09,45,133
B Number of Shares:		
Weighted average number of Equity shares outstanding during the year (Nos.)	52,95,041	51,34,767
Nominal Value of Equity Share	10	10
C Loss Per Share – Basic/Diluted	18.79	9.92

15. Deferred Income Tax

The movement of provision for deferred tax for the year ended 31.03.2013 is as given below:

(Amount in Rupees)

Particulars	As at 01.04.2012	(Charge)/Credit For the year	As at 31.03.2013
Deferred Tax Asset:			
Depreciation on Assets	6,64,89,114	(35,73,092)	6,29,16,022
Expenses allowable on the basis of Payment	35,88,160	3,67,353	39,55,513
Total	7,00,77,274	(32,05,739)	6,68,71,535

16. Details of Gross Income derived from services rendered:

(Amount in Rupees)

Particulars	2012-13	2011-12
2D Seismic Survey and Related services	2,39,36,536	5,87,04,781
3D Seismic Survey and Related services	5,57,49,183	19,32,99,134
Total	7,96,85,719	25,20,03,915

17. Details of Sale of Traded Goods:

(Amount in Rupees)

Particulars	2012-13	2011-12
Survey Consumables	14,93,891	3,26,096
Total	14,93,891	3,26,096

18. Details of Purchase of Traded Goods:

(Amount in Rupees)

Particulars	2012-13	2011-12
Survey Consumables	11,94,645	2,75,462
Total	11,94,645	2,75,462

Notes to Standalone Financial Statements

24 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION: (contd.)

19. Value of Imports Calculated on C.I.F Basis: (Amount in Rupees)

Particulars	2012-13	2011-12
Stores and Spares	--	20,39,619
Capital Goods	14,30,17,671	--

20. Expenditure in foreign currency (on accrual basis): (Amount in Rupees)

Particulars	2012-13	2011-12
Salaries and allowances (net of tax)	21,31,749	19,65,676
Travelling Expenses	4,26,533	6,53,393

21. Remittance of Dividend in Foreign Currency: (Amount in Rupees)

Particulars	2012-13	2011-12
	Nil	Nil

22. Earnings in foreign exchange (on accrual basis): (Amount in Rupees)

Particulars	2012-13	2011-12
Income from provision of services	53,83,975	--
Interest income	8,04,030	1,61,977
Sale of used spares and consumables	13,36,698	--
Sale of survey consumables and spares	14,93,891	3,26,096

23. The Company has incurred cash loss of Rs.3,81,96,565/- for the year ended 31st March, 2013. And as at 31st March, 2013 the Company has Current Liabilities constituting Creditors for Capital Works of Rs.12,71,94,273/- and Other Operational Current Liabilities of Rs.6,28,23,710/- aggregating to Rs.19,00,17,983/- and the Current Assets of Rs.7,87,95,383/-. The total Current Liabilities as at the year end exceed total Current Assets by Rs.11,12,22,600/-. The Company, being confident of its continued and profitable operations, is poised towards discharging all its current obligations.

Per Our Report of even date

For and on behalf of the Board

For P.V.R.K.Nageswara Rao & Co.,

A.Dinesh

Z.P.Marshall

Chartered Accountants

Managing Director

Chairman

Firm's Registration Number: 0022835

P.V.R.K.Nageswara Rao

Venkatesa Perumallu Pasumarthy

Partner

Chief Financial Officer

Membership Number: 18840

Hyderabad

28.05.2013

Statement Pursuant to Section 212 of the Companies Act, 1956 Relating to Subsidiary Company

S. Particulars No.		Alphageo International Limited
1	Financial Year of the subsidiary company ended on	31st March, 2013
2	Shares held by the holding company in the subsidiary and extent of holding:	
a	No. of shares	No. 1,05,036
b	Extent of Holding	% 100%
3	The net aggregate of profits or (losses) of the subsidiary for the current period so far as it concerns the members of the holding company:	
a	Dealt with or provided for in the accounts of the holding company	Rs. NIL
b	Not Dealt with or provided for in the accounts of the holding company	Rs. 4,73,350
4	The net aggregate of profits or (losses) of previous financial years of subsidiary so far as it concerns the members the holding company:	
a	Dealt with or provided for in the accounts of the holding company	Rs. NIL
b	Not Dealt with or provided for in the accounts of the holding company.	Rs. 1,89,38,616
5	Changes in the interest of Holding Company between the end of the financial year of the subsidiary company and that of the holding company	NIL
6	Material Changes if any between the end of the financial year of the subsidiary company and that of the holding company	NIL

Notes:

1. Alphageo International Ltd has 100% subsidiary Viz, Alphageo DMCC.
2. The amount of Profits for the current period of the subsidiary and the net aggregate of profits of the previous financial years of the subsidiary represents consolidated profits of the Alphageo International Ltd and its 100% subsidiary Alphageo DMCC.

For and on behalf of the Board

A.Dinesh
Managing Director

Z.P.Marshall
Chairman

Hyderabad
28.05.2013

Venkatesa Perumallu Pasumarthy
Chief Financial Officer

Consolidated Financial Statements

Independent Auditor's Report

To
The Board of Directors of
ALPHAGEO (INDIA) LIMITED

We have audited the accompanying consolidated financial statements of ALPHAGEO (INDIA) LIMITED ("the Company") and its subsidiaries, which comprise the consolidated Balance Sheet as at March 31, 2013, and the consolidated Statement of 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 Consolidated Financial Statements

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company in accordance with accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated 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 presentation of the consolidated financial statements that give a true and fair view 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 consolidated 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 and based on the consideration of the reports of the other auditors on the financial statements of the subsidiaries as noted below, the consolidated financial statements 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 state of affairs of the Company as at March 31, 2013;
- b. in the case of the 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.

Emphasis of Matter

We draw attention to Note No. 23.II.15 of the consolidated financial statements of the company as at 31st March, 2013, the current liabilities exceed its current assets by Rs.17,51,66,730/- and the company has incurred cash loss amounting to Rs.1,32,12,175/- during the year. The management has prepared the financial statements for the current year on going concern basis, being confident of its continued and profitable operations and confident of discharging all its current liabilities. Our opinion is not qualified in respect of this matter.

Other Matter

We did not audit the financial statements of two Subsidiaries, whose financial statements reflect total assets (net) of Rs.35,57,71,937/- as at March 31, 2013, total revenues of Rs.15,60,77,885/- and net cash outflows amounting to Rs.24,93,482/- for the year then ended. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management, and our opinion is based solely on the reports of the other auditors. Our opinion is not qualified in respect of this matter.

For P.V.R.K. Nageswara Rao & Co.,
Chartered Accountants
Firm's Registration Number: 0022835
P.V.R.K. Nageswara Rao

Hyderabad
28.05.2013

Partner
Membership Number: 18840

Consolidated Balance Sheet As at 31st March, 2013

(Amount in Rupees)

	Note No.	As at 31st March, 2013		As at 31st March, 2012	
EQUITY AND LIABILITIES					
Shareholders' funds					
Share capital	1	5,39,83,670		5,14,83,670	
Reserves and surplus	2	35,29,78,710		43,94,72,412	
Money received against share warrants		37,50,000	41,07,12,380	-	49,09,56,082
Non-current liabilities					
Long-term borrowings	3	-		-	
Long-term provisions	4	17,14,391	17,14,391	4,48,730	4,48,730
Current liabilities					
Short-term borrowings	5	4,60,23,802		2,70,27,159	
Trade payables	6	12,29,48,348		10,95,00,809	
Other current liabilities	7	15,69,48,188		2,93,51,899	
Short-term provisions	8	2,23,947	32,61,44,285	6,34,474	16,65,14,341
TOTAL			73,85,71,056		65,79,19,153
ASSETS					
Non-current assets					
Fixed assets					
Tangible assets	9	33,05,48,756		37,30,13,410	
Intangible assets		15,04,372		1,10,940	
		33,20,53,128		37,31,24,350	
Capital work-in-progress		14,77,58,895		1,67,92,827	
		47,98,12,023		38,99,17,177	
Deferred tax assets (net)	10	6,68,71,535		7,00,77,274	
Long-term loans and advances	11	4,09,09,943	58,75,93,501	12,67,007	46,12,61,458
Current assets					
Inventories	12	1,17,19,938		36,52,404	
Trade receivables	13	10,30,50,391		13,56,44,432	
Cash and bank balances	14	2,34,33,882		2,61,32,493	
Short-term loans and advances	15	1,26,78,212		3,11,57,299	
Other current assets	16	95,132	15,09,77,555	71,067	19,66,57,695
TOTAL			73,85,71,056		65,79,19,153
Summary of significant accounting policies and other explanatory information	23				

Per Our Report of even date

For and on behalf of the Board

For P.V.R.K.Nageswara Rao & Co.,

A.Dinesh

Z.P.Marshall

Chartered Accountants

Managing Director

Chairman

Firm's Registration Number: 002283S

P.V.R.K.Nageswara Rao

Venkatesa Perumallu Pasumarthy

Partner

Chief Financial Officer

Membership Number: 18840

Hyderabad

28.05.2013

Consolidated Statement of Profit and Loss For the year ended 31st March, 2013

(Amount in Rupees)

	Note No.	For the year ended 31st March, 2013	For the year ended 31st March, 2012
REVENUE			
Seismic Survey and related service income		23,56,67,443	43,93,42,111
Other income	17	24,01,059	2,09,36,415
Total Revenue		23,80,68,502	46,02,78,526
EXPENSES			
Survey and survey related expenses	18	16,32,15,922	30,13,18,005
Employee benefits expense	19	4,22,80,465	5,40,94,024
Finance costs	20	45,66,319	54,30,023
Depreciation and amortisation expense	21	7,67,72,580	11,43,49,785
Other expenses	22	5,01,48,414	3,27,36,131
Total Expenses		33,69,83,700	50,79,27,968
Loss before tax		9,89,15,198	4,76,49,442
Tax expense			
Current tax		49,09,102	81,30,440
Deferred tax		32,05,739	(46,86,070)
Income tax adjustments of earlier years		1,301	(3,58,231)
Loss after tax		10,70,31,340	5,07,35,581
Loss per equity share			
(Nominal value: Rs.10/- per share)			
Basic/Diluted		20.21	9.88
Summary of significant accounting policies and other explanatory information	23		

Per Our Report of even date

For and on behalf of the Board

For P.V.R.K.Nageswara Rao & Co.,
Chartered Accountants
Firm's Registration Number: 0022835

A.Dinesh
Managing Director

Z.P.Marshall
Chairman

P.V.R.K.Nageswara Rao
Partner
Membership Number: 18840

Venkatesa Perumallu Pasumarthy
Chief Financial Officer

Hyderabad
28.05.2013

Consolidated Cash Flow Statement

For the year ended 31st March, 2013

(Amount in Rupees)

	For the year ended 31st March, 2013	For the year ended 31st March, 2012
I CASH FLOW FROM OPERATING ACTIVITIES:		
Loss before tax for the year	(9,89,15,198)	(4,76,49,442)
Add/ (Less) : Adjustments for:		
Depreciation and Amortisation	7,67,72,580	11,43,49,785
Interest Expense	2,551,563	39,64,798
Interest Income	(11,40,250)	(10,28,389)
Bad debts written off	3,220,625	27,93,672
Employee Compensation costs written (back)/off	(26,26,531)	(29,83,618)
Provision for doubtful debts	8,851,739	-
Profit on Sale of Tangible Assets (Net)	(81,200)	(37,01,030)
Book Deficit on Assets Discarded	78,704	4,43,265
	8,76,27,230	11,38,38,483
	(1,12,87,968)	6,61,89,041
Add / (Less) : Adjustments for Working Capital Changes:		
(Increase) in Long Term Loans and Advances	(8,493)	(38,775)
(Increase) / Decrease in Inventories	(80,67,534)	45,21,070
(Increase) / Decrease in Trade Receivables	2,05,21,677	(4,92,32,754)
(Increase) / Decrease in Fixed Deposits pledged with Banks and dividend accounts with banks	(42,32,276)	1,19,55,080
(Increase) / Decrease in Short Term Loans and Advances	47,94,236	(64,43,557)
(Increase) / Decrease in Long Term Provisions	12,65,661	(31,304)
(Increase) / Decrease in Trade Payables	1,34,47,539	(3,90,78,649)
Decrease in Other Current Liabilities	1,85,165	26,70,615
(Increase) in Short Term Provisions	(4,10,527)	(96,899)
	2,74,95,448	(7,57,75,173)
Cash generated from operations	1,62,07,480	(95,86,132)
Less : Direct taxes paid	71,84,768	1,72,65,513
Net Cash flow / (used) from operating activities	9,022,712	(2,68,51,645)
II CASH FLOW / (USED) FROM INVESTING ACTIVITIES:		
Purchase of Fixed assets	(5,02,69,636)	(1,02,18,392)
Sale of Fixed assets	81,200	92,48,363
Interest Received	11,16,185	11,28,430
Net Cash flow / (used) in Investing activities	(4,90,72,251)	1,58,401

Consolidated Cash Flow Statement For the year ended 31st March, 2013 (contd.)

(Amount in Rupees)

	For the year ended 31st March, 2013	For the year ended 31st March, 2012
III CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds from issue of Share Capital including Securities Premium	1,50,00,000	-
Money received against issue of share warrants	37,50,000	-
Proceeds from Short Term Borrowings	1,89,96,643	14,918,590
Interest Paid	(21,17,700)	(36,48,446)
Dividend Paid (including Corporate Dividend Tax)	(2,17,012)	(58,03,875)
Net Cash flow from Financing Activities	3,54,11,931	54,66,269
IV Net (Decrease) in cash and cash equivalents	(46,37,608)	(2,12,26,975)
V Adjustment due to change in exchange rates	(22,93,279)	(56,57,766)
VI Cash and Cash Equivalents as at the beginning of the year	1,89,44,997	4,58,29,738
VII Cash and Cash Equivalents as at the end of the year	1,20,14,110	1,89,44,997

Note:

- Figures in brackets indicate cash outgo.
- The above consolidated cash flow statement has been prepared under the indirect method set out in Accounting Standard -3 notified under the Companies Act, 1956.
- Summary of significant accounting policies and other explanatory information (Note No23) form an Integral part of the Cash Flow Statement.
- Previous year figures have been regrouped / reclassified to conform to current year classification.

Per Our Report of even date

For and on behalf of the Board

For P.V.R.K.Nageswara Rao & Co.,
Chartered Accountants
Firm's Registration Number: 0022835

A.Dinesh
Managing Director

Z.P.Marshall
Chairman

P.V.R.K.Nageswara Rao
Partner
Membership Number: 18840

Venkatesa Perumallu Pasumarthy
Chief Financial Officer

Hyderabad
28.05.2013

Notes to Consolidated Balance Sheet

(Amount in Rupees)

	As at 31st March, 2013		As at 31st March, 2012	
1 SHARE CAPITAL				
Authorised:				
1,00,00,000 Equity Shares of Rs.10/- each		10,00,00,000		10,00,00,000
Issued:				
53,96,167 (Previous year 51,46,167) Equity Shares of Rs.10/- each		5,39,61,670		5,14,61,670
Subscribed and fully paid up:				
53,84,767 (Previous year 51,34,767) Equity Shares of Rs.10/- each fully paid up		5,38,47,670		5,13,47,670
Add: Forfeited shares		1,36,000		1,36,000
		5,39,83,670		5,14,83,670

Reconciliation of the number of Equity Shares Outstanding is set out below:

	As at 31st March, 2013 Number		As at 31st March, 2012 Number	
Shares outstanding at the beginning of the year		51,34,767		51,34,767
Shares issued during the year		2,50,000		-
Shares outstanding at the end of the year		53,84,767		51,34,767

The details of Shareholders holding more than 5% equity shares is set out below :

Name of Shareholder	As at 31st March, 2013		As at 31st March, 2012	
	No. of shares held	% of holding	No. of shares held	% of holding
Promoters Group				
Alla Dinesh	3,75,022	6.96	3,00,022	5.84
Kamala Rajupet	3,74,466	6.95	-	-
Other than Promoters Group				
Bharat Jayantilal Patel	-	-	2,86,818	5.59

Terms/rights attached to equity shares:

The company has only one class of equity shares having a par value of Rs.10/- per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends in Indian rupees.

Terms of Share warrants convertible into equity shares:

2,50,000 Share Warrants allotted on 10th August 2012 at an issue price of Rs.60/- each, comprising of Rs.10/- each towards face value and Rs.50/- each towards premium are convertible at the option of the holder thereof in one or more tranches to 2,50,000 Equity Shares on or before expiry of 18 months from the date of allotment. The last date for exercise of option by the holder is 9th February 2014.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

The Number of equity shares reserved for issue against exercise of stock options granted to employees:

Nos.	20,234	61,969
------	--------	--------

Notes to Consolidated Balance Sheet

(Amount in Rupees)

	As at 31st March, 2013		As at 31st March, 2012	
2 RESERVES AND SURPLUS				
Foreign currency translation reserve:				
As per last account	2,20,90,882		-	-
Add: Movement during the year	1,06,64,169	3,27,55,051	2,20,90,882	2,20,90,882
Capital reserve:				
Share warrants forfeiture account		1,61,18,047		1,61,18,047
Securities premium account				
As per last account	15,65,04,831		15,65,04,831	
Add: Premium received on allotment of equity shares issued during the year	1,25,00,000	16,90,04,831	-	15,65,04,831
Share options outstanding account:				
As per last account	50,46,117		99,17,073	
Less: Deletions/ Allotments during the year	30,72,290		48,70,956	
	19,73,827		50,46,117	
Less: Deferred employee compensation costs	-	19,73,827	4,45,759	46,00,358
General reserve		3,00,00,000		3,00,00,000
Balance in statement of profit and loss (surplus):				
As per last account	21,01,58,294		26,08,93,875	
Less: Loss as per statement of profit and loss	10,70,31,340		5,07,35,581	
		10,31,26,954		21,01,58,294
		35,29,78,710		43,94,72,412

3 LONG-TERM BORROWINGS

Term Loans (Secured):				
From ICICI Bank Limited			-	11,14,377
Less: Current maturity of long term debt			-	11,14,377
			-	-
1. Nature of Security:				
Secured by hypothecation of relevant vehicle acquired against the loan				
2. The above Term Loan and interest due thereon have been paid upto date and there are no defaults in repayment of principal and interest.				

4 LONG-TERM PROVISIONS

Provision for employee benefits		17,14,391		4,48,730
		17,14,391		4,48,730

Notes to Consolidated Balance Sheet

(Amount in Rupees)

	As at 31st March, 2013	As at 31st March, 2012
5 SHORT- TERM BORROWINGS		
Loans repayable on demand: (Secured)		
Working capital loan from State Bank of India	68,29,152	1,95,27,159
1. Nature of Security:		
Primary Security:		
Secured by hypothecation of entire chargeable current assets of the company.		
Collateral Security:		
First charge on entire fixed assets of the company.		
The above loan is further secured by equitable mortgage of certain immovable properties belonging to Mr.A.Dinesh, Managing Director of the Company, Mr.A.Rajesh, Director of the Company and Mrs.A.Savita, relative of Managing Director of the Company.		
Personal Gurantees:		
Sri. A.Dinesh - Managing Director of the Company		
Sri. A.Rajesh - Director of the Company		
Smt. A.Savita - Relative of Managing Director of the Company		
2. Rate of Interest : 4.5% above Base Rate		
The above loan and interest due thereon have been paid upto date and there is no default in repayment of the same during the year.		
From body corporate (Unsecured)	3,21,94,650	50,00,000
Rate of Interest: 6% p.a and 18% p. a		
Loans and advances from related parties (Unsecured)	70,00,000	25,00,000
Rate of Interest: 12% p.a and 14% p. a		
	4,60,23,802	2,70,27,159

6 TRADE PAYABLES

Dues of micro and small enterprises	-	-
Dues of creditors other than micro and small enterprises	12,29,48,348	10,95,00,809
	12,29,48,348	10,95,00,809

Notes to Consolidated Balance Sheet

(Amount in Rupees)

	As at 31st March, 2013	As at 31st March, 2012
7 OTHER CURRENT LIABILITIES		
Current maturity of long term debt	-	11,14,377
Interest accrued but not due on borrowings	7,64,331	3,30,468
Unclaimed dividend accounts (There is no amount due and outstanding to be credited to investor education and protection fund)	12,85,484	15,02,496
Other Payables:		
Creditors for capital works	12,71,94,273	-
Statutory liabilities	25,93,938	45,63,562
Employee benefits payable	1,62,82,040	-
Others	88,28,122	2,18,40,996
	15,69,48,188	2,93,51,899

8 SHORT-TERM PROVISIONS		
Provision for employee benefits	2,23,947	6,34,474
	2,23,947	6,34,474

Notes to Consolidated Balance Sheet

9 FIXED ASSETS

(Amount in Rupees)

Description	GROSS BLOCK			DEPRECIATION/AMORTISATION				NET BLOCK				
	Cost As at 01.04.2012	Adjustment	Additions During the year	Deductions During the year	Total Cost As at 31.03.2013	Upto 31.03.2012	Adjustment	For the year	On Deductions	Upto 31.03.2013	As at 31.03.2012	As at 31.03.2013
TANGIBLE ASSETS:												
Freehold Land	2,19,08,666	-	-	-	2,19,08,666	-	-	-	-	-	2,19,08,666	2,19,08,666
Buildings	14,46,800	-	-	-	14,46,800	1,06,123	-	23,583	-	1,29,706	13,17,094	13,40,677
Plant and Equipment	122,49,85,086	1,50,14,907	2,00,26,567	15,74,002	125,84,52,558	88,65,63,820	20,85,305	7,46,91,209	14,95,297	96,18,45,037	29,66,07,521	33,84,21,266
Electrical Fittings	51,720	-	7,912	-	59,632	51,720	-	7,912	-	59,632	-	-
Furniture and Fixtures	21,09,727	-	6,800	1,84,427	19,32,100	10,52,634	-	1,04,167	1,84,427	9,72,374	9,59,726	10,57,093
Vehicles	1,28,82,281	-	-	-	1,28,82,281	77,77,398	-	7,39,166	-	85,16,564	43,65,717	51,04,883
Office Equipment	84,12,973	33,873	12,16,939	2,37,917	94,25,868	49,51,283	8,754	5,86,645	2,37,917	53,08,765	41,17,103	34,61,690
Data Processing Equipment	72,18,445	3,504	44,161	-	72,66,110	54,99,310	776	4,93,095	-	59,93,181	12,72,929	17,19,135
	127,90,15,698	1,50,52,284	2,13,02,379	19,96,346	131,33,74,015	90,60,02,288	20,94,835	7,66,45,777	19,17,641	98,28,25,259	33,05,48,756	37,30,13,410
INTANGIBLE ASSETS:												
Software	2,21,782	-	1,520,235.00	-	17,42,017	1,10,842	-	126,803	-	2,37,645	15,04,372	1,10,940
TOTAL	127,92,37,480	1,50,52,284	2,28,22,614	19,96,346	131,51,16,032	90,61,13,130	20,94,835	7,67,72,580	19,17,641	98,30,62,904	33,20,53,128	37,31,24,350
PREVIOUS YEAR TOTAL	130,00,67,529	77,93,550	49,36,563	3,35,60,162	127,92,37,480	83,92,88,007	-19,955,098	11,43,49,785	2,75,69,564	90,61,13,130	37,31,24,350	46,07,79,522

Notes to Consolidated Balance Sheet

(Amount in Rupees)

	As at 31st March, 2013	As at 31st March, 2012
10 DEFERRED TAX ASSET (NET)		
Balance at the beginning of the year	7,00,77,274	6,53,91,204
Add/less: Adjustments for the year (Refer Note No.23.II.14)	(32,05,739)	46,86,070
	6,68,71,535	7,00,77,274

11 LONG-TERM LOANS AND ADVANCES		
(Unsecured, Considered good)		
Capital advance	2,36,75,227	-
Security Deposits	12,75,500	12,67,007
Prepaid taxes (Net of provision for taxation)	1,59,59,216	-
	4,09,09,943	12,67,007

12 INVENTORIES		
(Valued at lower of cost and net realisable value)		
Stock of stores and spares	1,17,19,938	36,52,404
	1,17,19,938	36,52,404

13 TRADE RECEIVABLES		
Outstanding for a period exceeding six months from the date they became due for payment:		
Unsecured, considered good	1,79,13,134	3,54,13,134
Others:		
Unsecured, considered good	8,51,37,257	10,02,31,298
Unsecured, considered doubtful	88,51,739	-
Less: Provision for doubtful debts	88,51,739	-
	10,30,50,391	13,56,44,432

Notes to Consolidated Balance Sheet

(Amount in Rupees)

	As at		As at	
	31st March, 2013		31st March, 2012	
14 CASH AND BANK BALANCES				
Cash and cash equivalents:				
Cash on hand	7,33,852		2,50,081	
Balances with banks:				
In Current accounts	1,12,80,258	1,20,14,110	1,86,94,916	1,89,44,997
Other bank balances:				
In Dividend accounts	12,95,484		15,12,496	
In Term deposits	1,01,24,288	1,14,19,772	56,75,000	71,87,496
(Held as margin money as security against letters of credit and guarantees issued by banks)				
		2,34,33,882		2,61,32,493

15 SHORT-TERM LOANS AND ADVANCES

(Unsecured, considered good)				
Security deposit		2,89,623		-
Prepaid expenses		17,68,816		29,32,995
Prepaid taxes (Net of provision for taxation)		-		1,36,84,851
Loans and advances to employees		15,21,211		-
Other loans and advances		90,98,562		1,45,39,453
		1,26,78,212		3,11,57,299

16 OTHER CURRENT ASSETS

Interest accrued on fixed deposits		95,132		71,067
		95,132		71,067

Notes to Consolidated Statement of Profit and Loss

(Amount in Rupees)

	For the year ended 31st March, 2013	For the year ended 31st March, 2012
17 OTHER INCOME		
Interest income	11,40,250	10,28,389
Net gain on foreign currency transaction and translation	-	9,86,307
Credit balances written back	-	1,48,11,864
Profit on sale of assets	81,200	37,01,030
Bad debts writtten off recovered	1,06,338	-
Excess liabilities written back	5,27,110	-
Other non-operating income	5,46,161	4,08,825
	24,01,059	2,09,36,415

18 SURVEY AND SURVEY RELATED EXPENSES

Consumption of stores and spare parts	76,30,474	54,53,845
Labour charges	1,77,31,337	5,78,23,375
Survey and drilling charges	5,18,38,507	13,69,32,318
Fuel	1,70,24,924	2,99,19,259
Vehicle hire charges	1,38,24,989	3,29,97,772
Equipment hire charges	38,11,312	-
Repairs to machinery	25,08,435	57,18,202
Camp rental charges	28,84,590	42,24,873
Technical consultancy charges	7,97,368	-
Camp expenses	1,11,60,486	1,51,80,470
Transport and handling charges	3,12,85,279	23,74,206
Other survey expenses	27,18,221	1,06,93,685
	16,32,15,922	30,13,18,005

19 EMPLOYEE BENEFITS EXPENSE

Salaries, wages and other allowances	3,83,98,070	4,90,48,668
Contribution to provident and other funds	20,31,392	16,37,170
Contribution to ESI	89,706	1,45,177
Expense on employee stock option scheme	(26,26,531)	(29,83,618)
Staff welfare expenses	43,87,828	62,46,627
	4,22,80,465	5,40,94,024

20 FINANCE COSTS

Interest expense	25,51,563	39,64,798
Other borrowing costs	20,14,756	14,65,225
	45,66,319	54,30,023

Notes to Consolidated Statement of Profit and Loss

(Amount in Rupees)

	For the year ended 31st March, 2013	For the year ended 31st March, 2012
21 DEPRECIATION AND AMORTISATION EXPENSE		
Depreciation	7,66,45,777	11,42,79,547
Amortisation expense	1,26,803	70,238
	7,67,72,580	11,43,49,785

22 OTHER EXPENSES

Rent	20,21,346	26,79,200
Repairs and maintenance to other assets	3,39,402	1,84,157
Directors sitting fees	4,88,445	1,34,500
Printing and stationery	11,54,574	12,61,496
Communication expenses	19,44,623	20,98,662
Travelling and conveyance	1,44,97,657	1,08,70,570
Insurance	23,34,237	32,76,856
Rates and taxes, excluding taxes on income	12,29,236	6,14,189
Payment to auditors:		
As auditor	3,00,000	3,00,000
As subsidiary audit	6,64,414	5,82,646
For Tax audit	1,75,000	1,75,000
For Quarterly reviews	1,05,000	90,000
For Taxation matters	55,000	50,000
For Other services	1,50,000	82,000
For Reimbursement of expenses	9,000	9,525
Legal and professional charges	71,31,622	14,95,965
Advertisement	3,76,942	2,89,191
Vehicle maintenance	1,60,986	3,76,667
Donations	49,348	88,750
Bad debts written off	32,20,625	27,93,672
Book deficit on assets discarded	78,704	4,43,265
Provision for doubtful debts	88,51,739	-
Net loss on foreign currency transaction and translation	17,45,809	-
Miscellaneous expenses	30,64,705	48,39,820
	5,01,48,414	3,27,36,131

Notes to Consolidated Financial Statements

23 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION:

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of preparation

The Consolidated financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on an accrual basis in all material respects with the notified Accounting Standards by the Companies (Accounting Standards) Rules, 2006 (as amended), other pronouncements of the Institute of Chartered Accountants of India and the relevant provisions of the Companies Act, 1956. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year. The consolidated financial statements are presented in Indian rupees rounded off to the nearest rupee.

All assets and liabilities have been classified as current or non-current as per the company's normal operating cycle and other criteria set out in Revised Schedule VI to the Companies Act, 1956. Being service provider, the company has assumed its operating cycle as 12 months for the purpose of current/non-current classification of assets and liabilities.

B. Principles of consolidation:

- a. The consolidated financial statements include the financial statements of Alphageo (India) Limited, the parent company and its subsidiary companies in which Alphageo (India) Limited, directly or indirectly, has an interest of more than one half voting power or otherwise has the power to control the composition of Board of Directors.
- b. The Consolidated financial statements have been prepared combining the financial statements of the parent company and the subsidiary companies on a line by line basis by adding together the book value of like items of assets, liabilities, income and expenses after eliminating intra-group balances and transactions and resulting unrealised profits in full. Unrealised losses resulting from intra group transactions have also been eliminated except to the extent that recoverable value of related assets is lower than their cost.
- c. The consolidated financial statements have been presented to the extent possible, in the same format as that adopted by the parent company for its separate financial statements.
- d. The consolidated statements have been prepared using uniform accounting principles for like transactions and other events in similar circumstances.

C. Use of estimates

The preparation of consolidated financial statements in conformity with generally accepted accounting principles requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities on the date of financial statements and reported amounts of revenues and expenses for the year. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates. Difference between actual results and estimates are recognised in the period in which the results are known/materialised.

D. Fixed assets and depreciation

- i) Fixed Assets are stated at cost of acquisition inclusive of inland freight, duties and taxes and incidental expenses related to acquisition.
- ii) Depreciation on Fixed Assets is being provided under Straight Line Method prorata at the rates mentioned below:
 - a) Machinery in the nature of Geophone strings and cables @ 19.00% per annum.
 - b) Machinery in the nature of equipment used for 3D Seismic Survey @ 19.00% per annum.
 - c) In case of all other assets at the rates specified in Schedule XIV of the Companies Act, 1956.

E. Intangible assets and amortisation

Cost relating to Intangible assets, which are acquired, are capitalised and amortised over the period of 3 years, which is based on their estimated useful life.

Notes to Consolidated Financial Statements

23 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION: (contd.)

F. Foreign exchange transactions

Transactions in Foreign Exchange, other than those covered by forward contracts are accounted for at the exchange rate prevailing on the date of transactions. Exchange differences arising on foreign currency transactions settled during the year are recognised in the Statement of Profit and Loss.

Monetary assets and liabilities denominated in foreign currencies as at the balance sheet date other than those covered by forward contracts are translated at the year end rates. The resultant exchange differences are recognised in the Statement of Profit and Loss.

Non-monetary assets and liabilities are recorded at the rates prevailing on the date of the transaction.

In translating the financial statements of a non-integral foreign operation for incorporation in financial statements, the assets and liabilities, both monetary and non-monetary, of the non-integral foreign operation are translated at the closing rate, income and expense items of the non-integral foreign operation are translated at average rate and all resulting exchange differences are accumulated in a foreign currency translation reserve until the disposal of the net investment.

On the disposal of the foreign non-integral foreign operation, the cumulative amount of the exchange differences which have been differed and which relate that operation are recognised as income or expenses in the same period in which the gain or loss on disposal is recognised.

When there is a change in the classification of a foreign operation, the translation procedures applicable to the revised classification are applied from the date of the change in the classification.

G. Investments

- i. Investments that are readily realisable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long term investments.
- ii. Current investments are carried at lower of cost and fair value determined on individual investment basis.
- iii. Long-term investments are carried at cost of acquisition. Provision is made for decline, other than temporary, in the value of investments.
- iv. On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

H. Inventories

Stock of Stores and spares is valued at lower of cost and net realisable value. Cost is determined considering the cost of purchase and other costs incurred for acquisition and on the basis of first in first out method (FIFO).

I. Employee stock option scheme

In accordance with the Securities and Exchange Board of India guidelines, the excess of the market price of the shares, at the date of grant of option under the employee stock option scheme, over the exercise price is treated as employee compensation and the same is amortised over the vesting period of the stock options.

J. Taxes on income

- i. Provision for taxation is the aggregate of current income tax, deferred income tax charge / (credit) for the year.
- ii. Current income tax:
The provision for taxation is based on assessable profits of the company as determined under the Income Tax Act, 1961. The Company also provides for such disallowances made on completion of assessment pending appeals, as considered appropriate depending on the merits of each case.

Notes to Consolidated Financial Statements

23 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION: (contd.)

iii. Deferred income tax

Deferred income taxes are recognised for the future tax consequences attributable to timing differences between the financial statement determination of income and their recognition for tax purposes. The effect on deferred tax assets and liabilities of a change in tax rates is recognised in income using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognised and carried forward only to the extent that there is a reasonable certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realised.

K. Proposed dividend

Proposed Dividend as proposed by the Board of Directors is provided in the books of account, pending approval at the Annual General Meeting.

L. Leases

Lease of assets under which all the risks and rewards of ownership are effectively retained by the lessor are classified as operating leases. Lease payments under operating leases are recognised as an expense on straight line basis over the period of lease.

M. Borrowing costs

Borrowing costs are attributable to the acquisition of qualifying asset are capitalised as part of cost of such asset till such time as the asset is ready for its intended use. Other borrowing costs are recognised as expense for the period.

N. Earnings per share:

- i) The basic earnings per share (EPS) is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.
- ii) For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of equity shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

O. Employee benefits

Defined contribution plans:

Provident Fund: Contribution to Provident Fund is made at the prescribed rates to the Employees Provident Fund Scheme by the Central Government and is charged to the Statement of Profit and Loss.

Defined benefit plans:

- i) Gratuity: The Company makes contribution to a scheme administered by the Life Insurance Corporation of India ('LIC') to discharge gratuity liabilities to the employees. Annual contribution to the fund as determined by the LIC is expensed in the year of contribution. The shortfall between the accumulated funds available with LIC and liability as determined on the basis of an actuarial valuation is provided for at the year end. The Actuarial gains/losses are immediately taken to Statement of Profit and Loss.
- ii) Leave encashment: The company records its unavailed leave liability based on actuarial valuation using projected unit credit method.

Short term employee benefits

Short term employee benefits are recognised as an expense as per the company's scheme based on expected obligation on undiscounted basis.

State Plans: Employer's contribution to Employee's State Insurance is charged to Statement of Profit and Loss.

Notes to Consolidated Financial Statements

23 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION: (contd.)

P. Revenue recognition

Revenue from services is recognised as per the terms of the contracts with customers when the related services are performed or the agreed milestones are achieved.

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

Q. Contingent liabilities

These are disclosed by way of Notes on the Balance sheet. Provision is made in the accounts in respect of those contingencies which are likely to materialise into liability after the year end, till the finalisation of accounts and have material effect on the position stated in the Balance Sheet.

R. Provisions

A provision is recognised when there is a present obligation as a result of past event. It is probable that an outflow of resources will be required to settle the obligation and in respect of which a reliable estimate can be made. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

S. Cash and cash equivalents

Cash and cash equivalents for the purpose of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

II. OTHER EXPLANATORY INFORMATION

1. Corporate Information:

Alphageo (India) Limited ('AGIL or Company') and its consolidated subsidiaries (The Group) mainly engaged in providing 2 Dimensional and 3 Dimensional Seismic Data Acquisition, Processing and Interpretation Services for Oil Exploration and Production Sector.

2. Previous year figures have been regrouped/ recast/ rearranged wherever necessary to conform to current year classification.

3. Nature and classification of foreign operations:

The activities and business carried on by Subsidiary and Step-down Subsidiary of the company are exclusive in nature and without having any involvement of the parent company except for its investment and its control for exercising its voting rights and for appointment of its nominees on the Board of Directors of its Group Companies. The cash flow from the operations of the parent company does not effect with the exchange rate fluctuations between the reporting currency and the currency in the country of foreign operations. The operations of the subsidiaries are being carried out in a separate geographical locations viz., outside India with different customers and totally non-integral in nature. Accordingly the financial statements for the current year are prepared considering the foreign operations as non-integral operations and the exchange differences on account of translation of financial statements at the current year end of foreign operations are recognised as "Foreign Exchange Translation Reserve" under Reserves and Surplus and the same will be continued to be recognised as such till the disposal of the parent company's investment.

4. List of foreign subsidiaries considered for consolidation:

(Amount in Rupees)

S. No.	Name of the Entity	Country of Incorporation	Extent of holding	
			As on 31.3.2013	As on 31.3.2012
1	Alphageo International Limited	DUBAI	100%	100%
2	Alphageo DMCC (Subsidiary of Alphageo International Limited)	DUBAI	100%	100%

Notes to Consolidated Financial Statements

23 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION: (contd.)

5. Contingent Liabilities and Commitments: (Amount in Rupees)

Particulars	2012-13	2011-12
Contingent Liabilities:		
Towards Guarantees issued by bank	5,42,90,500	3,54,50,500
Income tax demands disputed by the company	94,55,450	16,57,548

6. In the opinion of the Board, all assets other than fixed assets and non-current investments have a value on realisation in the ordinary course of business atleast equal to the amount at which they are stated and provision for all known liabilities have been made.

As a matter of prudence, company has made a provision of Rs.88,51,739/- towards doubtful recovery of Trade Receivables.

7. Derivative Instruments:

- There are no foreign currency exposures that are covered by derivative instruments as on 31.03.2013 (Previous year: Rs.Nil).
- The details of foreign currency exposures that are not hedged by any derivative instruments or otherwise are as under:

(Amount in Rupees)

Particulars	As on 31.03.2013		As on 31.03.2012	
	Amount in Foreign Currency US\$	Equivalent Amount in Indian Currency	Amount in Foreign Currency US\$	Equivalent Amount in Indian Currency
Payables for supplies	23,43,257.50	12,74,48,135	4,667.50	2,38,773

8. Employee Stock Option Scheme:

- In respect of Options granted to employees under the Employees Stock Option Scheme, in accordance with the guidelines issued by Securities and Exchange Board of India, the accounting value of options, determined based on market price of the share on the before day of the grant of the Option, is accounted as Deferred Employee Compensation Costs and the same is being amortised on straight line basis over the vesting period of stock options. Consequently for the current year, an amount of Rs.26,26,531/- has been written back (Previous Year Rs.29,83,618/-).

- Movement in the options during the year is as detailed below: (Nos)

Particulars	2012-13	2011-12
Options outstanding at the beginning of the year	61,969	1,26,667
Granted during the year	--	--
Expired/Forfeited during the year	41,735	64,698
Exercised during the year	--	--
Options exercisable at the end of the year	20,234	61,969

Notes to Consolidated Financial Statements

23 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION: (contd.)

9. Employee Benefits:

The disclosures required under Accounting Standard 15 "Employee Benefits": (Amount in Rupees)

Particulars	2012-13	2011-12
i. Defined Contribution Schemes		
Employer's Contribution to Provident Fund	12,29,432	11,93,797
ii. State Plans		
Employer's Contribution to State Insurance Scheme	89,706	1,45,177
iii. Defined Benefit Plans		

The present value of obligation in respect of Provision for Payment of Gratuity and Leave encashment is determined, based on actuarial valuation using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation, recognised and charged off during the year are as under:

a. Reconciliation of opening and closing balances of Defined Benefit obligation: (Amount in Rupees)

Gratuity (Unfunded)	2012-13	2011-12
i) Components of Employer Expense		
Current Service Cost	3,13,662	2,78,437
Interest Cost on benefit obligation	3,72,331	3,05,354
Return on Plan Assets	(3,26,323)	(2,46,131)
Actuarial (gain)/loss	4,42,290	2,77,073
Net benefit expense	8,01,960	6,14,733
ii) Actual Return on Plan Assets	(3,26,323)	(2,46,131)
iii) Net Asset / Liability recognised in Balance Sheet		
Define Benefit Obligation	54,97,188	46,54,136
Fair Value Of Plan Assets	(37,14,224)	(36,42,458)
Status (Surplus)/Deficit	17,82,964	10,11,678
Unrecognised Past Service Cost	--	--
Net (Asset)/Liability recognised in Balance Sheet	17,82,964	10,11,678
iv) Changes in the PV of DBO		
At the beginning of the year	46,54,136	38,16,926
Current Service Cost	3,13,662	2,78,437
Interest Cost	3,72,331	3,05,354
Actuarial (gain)/loss	4,42,290	2,77,073
Benefits paid	(2,85,231)	(23,654)
At the end of the year	54,97,188	46,54,136
v) Changes in Fair Value of Plan Assets		
Opening Fair Value of Plan Assets	36,42,458	26,88,608
Expected Return	3,26,323	2,46,131
Contributions	30,674	7,31,373
Benefits Paid	(2,85,231)	(23,654)
Actuarial Gain/ Loss	--	--
Closing Fair value of Plan Assets	37,14,224	36,42,458

Notes to Consolidated Financial Statements

23 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION: (contd.)

a. Reconciliation of opening and closing balances of Defined Benefit obligation: (contd.)		(Amount in Rupees)	
Gratuity (Unfunded)	2012-13	2011-12	
vi) Movement in Balance Sheet			
Opening Liability	10,11,678	11,28,318	
Expenses as above	8,01,960	6,14,733	
Contribution Paid	(30,674)	(7,31,373)	
Closing Liability	17,82,964	10,11,678	
vii) Actuarial assumptions:			
Mortality Table (L.I.C)	1994-96		
	(Ultimate)	(Ultimate)	
Discount rate (per annum)	8.00%	8.00%	
Attrition Rate (per annum)	4.00%	4.00%	
Rate of escalation in salary (per annum)	4.00%	4.00%	
Expected rate of return	9.00%	9.00%	
b. Reconciliation of opening and closing balances of Defined Benefit obligation:		(Amount in Rupees)	
Leave Encashment (Unfunded)	2012-13	2011-12	
i) Statement of Profit and Loss			
Current Service Cost	24,987	3,446	
Interest Cost on benefit obligation	5,722	6,647	
Return on Plan Assets	--	--	
Actuarial (gain)/loss	53,139	(734)	
Past Services cost	--	--	
Net benefit expense	83,848	9359	
ii) Balance Sheet			
At the beginning of the year	71,526	83,009	
Current Service Cost	24,987	3,446	
Interest Cost	5,722	6,647	
Actuarial (gain)/loss	53,139	(734)	
Benefits paid	--	(20,922)	
At the end of the year	1,55,374	71,526	
iii) Actuarial assumptions:			
Mortality Table (L.I.C)	1994-96		
	(Ultimate)	(Ultimate)	
Discount rate (per annum)	8.00%	8.00%	
Attrition Rate (per annum)	4.00%	4.00%	
Rate of escalation in salary (per annum)	4.00%	4.00%	

The estimates of rate of escalation in salary considered in actuarial valuation, is determined taking into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is as certified by the actuary.

Notes to Consolidated Financial Statements

23 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION: (contd.)

10. Segmental Reporting:

Segments are identified in line with AS 17 "Segment Reporting", taking into consideration the internal organization and management structure as well as the differential risk and returns of the segment.

Identification of reportable segments:

A. Business Segment:

The Company is engaged in providing 2 Dimensional and 3 Dimensional Seismic Data Acquisition, Processing and Interpretation Services for Oil Exploration and Production Sector, which is considered as Primary reportable segment.

B. Geographical Segment:

Revenue is segregated into two segments namely India (Services to customers with in India) and other countries (Services to customers outside India) on the basis of geographical location of customers for the purpose of reporting geographical segments.

Financial Information as required in respect of reportable segments is as given below:

Details	India		Other Countries		Total	
	31.03.2013	31.03.2012	31.03.2013	31.03.2012	31.03.2013	31.03.2012
Revenue (From external Customers)	7,96,85,719	25,20,03,915	15,59,81,724	18,73,38,196	23,56,67,443	43,93,42,111
Carrying amount of Segment Assets	39,50,88,605	41,02,53,642	34,34,82,451	24,76,65,511	73,85,71,056	65,79,19,153
Additions to Fixed Assets	59,11,403	8,28,670	1,69,11,211	41,07,893	2,28,22,614	49,36,563

(Amount in Rupees)

11. Related Party Transactions:

The details of transactions with the related parties as defined in the Accounting Standard AS-18 "Related Party Disclosures":

i. List of Related Parties with whom transactions have taken place and nature of relationships:	Transactions during the year (Yes/No)
a. Key Management Personnel Sri A. Dinesh	
b. Relatives of Key Management Personnel Sri A. Rajesh Smt. Kamala Rajupet Sri A. Sashank Smt A. Savita Ms A. Anisha	
c. Concern in which Key Management Personnel have substantial interest (Significant interest): A. Dinesh(HUF)	Yes
d. Concerns in which the Relatives of Key Management Personnel have substantial interest (Significant interest): Aquila Drilling Private Limited Transducers and Controls Private Limited A. Rajesh(HUF) IIC Technologies Limited IIC Academy Private Limited IIC Geosurveys Private Limited	Yes No Yes No No No

Notes to Consolidated Financial Statements

23 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION: (contd.)

11. Related Party Transactions: (contd.)

ii. Details of Transactions		(Amount in Rupees)			
Sl. No.	Nature of Relation/Nature of Transactions	2012-13		2011-12	
		Amount of Transaction	Amount outstanding as on 31.03.2013	Amount of Transaction	Amount outstanding as on 31.03.2012
1	Key Management Personnel:				
	Remuneration	39,86,332	8,33,201 (Credit)	39,68,444	8,06,504 (Credit)
	Interest on Loan	2,79,041	1,46,712 (Credit)	91,977	37,971 (Credit)
	Acceptance of Loan	45,00,000	45,00,000 (Credit)	74,00,000	25,00,000 (Credit)
	Repayment of Loan	25,00,000	--	49,00,000	--
	Allotment of Equity Shares including Premium	45,00,000	--	--	--
2	Relatives of the Key Management Personnel:				
	Sitting Fees	42,442	--	39,500	--
	Rent	30,000	20,730 (Credit)	--	--
	Allotment of Equity Shares including Premium	75,00,000	--	--	--
	Allotment of Share Warrants	30,00,000	--	--	--
3	Concerns in which Key Management Personnel has Substantial Interest:				
	Rent	1,00,000	93,000 (Credit)	--	--
4	Concerns in which Relative of the Key Management Personnel has Substantial Interest:				
	Survey/Drilling Charges	2,37,06,000	99,62,035 (Credit)	4,48,09,900	1,64,58,749 (Credit)
	Acceptance of Loan	25,00,000	25,00,000 (Credit)	35,00,000	--
	Repayment of Loan	--	--	35,00,000	--
	Interest on Loan	61,644	55,480 (Credit)	1,76,229	--
	Allotment of Equity Shares including Premium	30,00,000	--	--	--
	Allotment of Share Warrants	7,50,000	--	--	--
	Rent	1,00,000	93,000 (Credit)	--	--

iii. Disclosure in respect of transactions which are more than 10% of the total transactions of the same type with related parties during the year:

		(Amount in Rupees)	
Nature of Transaction	Name of the Related Party	2012-13	2011-12
Remuneration	Sri. A. Dinesh	39,86,332	39,68,444
Interest on Loan Taken	Sri. A. Dinesh	2,79,041	91,977
	Aquila Drilling Private Limited	61,644	1,76,229
Repayment of Loan	Sri. A. Dinesh	25,00,000	49,00,000
	Aquila Drilling Private Limited	-	35,00,000
Acceptance of Loan	Sri. A. Dinesh	45,00,000	74,00,000
	Aquila Drilling Private Limited	25,00,000	35,00,000
Sitting Fees	Sri. A. Rajesh	42,442	39,500
Drilling Charges	Aquila Drilling Private Limited	2,37,06,000	4,48,09,900
Investment	Alphageo International Limited	-	13,20,86,175

Notes to Consolidated Financial Statements

23 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION: (contd.)

11. Related Party Transactions: (contd.)

iii. Disclosure in respect of transactions which are more than 10% of the total transactions of the same type with related parties (contd.):

(Amount in Rupees)			
Nature of Transaction	Name of the Related Party	2012-13	2011-12
Share Application Money Appropriated	Alphageo International Limited	-	12,54,26,925
Allotment of Equity shares including premium	Sri. A. Dinesh	45,00,000	-
	Smt. Kamala Rajupet	75,00,000	-
	Aquila Drilling Private Limited	30,00,000	-
Allotment of Share Warrants	Aquila Drilling Private Limited	7,50,000	-
	Sri A. Sashank	7,50,000	-
	Smt A. Savita	15,00,000	-
	Ms A. Anisha	7,50,000	-
Rent	Sri A. Dinesh(HUF)	1,00,000	-
	Sri A. Rajesh(HUF)	1,00,000	-
	Smt. Kamala Rajupet	30,000	-

12. Leases

The Company has various operating lease for Office and other premises that are renewable on a periodic basis by mutual consent on mutually agreeable terms and cancellable at its option. Rental/lease expenses for operating leases recognised in the Statement of Profit and Loss for the year is Rs.49,68,654/- (Previous Year Rs.47,51,725/-)

13. Loss Per Share

(Amount in Rupees)		
Particulars	2012-13	2011-12
The Numerator and Denominator used to calculate Loss Per Share:		
A Loss attributable to Equity shareholders	10,70,31,340	5,07,35,581
B Number of Shares:		
Weighted average number of Equity shares outstanding during the year (Nos.)	52,95,041	51,34,767
Nominal Value of Equity Share	10	10
C Loss Per Share – Basic/Diluted	20.21	9.88

14. Deferred Income Tax

The movement of provision for deferred tax for the year ended 31.03.2013 is as given below:

(Amount in Rupees)			
Particulars	As at 01.04.2012	(Charge)/Credit For the year	As at 31.03.2013
Deferred Tax Asset:			
Depreciation on Assets	6,64,89,114	(35,73,092)	6,29,16,022
Expenses allowable on the basis of Payment	35,88,160	3,67,353	39,55,513
Total	7,00,77,274	(32,05,739)	6,68,71,535

Notes to Consolidated Financial Statements

23 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION: (contd.)

15. The Group has incurred cash loss of Rs.1,32,12,175/- for the year ended 31st March, 2013. And as at 31st March, 2013 the Company has Consolidated Current Liabilities constituting Creditors for Capital Works of Rs.12,71,94,273/- and Other Operational Current Liabilities of Rs.19,89,50,012/- aggregating to Rs.32,61,44,285/- and the Consolidated Current Assets of Rs.15,09,77,555/-. The consolidated Current Liabilities as at the year end exceed total consolidated Current Assets by Rs.17,51,66,730/-. The Company, being confident of its continued and profitable operations, is poised towards discharging all its current obligations.
16. The audited financial statements of foreign subsidiaries have been prepared in accordance with the generally accepted accounting principle of its country of incorporation. The difference in accounting policies of the company and its subsidiaries are not material.

17. Financial Information of Subsidiary Companies

(Amount in Rupees)

S. NO	Particulars	Alphageo International Limited	Alphageo Dmcc
1	Reporting currency	USD	USD
2	Capital	15,49,03,283	29,49,532
3	Reserves	(17,48,562)	3,14,65,189
4	Total assets	18,68,21,263	35,53,14,691
5	Total liabilities	18,68,21,263	35,53,14,691
6	Investments (except incase of investment in subsidiaries)	NIL	NIL
7	Turnover	72,42,370	15,59,00,456
8	Profit before taxation	3,88,448	49,56,497
9	Provision for taxation	NIL	49,03,522
10	Profit after taxation	3,88,448	52,975
11	Proposed dividend	NIL	NIL
12	Country	DUBAI	DUBAI

As on 31.03.2013: 1 USD = 54.3893

Per Our Report of even date

For and on behalf of the Board

For P.V.R.K.Nageswara Rao & Co.,
Chartered Accountants
Firm's Registration Number: 0022835

A.Dinesh
Managing Director

Z.P.Marshall
Chairman

P.V.R.K.Nageswara Rao
Partner
Membership Number: 18840

Venkatesa Perumallu Pasumarthy
Chief Financial Officer

Hyderabad
28.05.2013



ALPHAGEO (INDIA) LIMITED

Regd. Office: 802, Babukhan Estate, Basheerbagh, Hyderabad-500 001, Andhra Pradesh
Corporate Office: 6-3-250/2, Road No.1, Banjara Hills, Hyderabad – 500 034, Andhra Pradesh

NOTICE OF 26TH ANNUAL GENERAL MEETING

Notice is hereby given that the **Twenty Sixth** Annual General Meeting of the Members of **ALPHAGEO (INDIA) LIMITED** will be held on **Monday, 30th September 2013**, at 11.00 AM at "Sundarayya Vignana Kendram", 1-8-1/B/25A, Baghlingampally, Hyderabad-500 044, Andhra Pradesh to transact the following business:

Ordinary Business

1. To consider and adopt the Audited Balance Sheet as at 31st March 2013 and the Statement of Profit and Loss for the year ended on that date along with the Report of Directors' and Auditors' thereon.
2. To appoint a Director in the place of Mr. Z.P. Marshall, who retires by rotation and being eligible, offers himself for reappointment.

3. To appoint a Director in the place of Mr. Ashwinder Bhel, who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint M/s. P. V. R. K. Nageswara Rao & Co., Chartered Accountants, Hyderabad (Firm Registration Number No.002283S), as Statutory Auditors of the Company who shall hold office from the conclusion of the ensuing Annual General Meeting and to fix their remuneration.

By Order of the Board

Place: Hyderabad

Date: 01.08.2013

Z.P. Marshall

Chairman

Notes

1. A Member entitled to attend and vote is entitled to appoint to Proxy to attend and vote instead of himself and the Proxy need not be the Member of the Company. The Proxies in order to be effective should be deposited at the CORPORATE OFFICE of the Company not less than 48 hours before the commencement of the Meeting.
2. Members/proxies are requested to bring the attendance slips duly filled in for attending the meeting and bring their copies of the Annual Report to the meeting.
3. In case of Joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
4. Members who hold shares in dematerialization form are requested to write their client ID and DP ID numbers and those who hold shares in physical form are requested to write their Folio Number in

the attendance slip for attending the meeting.

5. The Register of Members and Share Transfer books of the Company will remain closed from 22nd September, 2013 to 30th September, 2013 (both days inclusive).
6. M/s. Karvy Computershare Private Limited, Plot No.17-24, Vittal Rao Nagar, Madhapur, Hyderabad-500081 acts as the Company's Registrar and Share Transfer Agent for both manual and electronic form of shareholding. All communication relating to shares should be addressed directly to them.
7. Members are requested to notify immediately any change in their address to our Registrar and Share Transfer Agents M/s. Karvy Computershare Private Limited, Hyderabad.
8. Non-Resident Indian Shareholders are requested to inform the Registrars M/s. Karvy Computershare Private Limited immediately:

- a) The change in the Residential Status on return to India for permanent settlement.
- b) The particulars of the Bank Account maintained in India with complete name, branch, account number and address of the Bank, if not furnished earlier.
9. Corporate Members intending to depute their authorized representatives are requested to send a duly certified copy of the Board resolution authorizing their representatives to attend and vote at the Annual General Meeting.
10. Consequent upon the introduction of Section 109A of the Companies Act, 1956 shareholders are entitled to make nomination in respect of shares held by them in physical form. Shareholders desirous of making nominations are requested to send their request in Form 2B (which will be made available on request) to the Registrar and Share Transfer Agent M/s. Karvy Computershare Private Limited.
11. Members desiring to seek any information on the annual accounts are requested to write to the Company at an early date to enable compilation of information.
12. The Ministry of Corporate Affairs ('Ministry'), Government of India, has taken a "Green Initiative in Corporate Governance" by allowing paperless compliances by companies through electronic mode. As per the Circular, companies can now send various notices /documents (including notice calling Annual General Meeting, Audited Financial Statements, Directors' Report, Auditors Report etc.,) to their shareholders through electronic mode, to the registered email addresses of the Shareholders.

Members who would like to receive such notices / documents in electronic mode in lieu of physical copy and who have not registered their email address so far or who would like to update their email addresses already registered, are requested to register / update their email addresses:

- In respect of electronic shareholding-through their respective Depository Participants;
- In respect of physical shareholding-by sending a request to the Company's Share Transfer Agent mentioning their folio number and email address.

13. The information in terms of Clause 49 of the Listing Agreement with the Stock Exchanges pertaining to the Directors retiring by rotation and seeking reappointment is furnished below:

- 1) **Mr. Z. P. Marshall** is a professional Director on the Board of the Company. Mr Z.P. Marshall is a Graduate in Engineering from Madras Institute of Technology. He held senior positions during his long career at DRDO and BDL, spanning 30 years. He retired as Managing Director of M/s. Bharath Dynamics Limited, a public sector undertaking, in 1988. He has been on the Board of the Company since 1992 and is currently Non-Executive Chairman of the Company and Chairman of the Committees of Board of Directors of the Company. Mr. Z.P. Marshall is holding 500 Equity Shares of the Company.
- 2) **Mr. Ashwinder Bhel** is an Independent Director on the Board of the Company. Mr. Ashwinder Bhel is a Master in Business Administration from Case Western Reserve University, Cleveland, Ohio with over two decades of rich and varied experience in the Oil Industry. He is also Director of Delta Automation Pvt Ltd and Deim Technologies Pvt Ltd. He is member of Audit Committee and Remuneration Committee of Board of Directors of the Company. Mr. Ashwinder Bhel does not hold any Equity Shares of the Company.

By Order of the Board

Place: Hyderabad
Date: 01.08.2013

Z.P. Marshall
Chairman

“A journey of a
thousand miles begins
with a single step.”
– Lao-tzu,



ALPHAGEO (INDIA) LIMITED

Regd. Office: 802, Babukhan Estate, Basheerbagh, Hyderabad-500 001, Andhra Pradesh
Corporate Office: 6-3-250/2, Road No.1, Banjara Hills, Hyderabad – 500 034, Andhra Pradesh

PROXY FORM

D.P. ID:	_____
Client Id / Folio No.	_____
No. of Shares Held	_____

I / We _____ R/o _____

being a member/members of the Company hereby appoint Mr / Mrs _____ or failing him / her _____ R/o _____ as my / our Proxy to vote for me / us on my / our behalf at the 26th Annual General Meeting of **Alphageo (India) Limited** to be held on **Monday, 30th September 2013 at 11.00 AM** at "Sundarayya Vignana Kendram, 1-8-1/B/25A, Baghlingampally, Hyderabad-500 044 (AP).

Affix
One Rupee
Revenue
Stamp

Signed this-----day of-----2013

- Note:**
1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and a proxy need not be a member.
 2. Proxy form duly stamped and executed should reach the Corporate Office of the Company atleast 48 hours before the time fixed for the commencement of the meeting.
 3. The member/proxy should bring the attendance slip sent herewith duly filled for attending the meeting and hand it over at the entrance duly signed by them.



ALPHAGEO (INDIA) LIMITED

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Corporate Office: 6-3-250/2, Road No.1, Banjara Hills, Hyderabad – 500 034, Andhra Pradesh

ATTENDANCE SLIP

26th Annual General Meeting, on Monday, 30th September 2013 at 11.00 AM

D.P. ID:	_____
Client Id / Folio No.	_____
No. of Shares Held	_____

NAME AND ADDRESS OF REGISTERED SHAREHOLDER

I certify that I am a registered Shareholder /Proxy for the registered Shareholder of the Company.

I hereby record my presence at the 26th Annual General Meeting of the Company held on Monday, the 30th September, 2013 at 11.00 AM at 'Sundarayya Vignana Kendram, 1-8-1/B/25A, Baghlingampally, Hyderabad-500 044 (AP).

.....
Signature of Member/Proxy

CORPORATE INFORMATION

Board of Directors

Mr. Z.P. Marshall	<i>Chairman</i>
Mr. Alla Dinesh	<i>Managing Director</i>
Mr. P.K. Reddy	<i>Director</i>
Mr. S. Ravula Reddy	<i>Director</i>
Mr. Ashwinder Bhel	<i>Director</i>
Mr. Alla Rajesh	<i>Director</i>

Chief Financial Officer

Venkatesa Perumallu Pasumarthy, B.Com, FCA

Auditors

M/s. P.V.R.K. Nageswara Rao & Co.,
Chartered Accountants
109, Metro Residency,
Rajbhavan Road, Somajiguda,
Hyderabad - 500 082, Andhra Pradesh

Banker

State Bank of India
Commercial Branch, Koti,
Hyderabad 500 095, Andhra Pradesh

Registered office

802, Babukhan Estate, Basheerbagh
Hyderabad - 500 001, Andhra Pradesh

Corporate office

6-3-250/2, Road No. 1, Banjara Hills
Hyderabad 500 001, Andhra Pradesh.

Share transfer agents

M/s. Karvy Computershare Private Limited
Plot No. 17 to 24, Vithal Rao Nagar,
Madhapur, Hyderabad - 500 081
Ph: 040-23420818 Fax: 040-23420814
E-mail: einward.ris@karvy.com
Website: www.karvycomputershare.com



Alphageo (India) Limited

6-3-250/2, Road No.1, Banjara Hills
Hyderabad – 500 034, Andhra Pradesh

www.alphageoindia.com