

A background of a topographic map with grey contour lines on a white field.

**WE**

A background of a wood texture with various shades of brown and orange, showing natural grain patterns and knots.

**CAN'.**

# 'WE CAN'.

SCEPTICS OUTLINED A NUMBER OF REASONS WHY WE WOULD FAIL IN FY2017 WHEN WE WERE FACED WITH A RECORD ₹1300 CRORE INCREASE IN OUR ORDER BOOK.

THEY SAID WE DIDN'T HAVE ENOUGH CREWS.  
THEY SAID WE DIDN'T HAVE ENOUGH PROFESSIONAL TALENT.  
THEY SAID WE DIDN'T HAVE THE EXPERIENCE TO MANAGE SCALE.  
THEY SAID WE DIDN'T HAVE A BROADBASED CAPITAL STRUCTURE.

## CONTENTS

**Corporate overview** • Introduction 1 | Corporate snapshot 14 | The big Alphageo numbers 16 | From the Chairman's desk 18 | Operational review 20 | How we do business 24 | Track record 26 | Management discussion and analysis 28

**Management reports** • Directors' report 48 | Report on corporate governance 72

**Financial statements** • Standalone financial statements 92 | Consolidated financial statements 128

**Notice** • 157

THEY HADN'T FIGURED THAT WE POSSESSED SOMETHING MORE PRECIOUS THAN ALL THESE CHALLENGES COMBINED.

Our self-belief.  
Captured in two simple words.

**'We can'.**



# 'WE CAN'

MORE THAN A STATEMENT. A *PHILOSOPHY* AT ALPHAGEO

The courage to stay in the fight even when the odds appear loaded against you

The conviction that there must be a better way even though it may not be immediately evident

The belief that team-working is the eventual balm that counters the pain of multi-site challenges

The knowledge of all the nuts and bolts of the business, making it possible to take informed decisions ground-level up



**242 1530**

Peak order book (Rs, cr),  
net of taxes, until 2016-17

Peak order book (Rs, cr),  
net of taxes, in 2016-17

**4 17**

Maximum crews the  
company worked with  
before 2016-17.

Crews the company  
worked with in 2016-17

**101 241**

Personnel before  
2016-17

Personnel in  
2016-17

# WISDOM

A PHILOSOPHY THAT WAS LIVED

AT ALPHAGEO THROUGH 2016-17

Alphageo's 'we can'  
confidence ...and how it  
inspired us to overcome  
the biggest challenge in  
our existence



At Alphageo, we entered our business three decades ago around the conviction that as India needed increased oil to address its growing industrial and consumer appetite, it would be compelled to locate more domestic sources than import.

There were a number of times when our long-term conviction was tested. When seismic exploration contracts did not happen. When there was no government clarity on fresh exploration. When order flows declined.

During those challenging days, Alphageo selected to shrink rather than disappear. The one positive result of those challenging days was that Alphageo created a frugal cost structure; this structure made it possible for the company to adapt to the worst of times; the structure never bloated during periods of recovery.

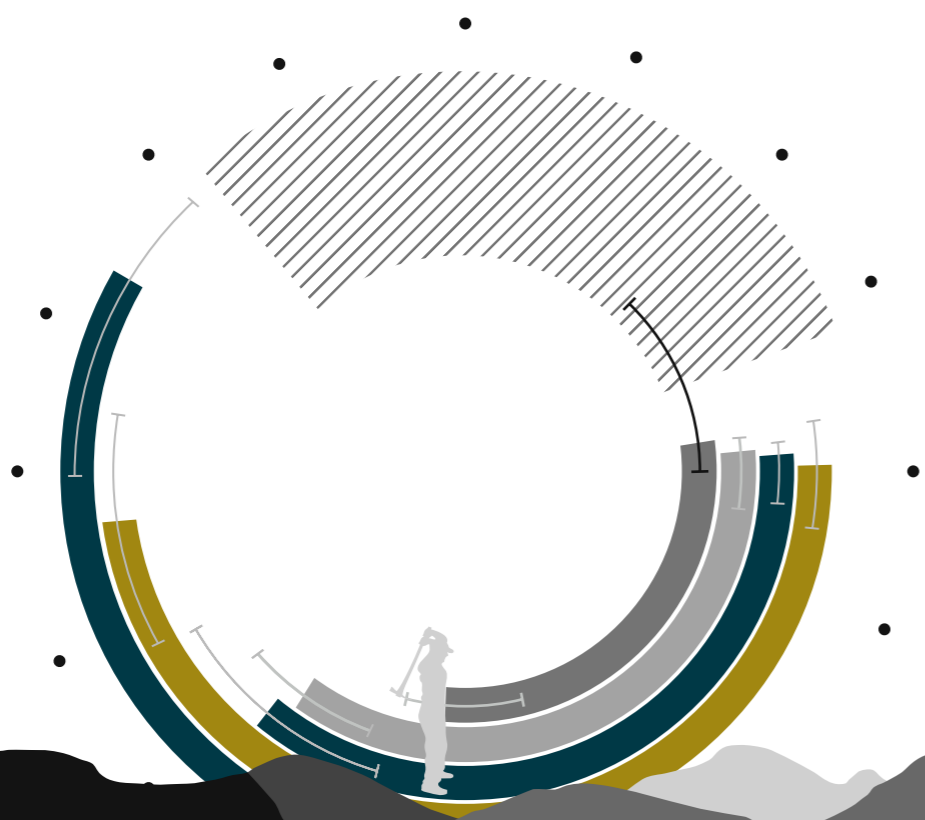
The result of Alphageo staying in the game was that the company accreted knowledge. The company stayed with minimal debt. The company's management structure remained lean.

The combination has paid off.

Alphageo is possibly the largest seismic services company in the world (ex-China and Russia) in terms of crews. The company enjoys an undisputed global cost leadership.

And all because a small voice kept whispering two words a few decades ago when all looked hopeless.

**'We can.'**



Alphageo mobilised resources on schedule across ten sites in early October and scaled to 17 different sites as the season progressed

At Alphageo, we were faced with an interesting irony last year. On the one hand, we were absolutely delighted to receive the largest order in our existence – and possibly one of the largest orders for seismic services received by any company in the world.

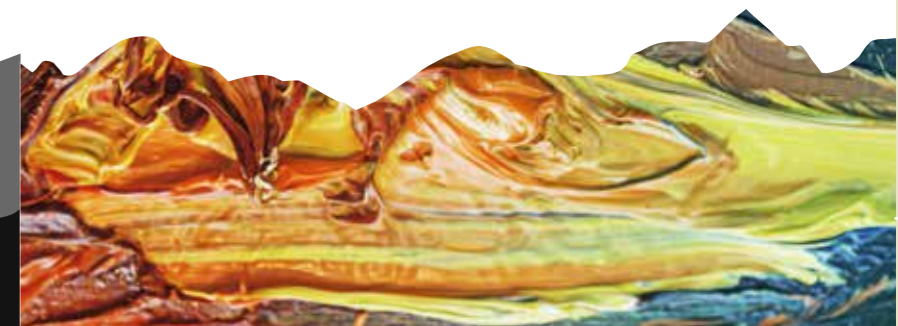
On the other hand, we were challenged by the need to aggregate the largest aggregation of diverse resources in the shortest time - of capital, executives, workers and equipment.

Besides, the challenge lay in aggregating these resources with considerable experience into a distinctive Alphageo way of things, which required considerable learning and unlearning.

Of all the things that Alphageo achieved during the year under review, this proved the most intimidating.

Finally, when Alphageo mobilised resources on schedule across ten sites in early October and scaled to 17 different sites as the season progressed, a new-found conviction emerged.

A conviction reflected in two words. **'We can.'**



Alphageo's 'We can' confidence... and how it inspired us to overcome the biggest challenge in our existence

# Alphageo's 'We can' conviction ... and how it protected our Balance Sheet integrity at a time of stress

What would have normally been paid out of reserves and debt was now paid out of accruals

At Alphageo, there was a danger that the largest order inflow in our existence would destroy something we cherished.

## Our Balance Sheet.

The attractiveness of the Alphageo Balance Sheet was something we had zealously protected across the decades.

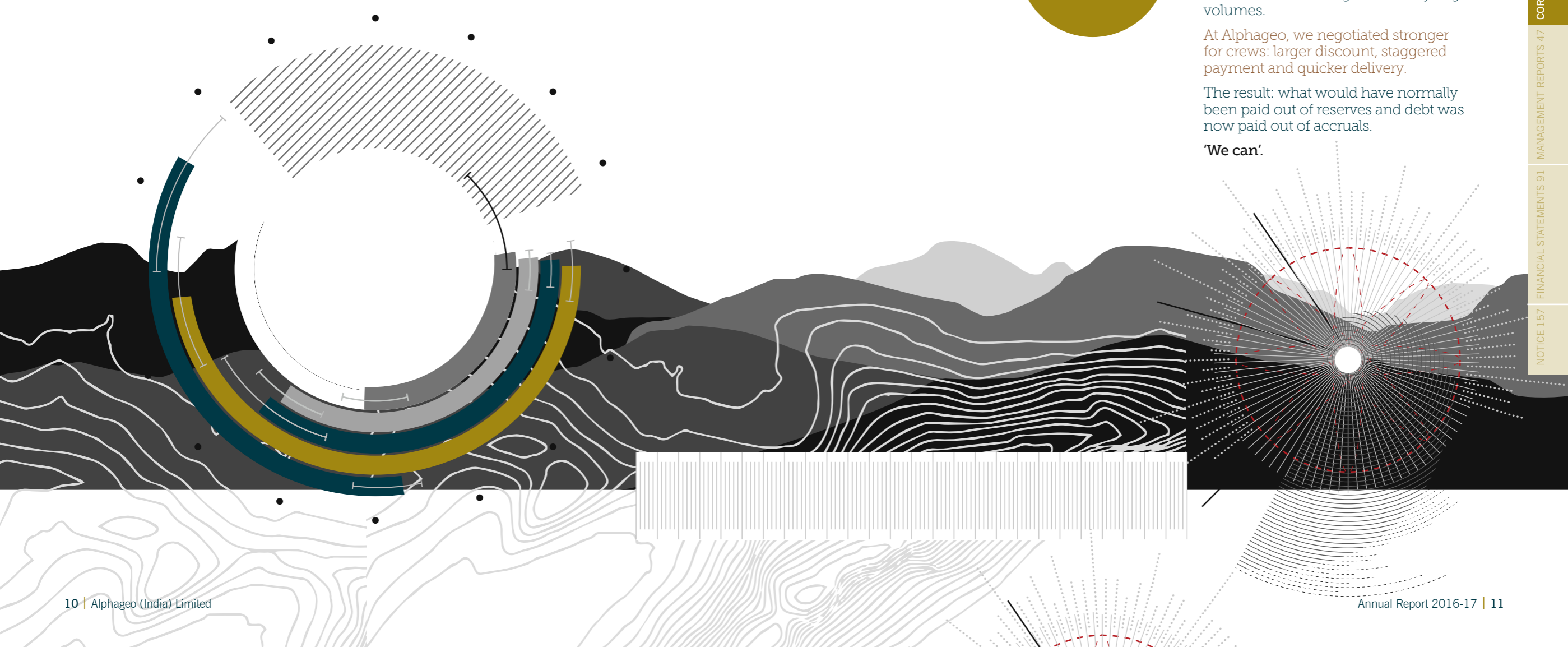
Minimal debt. High margin. Free cash. High return on employed capital.

When we received the largest order inflow, even well-meaning analysts indicated that we would have to live with a weaker Balance Sheet. Because we would need to mobilise large debt to buy crews. Because we would need to live with moderated margins offset by larger volumes.

At Alphageo, we negotiated stronger for crews: larger discount, staggered payment and quicker delivery.

The result: what would have normally been paid out of reserves and debt was now paid out of accruals.

**'We can.'**



# Alphageo's 'We can' conviction ... and how it enabled us to work concurrently across 17 sites

At Alphageo, we developed a respect for being able to negotiate some of the most inhospitable sites across the country – and still delivering projects on schedule.

The company was close to achieving its operating target in 2016-17.

We addressed the same challenge in 2016-17 – with a difference.

Across the last 30 years of our existence, we were required to work in one challenging terrain at a time, making it possible to focus our organisational energy completely on the project at hand.

In 2016-17, we were required to work on 17 of the most diversely challenging locations in India.

Concurrently.

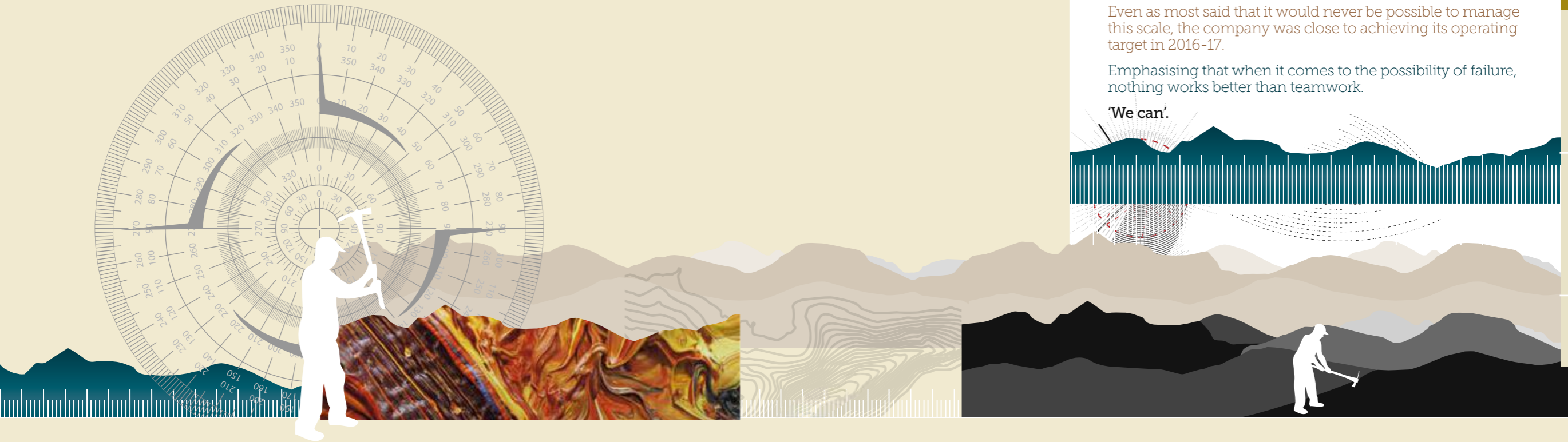
The desert sands of Rajasthan. The challenging Deccan. The difficult valleys of Chambal and Sone. The shrimp farms of Andhra Pradesh. The farmlands of Karnataka. The undulating North East. The Himalayan mountains in Uttarakhand.

The company responded to this logistical nightmare with a combination of technology and process discipline (reporting).

Even as most said that it would never be possible to manage this scale, the company was close to achieving its operating target in 2016-17.

Emphasising that when it comes to the possibility of failure, nothing works better than teamwork.

'We can.'





## Corporate snapshot

Alphageo (India) Limited is one of the world's largest seismic service companies.

The company is also one of the lowest cost service providers in the world.

This scale and cost leadership have been derived from a number of capabilities.

Staying in business through good markets and bad. Continuous engagement with prominent customers. Courageous ability to embrace challenging projects.

And that has made all the difference.

We have emerged as arguably the fastest growing seismic services provider in the world.

### Our management

The company was founded by visionary Late Alla Shankar Reddy in 1987. The company has been grown from its first day of operations by Dinesh Alla, currently Managing Director.

### Our business

We provide 2D and 3D seismic and related services (seismic data acquisition, processing and interpretation) for exploration companies in the oil and gas sector.

### Our presence

We are headquartered in Hyderabad (India) with a working experience across 13 states in India as well as Myanmar and Republic of Georgia. Our equity shares are listed on bourses of the BSE Limited (BSE) and the National Stock Exchange of India Ltd (NSE).

### Our pedigree

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

### Our experience

We enjoy a multi-geographic, multi-terrain and multi-customer experience.

### Other information

BSE Code: 526397

NSE Code: ALPHAGEO

Face value per share: ₹10/-

Market capitalisation: ₹547 crore

Enterprise value: ₹615 crore

### Our order book

# 24640

Line km of 2D Seismic data acquisition as on March 31, 2017

# 320

Sq Km of 3D Seismic data acquisition as on March 31, 2017

# 1200

Value of the order (Rs crore), net of taxes (approx)

## 2016-17: The inflection year

### Financial

Revenue from operations grew by 332% from ₹6860 lakhs in 2015-16 to ₹29656 lakhs in 2016-17

EBITDA grew by 484% from ₹1627 crore in 2015-16 to ₹9504 crore in 2016-17

Net profit grew by 607% from ₹1031 lakhs in 2015-16 to ₹7293 lakhs in 2016-17

### Profitability

EBITDA margin stood at 31.90% in 2016-17 against 23.17% in 2015-16

Net profit margin stood at 24.48% in 2016-17 against 14.68% in 2015-16

Return on Capital employed stood at 32.98% in 2016-17 against 11.97% in 2015-16

### Business

Domestic contracts

Received 6 contracts for 2D Seismic Data Acquisition in unappraised land areas of the Sedimentary Basins of India from Oil & Natural Gas Corporation Ltd, Mumbai

# 43.30

Promoters' holding, March 31, 2017 (%)

# 2.36

Institutional holding, March 31, 2017 (%)

# 54689

Market capitalisation, March 31, 2017 (Rs lakh)

# 61538

Enterprise value, March 31, 2017 (Rs lakh)

# The big Alphageo numbers

3

Countries where Alphageo has worked

29680

GLK of 2D seismic survey

32

Number of customers the company has worked with

6484

Sq km of 3D seismic survey experience across challenging terrains

26+

Number of years of experience in seismic data acquisition

15

Number of sedimentary basins of experience

60

Per cent of original team still working with the company

51

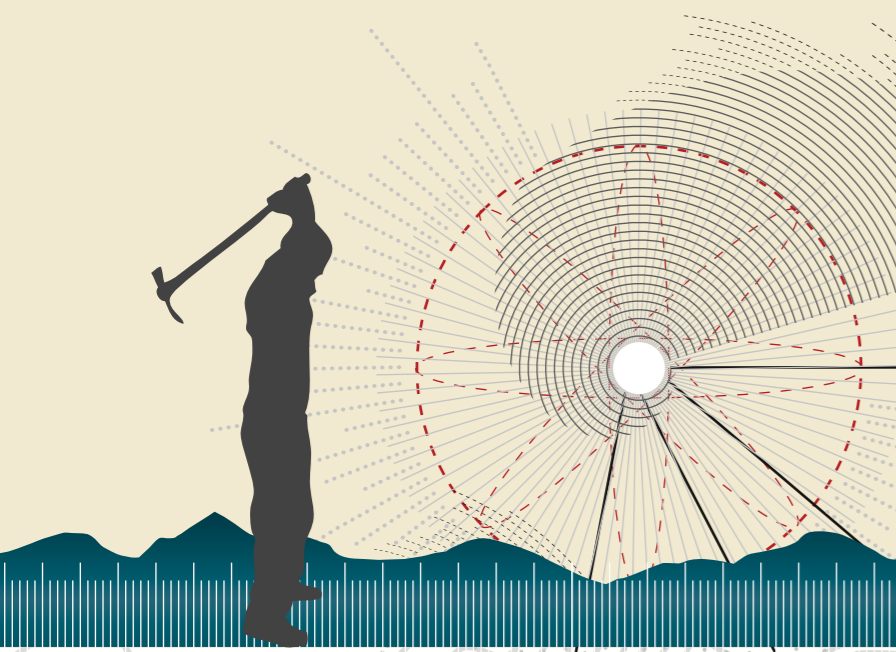
Number of completed projects

1360

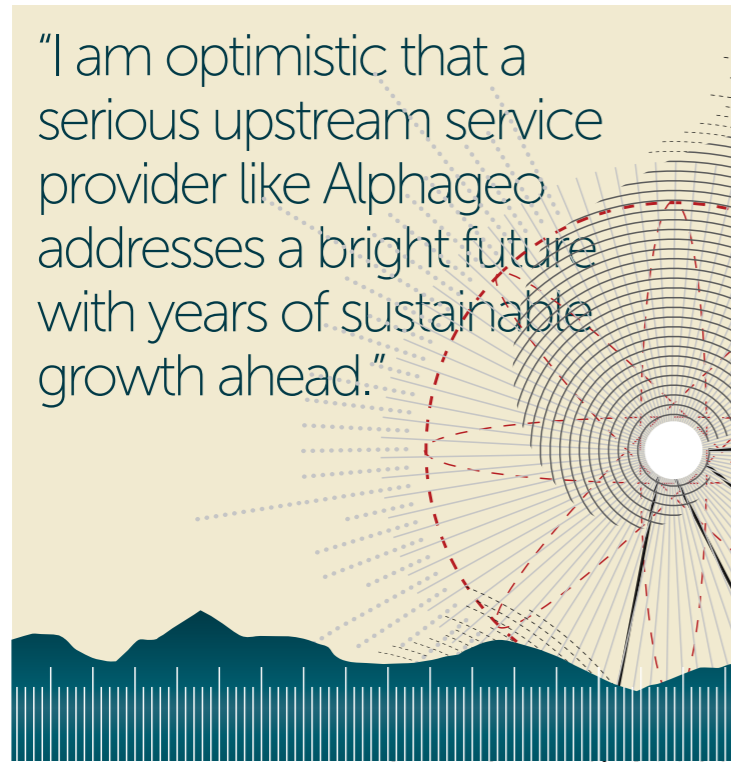
Person-years of experience in multi-basinal and challenging terrains

17

Sites at which projects was undertaken concurrently



From the Chairman's desk



"I am optimistic that a serious upstream service provider like Alphageo addresses a bright future with years of sustainable growth ahead."

I am pleased to present a record performance of your company for your attention.

During the last financial year, your company reported a 332% increase in revenues and a 590% growth in profit after tax. This is the beginning of a major upswing in our financial performance across the foreseeable future based on our existing order book and preparedness.

However, the big question that most analysts are asking is whether we are seeing the beginning of a long-term decline in the prospects of the global oil industry. Their concern arises largely out of a combination of two concurrent realities: the

sharp meltdown in oil prices that we have seen in the last couple of years on the one hand and a rapid embrace of renewable energy technologies the world over on the other.

At Alphageo, we believe that the growth in oil consumption could taper but the age of oil is far from over.

There are a number of reasons to support this conviction, especially when this is applied to the Indian context.

India took around 60 years to reach its first trillion dollars in economic size; it took seven years to climb to its next trillion and the country's

economy is expected to treble by 2030 to \$7 trillion. This rapid economic growth will need to be built on the back of significant transformations across several building blocks, the primary being infrastructure build-out, energy availability and sustainability. The faster the country grows, the more energy will be needed to fuel it and the greater the role of oil and gas.

Besides, even as the consumption appetite of the country increases in line with the country's economic growth, India would still be playing catch-up: India's per capita energy consumption currently is only a third of the global average.

What we are now seeing in terms of India's energy growth represents a combination of growth addressal and catch-up; the country's energy consumption has grown at a compounded annual growth rate of about 6% during the last decade. BP Energy Outlook 2035 indicates that India could report the fastest energy consumption growth among all major economies, the rapid increase in non-fossil fuel production notwithstanding. The result is that India's energy consumption is expected to grow 128% by 2035. This outlook is influenced by the reality that even as India's per capita energy consumption more than doubled over 15 years, almost 240 million Indians still do not enjoy access to affordable energy.

Besides, according to IMF, lower oil prices should translate into higher spending and therefore catalyse global growth. The increase in spending by oil importers is likely to exceed the decline in spending by exporters; lower production

costs will stimulate supply in other sectors for which oil is an input.

While the rise of electric cars has led some big players in the industry to warn of oil demand tapering, analysts at Morgan Stanley indicate that the conventional global car fleet is increasing by 40 million a year, net of scrapping. This alone should account for about 600,000 b/d of growth, or half the 10-year average. Besides, a higher use in planes, freight and petrochemicals could drive consumption further.

So even as renewables, hydroelectric and nuclear power are expected to provide half of the overall global growth across the next 20 years, oil, gas, and coal could continue to remain the dominant energy sources. The result is that oil demand is predicted to grow by an average 0.7% per year to reach 110 million barrels per day by 2035. Even as oil, gas and coal remain the dominant sources of energy,

accounting for 85% of the energy mix in 2015, they could moderately decline to 75% in 2035.

Like China a decade ago, India is seeking to hedge its emerging energy needs by investing in new production at home and abroad. The one difference in India's strategy and that of China is that while China's additional spending came during a commodity super-cycle that saw WTI crude peak \$147.27/bbl in 2008, India's increased exploration spending has come in the midst of the biggest energy price crash in a long time.

I am happy to communicate that the Indian government has responded to this meltdown in a proactive way. As the price of oil declined more than 50% from mid-2014 levels, India expended \$60 billion less on crude imports in 2015 than the previous year even as it bought 4% more oil. It is evident that India has prudently invested its savings in exploration,

kick-starting a virtuous cycle of probable self-sufficiency. The government is accelerating reforms in this area; the new Hydrocarbon Exploration and Licensing Policy is intended to kickstart upstream investments, draw new players, accelerating exploration activity and enhance the possibility of new finds.

I am optimistic then that the sharp increase in the country's prevailing exploration spending is not a one-off exercise but the start of a long-term seriousness to enhance the proportion of oil ownership that could create a strong foundation for the country's sustained economic growth.

In view of this, I am optimistic that a serious upstream service provider like Alphageo addresses a bright future with years of sustainable growth ahead.

Z.P. Marshall, *Chairman*



We were the first to invest in cutting-edge sectoral technologies in India.

We graduated our performance into the industry's benchmarks.

We extended beyond the regional to the national to the international.

We held on to our people across extended tenures even we did not get a single contract.

We selected to nurse minimal debt for long periods, strengthening sustainability.

We incorporated responsible systems that minimised environment impact.

We evolved from local engagement to international talent recruitment.

## Operational review

### Q: Were you pleased with the company's working during the financial year under review?

A: The answer would have to be an emphatic yes! When we entered the financial year under review, we braced for a large order inflow; what eventually transpired was that we received the largest order inflow in our existence: from an erstwhile peak order book of ₹242 cr we now addressed a peak order, an order book (net of taxes) of more than ₹1500 cr.

It was one thing to report an unprecedented order intake; it was another matter executing it. The order book required us not just to scale our team; it required us to virtually transform our game. It

requires us to virtually reinvent the organisation.

And here let me add that a number of industry observers indicated that we had bitten off considerably more than we could chew. They felt that we would not be able to mobilise our crews at all and that we would be completely embarrassed. I am proud to state that we not only mobilised our crews, we did so largely on schedule, and in doing so, demonstrated that the best hour of Alphageo was easily at a time when its pedigree was most extensively doubted.

### Q: What were the operational challenges that the company faced during the year under review?

A: The largest concurrent crew outlay that Alphageo had managed in the past was 4; this time round, the company was expected to mobilise 10 crews on 3 October 2016. This was a result of a complex and unprecedented logistical and operational realities.

I am proud to report that we mobilised eight crews on schedule while two were delayed due to terrain challenges; of the eight that reported on schedule, there was a delay in operationalising two crews due to unseasonal October rains. The fact that all our crews were in complete operation by the later part of the month is a validation of our organisational passion in overcoming challenges.

# Q&A

“We delivered better than we expected during a year of challenging operational realities – and that translated into record revenues and profits.”

Mr. Dinesh Alla, Managing Director, explains how Alphageo rose to the challenge in 2016-17

### Q: What were some of the other challenges that the company encountered during the year under review?

A: The other challenge that we encountered during the year under review was completely related to ground realities. In our business, there is a process called ‘permitting’, which entails entering a farmer’s plot with his permission and proceeding to take the shots required for seismic data collection. In the past, the company had employed the manual drilling process which entailed a nominal disturbance of the farm area. However, majority of the crews operation during the year required the use of mechanised drilling to ensure proper data acquisition. The mechanised rigs in the form of truck / tractor mounted rigs cause larger farm disturbance. The result was a higher incidence of on-site delays necessitating resolution. The fact that we had 17 crews across the country with diverse on-ground realities stretched our operational bandwidth and I must confess that we could have generated higher production if some issues in sectors had been addressed in a better way.

### Q: What were the upsides that the company reported during the year under review?

A: When we received the unprecedented order, we selected to take a conscious reduction in realisations – the volume growth would have helped us address the decline in realisations. I am pleased to report that Alphageo simply worked harder; we negotiated effectively with our sub-contractors, assuring them of sustained projects for the next two-and-a-half years in exchange for discounts; we got the best deals for supply of equipment and consumables; we benefited on account of a surplus in manpower at a time of sectoral weakness. The result was that even as the management had prepared for an EBITDA margin of around 25 to 27% during the year under review, it reported an improved 31.90%.

### Q: Where does the company stand in terms of orders received and completed?

A: The company had commenced 2016-17 with an order book of ₹171 cr. During the course of the year, the company received an order inflow of ₹1300 cr; at the close of the current financial year, the Company had an executable

order book of ₹1217 cr. This provides the company with a revenue visibility until September 2019.

One of the conscious decisions that the Alphageo management undertook in 2016-17 was the decision not to bid for any new contract. At a time when the management was faced with the challenge of completing projects successfully and handing them to customers, it felt that bidding for new projects would distract management attention and dilute priorities. The result was that even as the company would have been attractively placed in addressing nearly ₹1300 cr of projects announced in 2016-17, it prudently abstained from submitting its bids. We believe that the goodwill arising out of the competent conclusion and closure of the contracts will strengthen our credentials in getting more contracts – better to engage in less work completed with competence than be thinly spread and weaken our respect among customers.



India's unprecedented investment in prospecting unexplored areas is likely to greatly enhance the exploration activity in hitherto unappraised areas

**Q: Are you optimistic of the company's medium-term and long-term prospects?**

A: I am absolutely optimistic of the company's medium-term and long-term prospects for some good reasons.

Despite engaging in the largest capital expenditure in our existence – we invested ₹85 cr to grow the number of crews under our ownership from 4 to 17 within just 3-4 months – we continued to live with low gearing. Besides, we capitalised on a global sectoral weakness and negotiated not only the lowest rates for crews, but also the best payment terms (staggered from the time of purchase to March 2018) for equipment with the quickest deliveries. The result is that normally we would have paid for these crews out of our reserves or debt; in this instance, we are paying for the crews out of our prospective earnings (accruals). We believe that this quasi-asset-lightness has strengthened our business sustainability across the foreseeable future.

**Q: What are the long-term reasons for your optimism?**

A: India's unprecedented investment in prospecting unexplored areas is likely to greatly enhance the exploration activity in hitherto unappraised areas; we believe that discovery announcements will create an even bigger investing interest in the sector and a greater propensity for on-the-fence companies to increase their seismic investments. We believe that when this transpires, the global attention could shift to India; some large global companies could be incentivised to prospect for hydrocarbons in the country; this could graduate the country's seismic services market into the next level.

**Q: Where does Alphageo go from here?**

A: I am aware that a number of shareholders would like to know if there is a life for the company after its prevailing order book of Rs1217 cr (as on 31 March 2017) has been successfully liquidated. I

have two answers for this: one, we believe that India's intent to find more oil and gas from within will not disappear overnight. There will always be a reasonable pipeline of seismic services projects to bid for. Another, we believe that the time has come to liberate the company from a complete dependence on seismic services; the company intends to utilise the cash flows generated from its ongoing projects to invest in synergistic niche businesses with sustainable prospects. We believe that this prudent investment of our profits will make our base sustainable and prepare Alphageo for the next growth wave.

**Q: What is the agenda for the company in FY18?**

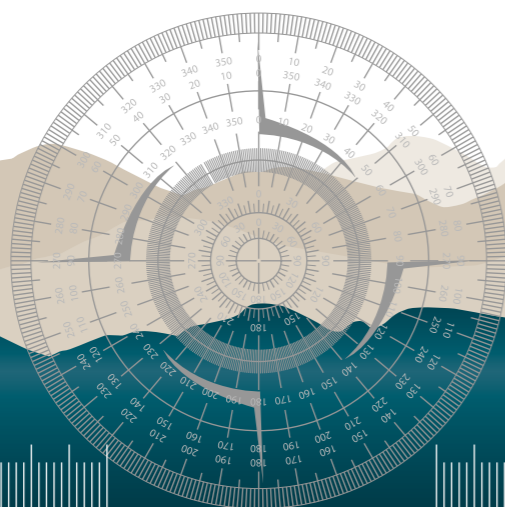
A: We believe that FY17 was a year of tactical excellence – a year when we invested in operational effectiveness, mobilised crews and completed projects (some). The year FY18 could be a bit different: even as we do not take our eyes off operations, the management

will focus on senior recruitments and create a robust managerial tier. In my position, I intend to focus lesser on operations and more on strategising the company's next round of growth. This could involve the looking at new businesses on the one hand and entering new geographies on the other.

**Q: What can shareholders expect from the company during the current financial year?**

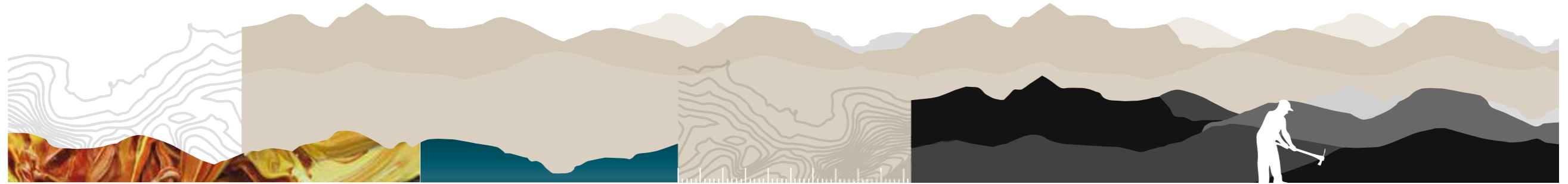
A: We have additional 3 financial years and we expect to do minimum ₹400 cr worth of contracts every year starting 2017-18. We also believe that the margins that we reported during 2016-17 are possible to maintain. In view of this, we believe that we would be in a position to report profitable growth in the forthcoming years that enhances stakeholder value.

We have additional 3 financial years and we expect to do minimum ₹400 cr worth of contracts every year starting 2017-18.



# How we do business

At Alphageo, we have succeeded across the decades by continuously reviewing, adapting and reinforcing our business model, generating profitable growth.



## The context of our sector

### Core purpose

Seismic data acquisition and analysis makes it possible for intending exploration companies to get into business. The data and analysis empowers downstream companies to make informed decision on where and how to prospect for hydrocarbons, enhancing their capital efficiency

### Oil-deficiency

The country's self-sufficiency in petroleum products declined from

22% in 2013-14 to 18% in 2016-17; the country's import dependence for crude shot up to a five-year high of 83.4%.

### Growing appetite

Oil product demand could grow seven to nine per cent annually in the next five to 10 years. While gas demand is likely to grow seven per cent by 2020, power demand could zoom at an astronomical 44% from 2016 levels.

### Unexplored

The sedimentary basins in India are hardly explored to their potential under earlier licensing regimes and require more investments in exploration. India hopes to increase domestic production in a bid to reduce import dependence on fossil fuels by 10 percentage points to 67% by 2022.

## How we address the sectoral context

### Courage

At Alphageo, we have enhanced our sectoral reputation through the voluntary embrace of challenging projects in inhospitable terrains where it is difficult to mobilise equipment and personnel

### Completion

Alphageo is a trusted vendor with the reputation of having completed assignments on or earlier than committed timelines. The result is that the company is seen as a seismic exploration partner of a number of its large customers

### Governance

At Alphageo, we believe that in a business where trust and timeliness are at a premium, a committed governance foundation (Board of Directors and process-driven working) represents the foundation of organisational credibility.

## Our foundation of intangibles

### Brand

Alphageo's brand generates a recall of 'dependability' and 'courage'. The result is that whenever seismic exploration projects are required to be conducted in challenging terrains, the large downstream customers generally prefer to work with Alphageo.

### Pioneering

Alphageo was the first to invest in cutting-edge sectoral technologies in India. The company's performance graduated to the industry's

benchmarks. The company extended beyond the regional to the national to the international.

### Small Balance Sheet

Alphageo has consciously selected to remain with minimal debt for long periods, strengthening business sustainability.

### Responsible

Alphageo is a responsible company that has incorporated practices

and priorities that have minimised environment impact.

### Intellectual capital

Alphageo's business is relationship-driven. We held on to our people across extended tenures when we did not get a single contract. Nearly 60% of the company's employees were with the company for more than five years as on 31 March 2017. The company's lower rate of attrition of longstanding employees indicates high enthusiasm.

## The results of our business model

### Growth

Alphageo has been a sectoral outlier across the three decades of its existence. In the last five years ending 31 March 2017, the company increased revenues 30-fold corresponded by 48-fold bottom line increase – profitable growth.

### Sustainability

Alphageo possesses a robust Balance Sheet that ensures sustainable viability. The debt to Networth ratio of the company as on 31st March 2017 is 0.336; EBITDA margin is an attractive 31.90% in 2016-17; return on capital employed is 32.98%; indicating the robustness of the business engine.

### Valuation

Alphageo's business model has been validated by the markets: market capitalisation as on March 31, 2017 was ₹546.89 Cr and Enterprise Value as on 31 March 2017 was ₹615.38 Cr

## How we enhanced value in the last few years

### Higher revenues

# +21764

Revenues, Rs, lakhs



### EBIDTA

# +7507

EBIDTA, Rs, lakhs



#### Definition

Growth in revenue from operations net of service tax.

#### Why we measure

This measure reflects the result of our ability and efficiency in execution of projects competently.

#### Performance

Our aggregate revenues increased 240.62% to ₹30809 lakhs in FY 17, which compared favourably with the 7.1% growth of the country's economy.

#### Value impact

Creates a robust growth engine on which to build profits

#### Definition

Earning before the deduction of fixed expenses (interest, depreciation, extraordinary items and tax).

#### Why we measure

It is an index that showcases the company's ability to optimize business operating costs despite inflationary pressures, which can be easily compared with the retrospective average and sectoral peers.

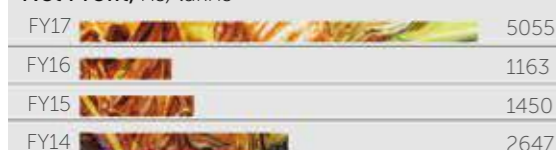
#### Performance

The company's EBIDTA grew every single year through the last three years. The company reported a 261.93% increase in its EBIDTA in FY17 – an outcome of painstaking efforts of its team in improving operational efficiency.

### Growing profits

# +3892

Net Profit, Rs, lakhs



### EBIDTA margin

# +198 bps

EBIDTA margin, %



#### Definition

Profit earned during the year after deducting all expenses and provisions.

#### Why we measure

It highlights the strength in the business model in generating value for its shareholders.

#### Performance

The company's net profit grew every single year through the last 3 years. The company reported a 334.65% increase in its net profit in FY17 – reflecting the robustness and resilience of the business model in growing shareholder value despite external vagaries.

#### Value impact

Adequate cash pool available for reinvestment, accelerating the growth engine

#### Definition

EBIDTA margin is a profitability ratio used to measure a company's pricing strategy and operating efficiency. Higher the operating margin, better for the company.

#### Why we measure

The EBIDTA margin gives an idea of how much a company earns (before accounting for interest and taxes) on each rupee of sales.

#### Performance

The company reported a 198 bps increase in EBIDTA margin in FY17. This was the result of enriching its product basket with superior products and higher improved operating efficiency across the business.

#### Value impact

Demonstrates adequate buffer in the business, which when multiplied by scale, enhances surpluses

### ROCE

# +1679 bps

ROCE, %



#### Definition

It is a financial ratio that measures a company's profitability and the efficiency with which its capital is employed in the business.

#### Why we measure

ROCE is a useful metric for comparing profitability across companies based on the amount of capital they use - especially in capital-intensive sectors.

#### Performance

The company reported a 1679 bps increase in ROCE in FY 17 – a showcase of prudently investing every rupee in profitable spaces that generate higher returns for shareholders.

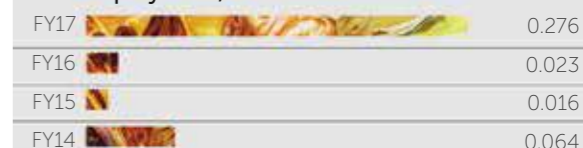
#### Value impact

Enhanced ROCE can potentially drive valuations and perception

### Gearing

# +0.253x

Debt-equity ratio, x



#### Definition

This is derived through the ratio of debt to net worth (less revaluation reserves).

#### Why we measure

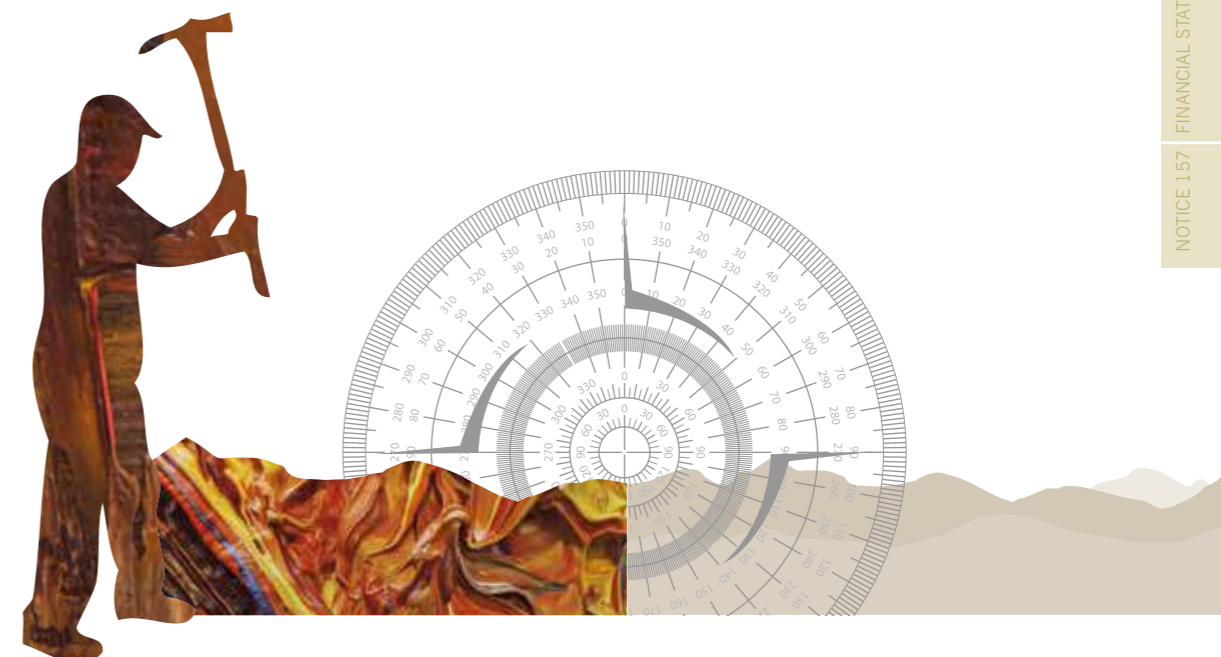
This indicates the ability of the company to remunerate shareholders over debt providers (the lower the gearing the better).

#### Performance

The company's gearing fell from 0.023 in FY15 to 0.276 in FY17. We recommend that this ratio be read in conjunction with net debt/operating profit (declining, indicating a growing ability to service debt).

#### Value impact

Enhanced shareholder value by keeping the equity side constant; enhanced flexibility in progressively moderating debt cost



# Management and discussion and analysis – 2016-17

## Global economic overview

Global economic growth stagnated at around 3.1% during 2016 following a deceleration in trade activities, lowered investments and political uncertainties in advanced economies. The year was marked by the United Kingdom's decision to exit the European Union and the election of Donald Trump as the American President.

Consumers expended cautiously; expenditure increased by 2.4% in real terms over 2015, well below the corresponding increase in disposable

incomes in the Asia Pacific region. Advanced economies witnessed a stronger-than-expected pickup in growth mostly due to a reduced drag from inventories and some recovery in manufacturing output.

External risks comprised the following realities:

**Governmental protectionism:** In 2016, G20 countries took several measures to provide economic stimulus but a growing sense of protectionism affected global trade sentiment.

**Faltering growth:** Global economic growth stagnated at around 3.1% during 2016 following a deceleration in trade activities, lowered investments and political uncertainties in advanced economies.

**Brexit impact:** The immediate impact of Brexit is enhanced investing caution. Currency depreciation could increase risk aversion and affect weak Asian currencies and impact foreign inflows. *[Source: Economic Times]*

Going ahead, global growth is estimated to rise from 3.1% in 2016 to 3.4% in 2017 as economic activity rebounds in advanced and developing economies. *(Source: World Bank, Euro monitor, IMF)*

## Global growth trends

	2016	2017 (P)	2018 (P)
Global economy	3.1%	3.4%	3.6%
Advanced economies	1.6%	1.9%	2.0%
Emerging market and developing economies	4.1%	4.5%	4.8%

*(Source: IMF)*

## Indian economic overview

India's economic growth has been pegged at 7.1% for FY 2017, down from 7.6% recorded in FY 2016 *(Source: CSO)*, the decline accounted by demonetisation starting from the third quarter onwards.

The growth rate of India's industrial sector was estimated to moderate to 5.2% in FY 2017, down from 7.4% in FY 2016. The country's IIP registered a modest growth of 0.4% during the April-November period of 2016-17. The cumulative growth for the period April-March 2016-17 over the corresponding period of the previous year was 5%. *(Source: [http://mospi.nic.in/sites/default/files/iip/iip\\_PR\\_12jun17.pdf](http://mospi.nic.in/sites/default/files/iip/iip_PR_12jun17.pdf))*

With Rajasthan, Madhya Pradesh and Maharashtra receiving 20% more rain than the usual, the agriculture sector is expected to grow at an above-average 4% on a weak base caused by two consecutive poor monsoons.

The services sector is the largest in India. Gross Value Added (GVA) at current prices for the services sector was estimated at ₹73.79 lakh cr in 2016-17, accounting for 54% of India's GVA of ₹137.51 lakh cr. The sector grew at an average of 7.7% in FY17. *(Source: Livemint)*

The factors affecting the growth of the Indian economic comprise the following:

**GST disruption:** The overall average tax-to-GDP ratio for emerging markets and OECD-member countries stood at 21% and 34%, respectively, while India's stood at 16.6% in FY16. The Government introduced a unified GST, which could streamline tax rates across different States *(Source: Economic Survey)*.

**Rising NPAs:** Gross NPA more than trebled from ₹1,759 billion in 2013 to ₹5,504 billion in 2016. Although interest rates were cut, the lending

scenario remained cautious for banks. *(Source: RBI)*

The outlook for India appears bright even as growth forecast for 2017-18 moderated 40 bps due to cash shortages and payment disruptions following demonetisation. India's GVA growth is likely to stay at around 6.6% as economic activity normalises. The proposed implementation of GST could boost interstate trade. *(Source: IMF, ICRA)*

## The global oil industry

Despite robust demand for petroleum products, relatively high production and inventory levels provided downward pressure on crude oil prices throughout most of 2016. However, recent agreements to curb production over the next six months within the Organization of the Petroleum Exporting Countries (OPEC) and additional pledges by some key non-OPEC producers put an upward pressure on prices at the end of 2016 as markets appeared to





be anticipating tighter balances than previously forecast.

Crude oil prices fell into what seemed like a bottomless pit in early 2016, with analysts trying to pre-empt each other with bold calls on where crude would bottom. North Sea Brent crude oil prices averaged \$47/bbl in May, a \$5/bbl increase from April and the fourth consecutive monthly increase since reaching a 12-year low of \$31/bbl in January. In the June Short-Term Energy Outlook, the US Energy Information Administration forecasts Brent crude oil prices to average \$43/bbl in 2016 and \$52/bbl in 2017.

The decline in oil price was on account of the following global realities:

**Rising inventories:** The US possessed ~500 million barrels in inventory, OECD Nations 375 million barrels, and China more than 400 million barrels (attempting to increase to 500 million barrels), moderating oil prices.

**Declining demand:** The world is increasingly gravitating towards fuel-

efficient vehicles, moderating relative oil off take.

**Strengthening dollar:** A strong dollar created a 'negative feedback loop' for the US as exports to the country became more expensive, moderating the manufacturing-related off take of oil.

**OPEC policy change:** The share of OPEC nations is 43% of the world's crude oil, OPEC's oil exports represent about 60% of the total petroleum traded internationally. This share declined following rising oil production from unconventional sources (bio-fuel). The result is that OPEC's ability to balance the market through production cuts or increases has declined. OPEC's share of global oil supply has eroded. To protect market share, several OPEC members offered discounts to Asian oil importers, abandoning price targeting. OPEC agreed to cut production by 1.2 million barrels per day to 32.5 million barrels per day from 1 January 2017. (Source: *Economic Times, EIA*)

India's gross petroleum import bill, including shipments of crude oil and petroleum products, rose nine per

cent in the last financial year to \$ 80.3 billion on the back of a seven percent rise in volumes and a three percent increase in the average crude price. Crude oil imports rose by more than five percent to 213 million tonne (MT) and the crude oil import bill increased by more than nine percent to \$70 billion in the last fiscal compared to \$64 billion recorded in 2015-2016. According to data available on PPAC, petroleum product production – including petrol, diesel and LPG – from indigenous crude fell one percent to 34.7 million tonne (MT) last fiscal year from 35.2 MT in 2015-2016, while the country's consumption of petroleum products increased by five percent to 194 MMT. The country's self-sufficiency in petroleum products declined from 22% in 2013-2014 to 18% in 2016-2017 due to strong consumption growth and declining domestic production. (Source: *Economic Times*)

### Global energy market

The global energy landscape is changing as traditional demand pockets are being overtaken by fast-growing emerging markets.

The energy mix is shifting, driven by technological improvements and environment concerns.

A central feature of the energy transition is the gradual carbon content optimisation of the fuel mix. Rapid improvements in the competitiveness of renewable energy mean that increases in renewable, together with nuclear and hydro energy, provide around half of the increase in global energy out to 2035. Natural gas is expected to grow faster than oil or coal, catalysed by the rapid growth of liquefied natural gas.

### Global crude oil industry

**Prices:** Brent averaged \$43.74 per barrel in 2016 compared with \$52.32 per barrel in 2015. Despite robust demand for petroleum products, relatively high production and inventory weakened crude oil prices throughout most of 2016. Crude oil prices could moderately increase in 2017 following growing oil demand, declining stocks and an extension of the OPEC/non-OPEC agreement. Prices are projected to increase to \$60 per barrel in 2018, assuming inventories returning to more typical levels. (Source: *World Bank, US Energy Information Administration*)

**Demand:** Global oil demand continued to grow at a relatively robust annual rate of 1.3 million barrels per day in 2016 although at a slower pace than 2015 triggered by lower oil prices. The jump could be attributed to members of the OECD, where demand grew by an average of 0.5 million barrels per day during 2015 and 2016. In the first quarter of 2017, OECD demand rose marginally, with the gains in Europe being offset only by declines in the

other OECD regions. Oil demand growth in non-OECD countries was comparatively stable in volume terms, rising at an average annual pace of 1.4 million barrels per day since 2005, with well over half of the increase in Asia.

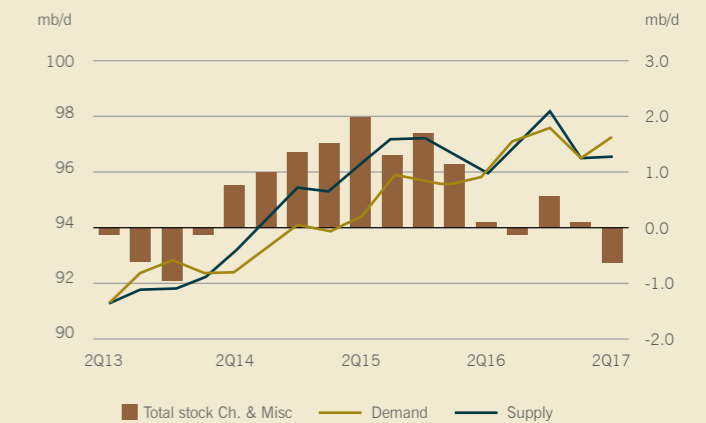
In 2017, global oil demand is projected to increase by 1.3 million barrels per day to an average of 97.9 million barrels per day. All of the growth is expected to occur in non-OECD economies, with Asia accounting for 1.0 million barrels per day of the gain. China and India are projected to add a combined 0.6 million barrels per day to demand. (Source: *International Energy Agency*)

**Supply:** Global oil supply in 2016 averaged around 95.82 million barrels per day, representing an increase of 0.34 million barrels per day compared to 2015. The relatively weaker oil prices, lower

investment and cuts in Indian Oil Corporation's capex led to a decline of 0.43 million barrels per day in non-OPEC output. The share of OPEC crude oil in total global production stood at 33.1% in 2016. In 2016, non-OPEC production contracted by 0.8 million barrels per day, but this was more than offset by a 1.2 million barrels per day increase in total OPEC production.

OPEC abandoned its two-year market share strategy when it agreed in late 2016 to reduce production by 1.2 million barrels per day (from October levels) in the first half of 2017. Saudi Arabia agreed to the largest reduction of 0.49 million barrels per day, while Iraq accepted a cut of 0.21 million barrels per day. The US could remain the #1 source of global oil supply till 2020. (Source: *World Bank, International Energy Agency*)

Demand/supply balance until 2Q17



Note: For scenario purposes only, IEA assumes OPEC/non-OPEC output cuts implemented as announced

**Trade:** Global purchases of imported crude oil totalled US\$679.1 billion in 2016. Overall, the dollar value of crude oil imports for all importing countries was down by an average -61.9% since 2012 when crude oil purchases were valued at \$1.751 trillion. Among continents, Asian countries accounted for the highest dollar worth of imported crude oil during 2016 with purchases valued at \$331.6 billion or 49.4% of the global total. In second place were European nations at 28.6% while 17.7% of worldwide crude oil imports were delivered to North America. Middle Eastern countries accounted for the highest dollar value worth of crude oil exports during 2016 with shipments valued at \$310.6 billion or 45.8% of global crude oil exports. (Source: [www.worldstopeports.com](http://www.worldstopeports.com))

### Global natural gas industry

Natural gas is pegged to grow faster than oil and coal - a rate of 1.6% per annum between 2015 and 2035. Shale production accounted for ~60% of the increase in gas supplies, driven by the US where shale output more than doubled. China emerged as the second-largest shale supplier. Increases in conventional gas production were led by the Middle East, Russia and Australia.

The main centres of demand growth comprised China, Middle East and US. The largest contribution to consumption growth was derived from the industrial sector (with combusted and non-combusted use together accounting for 45% of

growth) followed by power (36%). (Source: *BP Energy Outlook*)

Global LNG trade in 2016 reached a record 258 million tonnes – an increase of 5% from 2015, and the largest ever year for LNG trade. This dramatic increase is particularly noticeable when compared with the average 0.5% growth rate of the previous four years. LNG was a fuel of choice in new markets; the most pronounced increase in demand was from Asian markets, with China's LNG consumption increasing dramatically by 35% to 27 million tonnes per annum. Some markets – Japan and South Korea being the largest – showed signs of satiation as alternative energy forms came to the fore. In Brazil hydro power reduced demand for LNG by 80%. LNG imports catalysed developing economies in Asia and Latin America. (Source: [www.igu.org/news/igu-releases-2017-world-lng-report](http://www.igu.org/news/igu-releases-2017-world-lng-report))

Natural gas consumption is expected to be higher in 2017 and 2018 than in 2016, based on a return to more typical winter temperatures. (Source: *International Energy Agency*)

### Indian oil and gas industry

India is the third-largest consumer of crude oil and petroleum products in the world with oil and gas contributing 34.4% to primary energy consumption. India maintained its energy demand growth at 5.4%.

The importance of oil in the Indian economy cannot be over-emphasised.

India is one of the largest importers of oil in the world. It imports nearly

## 9.2

(In US\$ billion)  
Reduction in India's current account deficit caused by a fall in oil prices by US\$10 per barrel.

80% of its total oil needs, a third of its total imports. India's economic growth is linked to energy demand. A fall in prices drives down the value of its imports, reducing its current account deficit. A fall in oil prices by US\$10 per barrel helps reduce the current account deficit by US\$9.2 billion or nearly 0.43% of the Gross Domestic Product. (Source: *Livemint*)

Similarly, a rise in oil price leads to an increase in the price of most goods and services in India. Every US\$10 per barrel fall in crude oil price helps reduce retail inflation by 0.2% and wholesale price inflation by 0.5% (Source: *Moneycontrol*).

The government deregulated petrol price in 2010 and diesel price in 2014. It, henceforth, allowed oil marketing companies to decide on the prices of fuel, considering the change in international oil prices and currency exchange rate. Effective from 2017, the Government allowed putting in place a mechanism under which fuel prices (petrol and diesel) would be aligned to international crude oil prices on a daily basis.

For an oil importing country like India, a fall in oil prices is good for the rupee. However, the downside is that the dollar strengthens every time the value of oil falls, which can negate any benefits from a fall in current account deficit.

A fall in global oil prices could be beneficial for India, but affects exporters of petroleum producers in the country as India is the sixth largest exporter of petroleum products in the world earning around US\$60 billion annually.

India's reserves-to-production ratio for oil is estimated at 25 years. The potential for gas seems brighter at more than 30 years, which compares weakly West Asia nations who possess over 80 years of reserves (global average 50 years). This makes it imperative to prospect more oil and gas.

Estimates suggest that India's import dependency on hydrocarbons is projected to increase from 80% to 90% by 2040, leaving the country vulnerable to geopolitical developments.

Around 3,000 wells have been drilled in India's offshore basin at an average density of one well per 146 sq km, compared with other offshore basins like US Gulf of Mexico, drilled with an average density of one well per 14 sq km. This indicates attractive headroom in the event of a potential discovery.

**Production and consumption:** Crude oil output fell by 2.5% to 36.01 million tonnes during April-March FY2017, in addition to the 1.4% fall recorded in FY2016. India was the largest contributor (21.8%) to incremental global oil consumption in 2016. Industrial fuels contributed to the growth more than vehicular fuels reflecting the shift to more efficient pet coke and away from coal and improving economic activities.

India's oil consumption grew 8.3% to 212.7 million tonnes in 2016 compared with the global growth of 1.5%, making it the third-largest oil consuming nation in the world (nearly 4.8% of the total consumption). Between 2005 and 2015, India's oil consumption grew by 4.9% while in the global oil consumption rose by 1%. The composition of Indian growth has been unique since it was due to 8-22% growth in LPG, aviation turbine fuel, petroleum coke, and fuel oil unlike for the other countries where gasoline and diesel were key growth drivers. (Source: *Business Standard*)

**Imports:** Crude oil imports rose by more than 5% to 213 million tonnes as India's crude oil import bill increased by more than 9% to \$70 billion compared to \$64 billion in 2015-16. India's petroleum product imports by quantity rose by 22% to 36 million tonnes from 29.5 million tonnes in 2015-16. The increase in imports can be attributed

to increased pet coke imports by the private sector. The country's petroleum product import bill rose by 5% to \$10.6 billion.

Petroleum product production – including petrol, diesel and LPG – from indigenous crude fell by 1% to 34.7 million tonnes from 35.2 million tonnes in 2015-16, while the country's consumption of petroleum product increased by 5% to 194 million tonnes. India's import dependence on crude increased marginally to 82% from 81% a year ago. (Source: *Petroleum Planning and Analysis Cell*)

Since India deregulated diesel prices in October 2014, gasoline demand continued to grow sharply and analysts expect demand to report double-digit growth again in 2017 on the back of growth in transport demand and air travel, and the country's growing petrochemicals appetite.

With double-digit demand growth for oil set to outpace China for the third year in a row and a recent licensing round encouraging new players, India is attracting significant foreign investment in its effort to unlock almost US\$11 billion worth of reserves and lower its reliance on imported crude.

### India's natural gas production

Month	Natural gas production	% growth
January '14	3,072	-
January '15	2,871	(6.54)
January '16	2,447	(14.7)
January '17	2,738	12

\*Cumulative production by domestic upstream companies, figures in Million Metric Standard Cubic Meter (MMSCMD)///9

## Outlook

The outlook for oil consumption in India is expected to rise on account of growing industrialisation and economic growth, expected to catalyse oil demand.

## Domestic natural gas industry

Development of unconventional natural gas resources is growing in India with ample weightage on CBM and shale gas development. Domestic production of natural gas in India is unlikely to match demand, necessitating imports. Domestic gas production is concentrated in Western and Southern India. To address growing demand, the government plans to increase the share of natural gas in India's energy mix to 15%, necessitating investments of at least USD 10.8 billion. The demand of natural gas in India is expected to be derived from the power sector and expected to contribute ~36% to 47% of the total demand across the decade.

## Production and consumption

Natural gas production between April 2016 and March 2017 was 31,896.67 million metric standard cubic meters, 6.51% lower than the target for the period and 1.09% lower than the production during corresponding period of last year. (Source: [www.pib.nic.in](http://www.pib.nic.in))

## Government initiatives

India's economic growth is closely related to energy demand; therefore the need for oil and gas is projected to grow, making the sector critical for investment. In 2016, the Government offered 46 contract areas spread across Indian sedimentary basins; its new hydrocarbon exploration licensing policy offered a single

license to explore conventional and unconventional oil and gas resources. Christened Hydrocarbon Exploration Licensing Policy (HELP), the policy provides investors freedom in pricing and marketing crude oil and natural gas. The government also introduced a new policy for small fields called 'Discovered Small Field (DSF) Policy bid round – 2016' to offer better fiscal terms than the erstwhile NELP environment. The Government (Source: *ET, Livemint*)

Some of the major initiatives by the Government of India to promote the growth of the oil and gas sector comprise:

- The key aspects of the Hydrocarbon Exploration and Licensing Policy comprise uniform license for exploration and production of all forms of hydrocarbons; easy-to-administer revenue sharing model; marketing and pricing freedom for the crude oil and natural gas produced. The uniform license will enable the contractor to explore conventional as well as unconventional oil and gas resources including CBM, shale gas/oil, tight gas and gas hydrates under a single license. The Open Acreage Policy will enable E&P companies select blocks from the designated area. Under the new regime, the Government will receive a share of the gross revenue from the sale of oil and gas without any cost linkage.
- The Government released the Hydrocarbon Vision 2030 for North East India, with the objective of unleashing the north-eastern region's hydrocarbon potential, enhance access to clean fuels, improve availability of petroleum products, facilitate economic development

and involve the local population in economic activities.

- The Government of India plans to incentivise gas production from deep-water, ultra deep-water and high pressure-high temperature areas, which are presently not exploited on account of higher cost and risk.
- The Government of India is in the process of identifying at least 50 potential blocks of 100 sq km and above to be given to companies for bringing private investment in the mineral exploration sector. The Ministry of Petroleum and Natural Gas has put up for comments a draft policy, to opt for revenue-sharing model while auctioning future oil and gas blocks for exploration to private companies, compared to production-sharing mode earlier, in order to make the process more transparent and market-oriented.
- The government plans to unveil a new policy for renewing and extending the lease of 28 oil and gas blocks.
- The Cabinet Committee on Economic Affairs approval for awarding contracts for 23 onshore and eight offshore contract areas of discovered small oil and gas fields that earlier belonged to ONGC and Oil India Limited.
- The Government of India introduced marketing and pricing freedom for new gas production, grant of extension to Production Sharing Contracts and assigning the Ratna offshore field award to ONGC for development.
- The Ministry of Petroleum and Natural Gas announced a new 'Marginal Fields Policy', which aims to bring into production 69 marginal oil and gas fields with 89 million tonnes or ₹75,000 crore (US\$

11.25 billion) worth of reserves, by offering incentives to oil and gas explorers (exemption from payment of oil cess and customs duty on machinery and equipment).

The Indian government's Hydrocarbon Exploration and Licensing Policy (HELP) replaced the decades-old New Exploration Licensing Policy (NELP) earlier in 2016. Aimed at incentivising production HELP offers pricing and marketing freedom for hydrocarbons produced under the new contractual and fiscal regime. It also brings in a uniform licensing model — allowing drilling of all forms of hydrocarbons, from oil and gas to shale, to be done under a single contract — and replaces production-sharing with a revenue-sharing mechanism.

The impact of the New Hydrocarbon Exploration Licensing Policy envisages the following:

- Increased production, investment in future blocks
- High transparency in revenue sharing model
- Single licence for all hydrocarbon types — conventional, shale and CBM -- available in an area
- Marketing freedom for oil and gas output from HELP blocks in future
- Lower royalty rates than NELP

## Key metrics

	March 2016	March 2017
Crude oil production	36.9 million metric tonnes	37.09 million metric tonnes
Consumption	184.7 million metric tonnes	194.2 million metric tonnes
Production of petroleum products	231.2 million metric tonnes	242.7 million metric tonnes
Crude imports (US\$ billion)	64	71
Crude imports	202 million metric tonnes	213 million metric tonnes
Import dependency (%)	80.8	82

## Demand drivers

- Increasing industrialisation
- Rise in population and economic growth
- Supportive FDI and domestic policies like CBM and NELP
- Huge investments planned under the Twelfth Five Year Plan
- Demand for oil is likely to increase from the 'Make in India' initiative -- which aims to raise the share of manufacturing in GDP over the next few years.
- Expanding production and distribution facilities in India
- Growing need for electrification will keep driving the need for oil and petroleum products.
- The government's clean fuel drive, sharp anticipated growth in transport demand and air travel, and the country's insatiable growth for petrochemicals will act as a boon for petrol, jet fuel, LPG and naphtha, helping oil products to post close to double-digit growth in 2017
- The government has undertaken a series of initiatives to help boost LPG penetration across the country. It has aggressively pushed to expand the LPG dealership network in the country.
- A surge in residential and transportation demand, and a strong pick-up in petrochemical activity

## Outlook

Global energy demand is expected to increase by 30% till 2035, an average growth of 1.3% per year, driven by increasing prosperity in developing countries.

While non-fossil fuels are expected to account for half of the growth in energy supplies over the next few years, the outlook projects that oil and gas, together with coal, could remain the main source of energy, accounting for more than 75% of total energy supply in 2035.

The transport sector continues to consume most of the world's oil with its share of global demand remaining close to 60% in 2035. However, the non-combusted use of oil, particularly in petrochemicals, takes over as the main source of growth for oil demand by the early 2030s. The outlook also forecasts that all of the demand growth for oil in the period to 2035 could come from emerging markets, with China accounting for half the growth.

Renewables are projected to be the fastest growing fuel source, growing at an average rate of 7.6% year, quadrupling over the outlook, driven by increasing competitiveness of solar and wind.

# Alphageo's performance

Alphageo has been in the business of seismic data acquisition, processing and interpretation for two-and-a-half decades. The company is arguably the largest in the world in this space (ex-Russia and China).

During the year under review, Alphageo received ONGC contracts for the acquisition of 2D seismic data in unappraised inland Indian sedimentary basins. These orders (part of the National Seismic Program) aggregated ₹1300 crore (net of taxes) to be completed by June /September 2019. The order comprises six sectors out of the 11 sectors considered for seismic data acquisition aggregating more than

26,000 ground line kilometres of 2D seismic survey to be completed within three years.

This is the largest order awarded to any Indian seismic survey player, the largest in Alphageo's existence and the largest global order for any seismic survey service provider (by area coverage). The order showcases the Company's credentials in bidding for and managing large projects and

promises to transform an India-leading player into a global service provider.

The order provides a three years revenue visibility in a business where revenue visibility generally does not extend beyond three quarters. The order also promises to open up sizeable opportunities as the Open Acreage Policy regime draws global E&P giants into India.

# Financial overview

## Analysis of financial statements

### Indian operations

The year 2016-17 is a remarkable year for the company in achieving awards, in the execution of contracts, in procuring required resources including personnel and equipment and in achieving commendable income from operations and profit after tax.

### Statement of Profit and Loss account

#### Revenue from operations

Revenue from operations, net of taxes, is increased by 332% from ₹6860 lakhs in 2015-16 to ₹29656 lakhs in 2016-17. The increase is owing to upscale in field operations with 17 crews simultaneously comprising the order book at the beginning of the year and new orders received during the fiscal year.

#### Other Income

Other Income mainly comprises interest earned on deposits with Banks of ₹74 lakhs for 2016-17

against ₹69 lakhs during 2015-16; and gain through foreign exchange fluctuations for 2016-17 of ₹51 lakhs against ₹29 lakhs for 2015-16.

#### Survey and survey related expenses

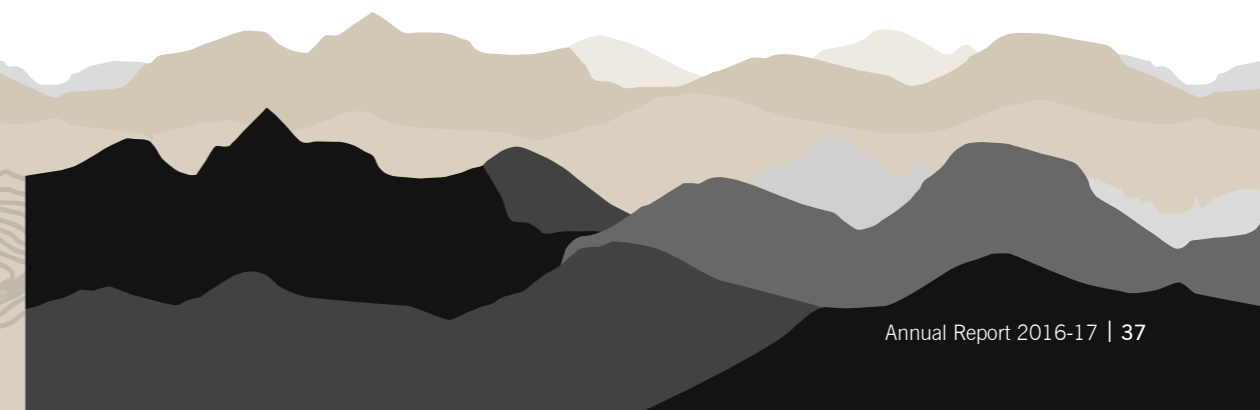
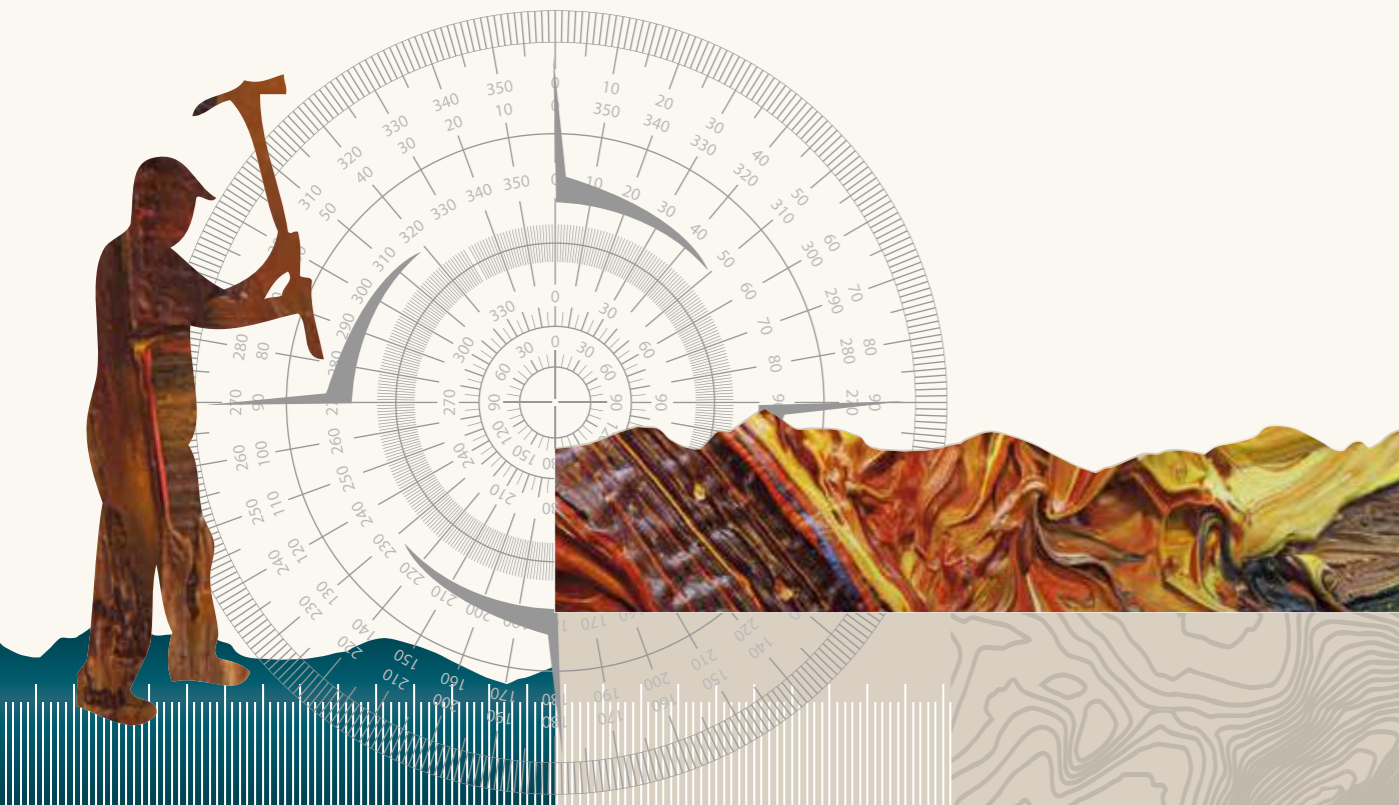
Survey and survey-related expenses grew from ₹4496 lakhs in 2015-16 to ₹17913 lakhs in 2016-17 consequent to an increase in the scale of operations. The growth in operational costs is lesser than the rise in revenue due to a timely deployment of resources for the projects.

#### Employee benefit expense

The growth in employee expenses from ₹602 lakhs in 2015-16 to ₹1700 lakhs in 2016-17 is owing to an increase in team size, the annual salary hike for the team, additional bonuses and profit-linked managerial remuneration and commensurate to increase in the scale of operations.

#### Finance costs

Finance Costs increased from ₹72 lakhs in 2015-16 to ₹415 lakhs owing to enhanced credit facilities from banks and other institutions and provision of performance securities for the contracts awarded.



### Profit and profitability

Profit before tax for 2016-17 was ₹7293 lakhs (24.48% of total revenue) against ₹1031 lakhs for 2015-16 (14.68% of total revenue), an impressive growth of 607% year on year.

Profit after Tax for 2016-17 was ₹4805 lakhs (16.13% of total revenue) against ₹696 lakhs (9.91% of total revenue), a year on year growth of 590%.

### Balance Sheet

#### Share Capital

Increased Share Capital from ₹565 lakhs to ₹613 lakhs consequent to the issue and allotment of 485000 Equity Shares of ₹10 each at a premium of ₹503.62 per Share on exercise of the option for the conversion of warrants by the respective warrant holders.

#### Reserves and Surplus

Reserves and Surplus grew from ₹6144 lakhs to ₹13391 lakhs as on March 31, 2017. The increase was owing to Securities Premium of ₹2443 lakhs on issue of new equity shares and profit after tax of ₹4805 lakhs for 2016-17 ploughed back into the business to fund increased operations.

#### Shareholders' Funds and Book Value per Share

Shareholders' Funds increased by 87% from ₹7646 lakhs as on March 31, 2016 to ₹14319 lakhs as on March 31, 2017. The Book Value per Equity share of ₹10 each

as at March 31, 2016 of ₹135.70 increased to ₹233.98 per share as at March 31, 2017

**Capital employed:** The total Equity and Liabilities of the business increased from ₹12566 lakhs as on March 31, 2016 to ₹32376 lakhs as on March 31, 2017. This growth was primarily due to an increase in shareholders' funds, capex credits, enhanced utilisation of working capital facilities extended by banks and increased operational liabilities.

**Debt:** The Company's debt portfolio (long-term and short-term) increased from ₹240 lakhs as on March 31, 2016 to ₹4817 lakhs as on March 31, 2017. This increase was primarily due to an increase in working capital loans to fund the Company's growing day-to-day operations and financing for acquisition of certain assets. The Company's percentage of debt to net worth stood at 33.64% as on March 31, 2017 against 3.14% as on March 31, 2016.

#### Current liabilities

The Current Liabilities as on March 31, 2017 was ₹16594 lakhs, which includes, working capital borrowings from banks of ₹4729 lakhs, liabilities on account of acquisition of equipment of ₹4236 lakhs, current maturities of long-term borrowings of ₹48 lakhs and the balance of ₹7581 lakhs being trade payables and others operational liabilities.

### Non-Current Assets

**Tangible assets:** During 2016-17, new tangible assets of ₹7975 lakhs (net of tax credit entitlements) were acquired for managing larger number of projects. Assets with a carrying cost of ₹0.98 lakhs and not in active use were discarded during the year. The provision for depreciation increased from ₹524 lakhs in 2015-16 to ₹1754 lakhs in 2016-17.

**Intangible assets:** During 2016-17, new intangible assets worth ₹559 lakhs (net of tax credit entitlements wherever applicable) were acquired. The amortisation of intangible assets for the year 2016-17 is ₹42 lakhs

#### Non-current investments

Non-Current Investments of ₹1322 lakhs represent the Share Capital invested in the 100% owned subsidiary of the Company and remained the same as in the previous year.

#### Deferred Tax Asset

Deferred Tax Asset as of March 31, 2016 of ₹589 lakhs reduced to ₹459 lakhs as of March 31, 2017 and an amount of ₹130 lakhs was charged as tax expense for the current financial year.

#### Long-Term Loans and Advances

Long-Term Loans and Advances as of March 31, 2017 of ₹151 lakhs consistent mainly ₹140 lakhs of periodic costs paid, which will be appropriated after March 31, 2018.

### Current assets

Current Assets increased from ₹5312 lakhs as on March 31, 2016 to ₹18969 lakhs as on March 31, 2017 owing to an increase in operational scale. The major portion of the Current Assets consists of receivables of ₹15736 lakhs and cash and bank balances of ₹2518 lakhs. There was an increase in receivables compared to the previous year due to the commencement of new projects since September 2016 and there was no outstanding for a period of more than six months from the date the same became payable.

### Global performance

In 2016-17, the Group recorded an impressive growth in operational performance with an income from operations of ₹30589 lakhs and profit after tax of ₹5055 lakhs. The financial position of the Group as on March 31, 2017 emerged stronger with capital employed of ₹35037 lakhs against ₹15630 lakhs as on March 31, 2016.

### Statement of Profit and Loss account

#### Revenue from operations

Increased by 241% from ₹8958 lakhs in 2015-16 to ₹30589 lakhs in 2016-17. The increase was owing to an increase in field operations as the team worked simultaneously on nine projects in 2016-17.

### Non-operational Income

Non-operational / Other Income for the year 2016-17 was recorded as ₹220 lakhs comprising mainly interest earned on deposits of ₹74 lakhs, gain through foreign exchange fluctuations of ₹51 lakhs and profit on sale of assets in non-active usage of ₹85 lakhs.

#### Survey and survey-related expenses:

The increase in Survey and survey-related expenses from ₹5179 lakhs to ₹17879 lakhs was consequent to a growing operational scale. The growth in operational costs was commensurate with the increase in scale of operations.

#### Employee benefit expense

The growth in employee expenses from ₹614 lakhs in 2015-16 to ₹1714 lakhs in 2016-17 was owing to an increase in team size, the annual salary hike for the team, additional bonuses and profit-linked managerial remuneration – commensurate with an increase in the scale of operations.

#### Finance costs

Finance costs increased from ₹72 lakhs in 2015-16 to ₹415 lakhs owing to enhanced credit facilities availed from banks and other institutions and provision of performance securities for the contracts awarded.

#### Profit and profitability

Profit before tax for 2016-17 was ₹7587 lakhs (24.63% of total revenue) against ₹1564 lakhs

for 2015-16 (17.29% of total revenue), an impressive growth of 385% year-on-year.

Profit After Tax for 2016-17 was ₹5055 lakhs (16.40% of total revenue) against ₹1164 lakhs (12.87% of total revenue), a year-on-year growth of 335%.

### Balance Sheet

#### Share Capital

Share Capital increased from ₹565 lakhs to ₹613 lakhs consequent to the issue and allotment of 485000 equity shares of ₹10 each at a premium of ₹503.62 per share following the exercise of option for the conversion of warrants by the respective warrant holders.

#### Reserves and Surplus

Reserves and Surplus grew from ₹9075 lakhs to ₹16463 lakhs as on March 31, 2017. The increase was owing to a Securities Premium of ₹2443 lakhs on the issue of new equity shares and profit after tax of ₹5055 lakhs for 2016-17 ploughed back into the business to fund increased business operations.

#### Shareholders' Funds and Book Value per Share

Shareholders' Funds increased by 64% from ₹10577 lakhs as on March 31, 2016 to ₹17391 lakhs as on March 31, 2017. The Book Value per Equity share of ₹10 each as at March 31, 2016 of ₹187.72 increased to ₹284.17 per share as at March 31, 2017.

### Capital employed

The total Equity and Liabilities of the business increased from ₹15631 lakhs as on March 31, 2016 to ₹35037 lakhs as on March 31, 2017. This growth was primarily due to an increase in shareholders' funds, capex credits, enhanced utilisation of working capital facilities extended by banks and increased operational liabilities.

**Debt:** The Group's debt portfolio (long-term and short-term) increased from ₹240 lakhs as on March 31, 2016 to ₹4817 lakhs as on March 31, 2017. This increase was primarily due to an increase in working capital loans to fund growing operations and financing for the acquisition of certain assets. The Group's percentage of debt to net worth stood at 27.70% as on March 31, 2017 against 2.27% as on March 31, 2016.

### Current liabilities

The Current Liabilities as on March 31, 2017 was ₹16185 lakhs which includes working capital borrowings from banks of ₹4729 lakhs, liabilities on account of acquisition of equipment of ₹4236 lakhs, Current maturities

of long-term borrowings of ₹48 lakhs and the balance of ₹7172 lakhs are trade payables and others operational liabilities.

### Non-Current Assets

#### Tangible assets

During 2016-17, new tangible assets of ₹8123 lakhs (net of tax credit entitlements) were acquired for managing a larger number of projects. Assets with carrying cost of ₹0.98 lakhs and not in active use were discarded during the year. The provision for depreciation increased from ₹1226 lakhs in 2015-16 to ₹2315 lakhs in 2016-17.

#### Intangible assets

During 2016-17, intangible assets worth ₹646 lakhs (net of tax credit entitlements wherever applicable) were acquired. The amortisation of intangible assets for the year 2016-17 was ₹57 lakhs against ₹4 lakhs in 2015-16.

#### Deferred Tax Asset

Deferred Tax Asset as of March 31, 2016 of ₹589 lakhs, was reduced to ₹459 lakhs as of March 31, 2017 and an amount of ₹130 lakhs was charged as tax expense for the current financial year.

### Long Term Loans and Advances

Long Term Loans and Advances as of March 31, 2017 of ₹151 lakhs consistent mainly of ₹140 lakhs of periodic costs paid, which will be appropriated after March 31, 2018.

#### Current assets

Current Assets increased from ₹6585 lakhs as on March 31, 2016 to ₹20293 lakhs as on March 31, 2017 owing to an increase in operational scale. The major portion of the current assets consists of receivables of ₹16003 lakhs and Cash and Bank Balances of ₹3479 lakhs. There was an increase in receivables compared to the previous year due to the commencement of new projects since September 2016 and there was no outstanding for a period of more than six months from the date the same became payable.

## Risk management

### Managing risks

The effective management of risk represents the heart of Alphageo's enterprise. At one level, the company is engaged in estimating and pricing the risk of customer projects; on the other, the company is engaged in investing in systems, processes and priorities to reduce its own operating risk to reinforce sustainability.

The better we manage the risk of our business, the stronger our business will be to manage the various risks.

#### Background

At Alphageo, the effectiveness of our risk management practice is derived from the rich business understanding of our senior management. This is derived, in turn, from a deep understanding of economies, sectoral trends, hydrocarbons dynamics and corporate fundamentals.

#### Culture

The basis of our risk management – and hence our sustainability – is our underlying conservatism. At Alphageo, we recognize that it is far more important to be sustainably in business for the long-term than be guided by aggressive and fleeting prospects of the immediate quarter. This conservatism – the DNA of our business - has, in turn, translated into robust risk management priorities, processes and practices across every aspect of our working.

#### Guiding principles

At Alphageo, we base our risk management on four guiding principles, which we strive to apply consistently across all our risk categories:

### Risk management organisation, roles and responsibilities

**1 Controlled risk-taking:** Financial strength and sustainable value creation are central to the company's value proposition. We, therefore, operate within a clearly defined risk policy and risk control framework.

**2 Clear accountability:** Our operations are based on the principle of delegated and clearly defined authority. Individuals are accountable for the risk they take on, and their incentives are aligned with Alphageo's overall business objectives.

**3 Independent risk controlling:** Dedicated specialised units within the team to monitor our risk-taking activities.

**4 Open risk culture:** Risk transparency, knowledge sharing and responsiveness to change are integral to our risk control process.

At Alphageo, our risk management policy (and our ability to manage organisational risk) cascades from our Board of Directors. Our Board comprises professionals with rich industry experience; their hands-on understanding of the prevailing economic and corporate realities have proved invaluable in the enunciation of corporate direction, ongoing appraisal and recalibration of corporate strategy whenever necessary.

The Board of Directors is also responsible for our Group

governance, including our overall risk tolerance. Our Board is assisted by various committees with specific functions, which usually comprise a Board member (s) and report their findings to the Board of Directors.

As a governance initiative, we ensure that members within our risk management structure and the overall Group are informed of our risk strategy and processes, ensuring a complete organizational alignment on the one hand and the ability to manage risks at the day-to-day transactional level.

Our risk governance fosters the development and maintenance of an effective risk and control culture.

**Risk strategy determination**

Our business essentially revolves around the risks that we are prepared to incur for our customers and shareholders. This understanding has been institutionalized into a risk strategy that is incorporated into our business policy that forms a part of our business strategy.



At Alphageo, our risk strategy is determined by a risk appetite defined for a series of risk criteria. The criteria are based on sectoral circumstances, terrain realities, liquidity available and our earnings target within accepted volatility limits. These criteria provide a reference for our operating divisions.

**Strategic implementation and the risk management cycle**

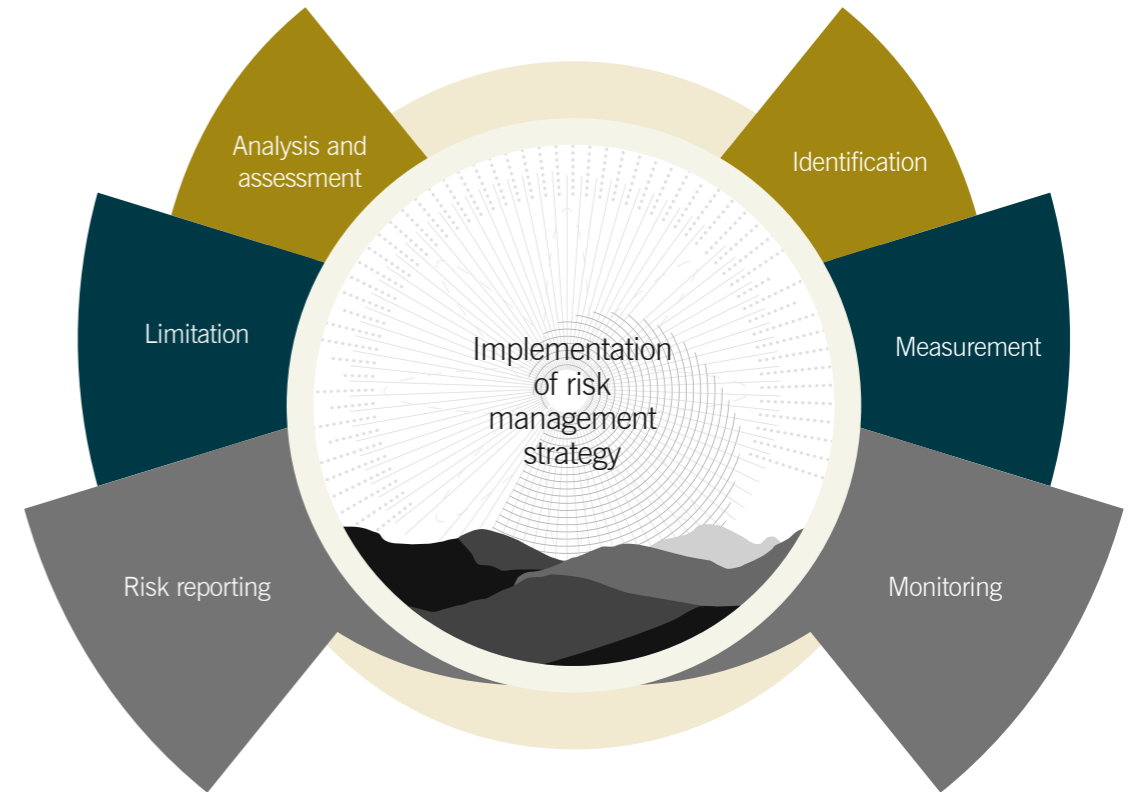
At Alphageo, there is an institutionalized tolerance of what we describe as acceptable (and unacceptable) risk. This

risk appetite, is reflected in our successive business plans and integrated into our operations. This appetite rests on a fine balance of risks and settlements, which ensures profits without affecting our latent viability.

Our risk tolerance is an expression of the extent to which our management has been authorised to assume risk within the constraints imposed by its terrain realities, project sizes and scope, resources, strategy, risk appetite and environment.

Our risk tolerance and risk appetite – the amount of risk we seek to take – are enunciated and translated into a consistent limit framework across all risk categories.

The effective implementation of our risk management at the operational level embraces risk identification, measurement, analysis and assessment; our risk reporting, limitation (reduction to a level we have defined as appropriate) and monitoring makes it possible for us to closely follow all significant risks.



**Risk identification**

At Alphageo, we identify risks through appropriate systems, indicators (quantitative component) and risk surveys reinforced by experience of our managers. Besides, our inbuilt reporting protocol makes it possible for our members to report risks as and when they perceive to our central risk management function.

**Risk measurement**

We are continuously strengthening our risk measurement tools, which are customised to the nature of each business segment. We compare the results produced

by our risk model with those recommended by supervisory authorities, credit rating agencies and risk modelling companies.

**Analysis and assessment**

At Alphageo, it is important that our competence in the area of risk management translates into a superior financial performance. In view of this, our financial performance serves to validate the robust of our risk management and operating model in an unambiguous way.

**Risk reporting**

At Alphageo, we periodically report the effectiveness of our risk management to our Board of Directors covering the individual risk categories and the entire Group. We recognise that this can potentially generate early alerts that make it possible to engage proactively in counter initiatives. Besides, we have embarked on reporting our risk management effectiveness to apprise our stakeholders of where we stand with regard to risk management processes, risk governance and various risks facing our business.

## Macro fundamentals risks

### National policy risk

This risk is defined by risks arising from the country's policy in pursuing hydrocarbons exploration. Any slowdown could result in a lower throughput of orders that could in turn moderate the number of projects being offered to seismic services companies like Alphageo. At Alphageo, we believe that the enunciation of a long-term Hydrocarbons Policy has taken much of the risk out of any arbitrariness in national policy, enhancing stability, faith and sectoral confidence.

### National economy risk

This risk is defined as risks arising from the country's economy not performing up to expectations and this in turn making it imperative for the country to moderate spending in hydrocarbons exploration. At Alphageo, we believe that much of this risk has been neutralised by the fact that most of the exploration contracts are driven by private and public sector companies that possess specific budgets for onward exploration. Over the years, the government has limited its role to policy formulation and creating an attractive investment climate.

### Market satiation risk

This risk is defined by risks arising from an excessive presence of seismic service providers translating into lower contract realisations and increased competition. At Alphageo, we believe that the market is considerably larger than the corresponding capacity of service providers to address, holding out prospects of attractive growth across the foreseeable future.

## Macro sectoral risks

### Oil price decline risk

This risk is defined by a decline in the price of oil that in turn affects the earnings of large downstream companies and their corresponding capacity to invest upstream oil exploration. At Alphageo, we believe that while this threat is indeed real, India represents a large untapped source, which makes it attractive for a number of large global companies that face satiated prospects in other geographies turn to India.

### Oil replacement risk

This risk is defined by the possibility that the oil as a resource may be replaced with renewable fuels, affecting its long-term relevance and demand. At Alphageo, we believe that while this threat is real, the rate of substitution will be relatively slow in India and that oil will retain its relevance in non-automotive applications. Given the low per capita consumption of oil in India and rising disposable incomes, the quantum demand for oil in India is only expected to increase across the future.

### Weak sectoral cash flows risk

This risk is defined by the threat that weak sectoral cash flows could affect reinvestments in fresh oil exploration, shrinking the overall market for seismic services. This threat is real though in India's case, the country is still in the nascent stage of its oil exploration and discovery cycle. This indicates that the country addresses years of fresh exploration potential, securing prospects for service providers like Alphageo.

## Micro-sectoral risks

### Technology obsolescence risk

This risk is defined by the threat of technology obsolescence, indicating that new ways of seismic mapping could emerge, affecting the company's 2D and 3D investments. The technologies related to seismic mapping have been largely stable across the two principal buckets of 2D and 3D. As a proactive player, Alphageo has addressed improvements and upgrades within these buckets with speed, retaining its sectoral relevance.

### Environment risk

This risk is defined by the threats arising from topographical and ecological disturbances caused by the use of explosives in seismic mapping. Over the years, Alphageo has deployed its deep understanding of topographical realities to minimise environment disturbance, strengthening its respect across customers and rural land owners.

## Corporate risks

### Knowledge deficiency risk

This risk is defined by the threats arising from inadequate knowledge about project implementation, process and seismic analysis that could affect the customer's prospects in taking onward exploration ahead. At Alphageo, we have strengthened our people retention through a number of initiatives: positioning our company as a serious, competence-led and merit-respecting seismic exploration organisation, creating a space that respects knowledge accretion, investing in the competencies of people, providing a vibrant space to work in, believing in empowerment and practicing a genuine respect for people. This chemistry helped our company enhance people retention to more than 90% in 2016-17; nearly 60% of the employees who worked with the company in the first few years were working with the company in 2016-17.

### Recruitment inability risk

This risk is defined by the threat of not being able to recruit professionals of the required calibre and the required number, affecting the company's prospects of being able to scale the business in line with its growing order book and marketplace realities. The company is attractively placed in this regard; the slowdown in the global seismic services sector has a surplus number of professionals, resulting in the company emerging as a large employer of global talent. The company's workforce comprised individuals of multi-national origin at the close of the year under review.

### Low global presence risk

This risk is derived from the threat of the company focusing on only a handful of global geographies, which could affect prospects if sectoral realities in these geographies are affected. The company widened its

presence from a longstanding presence in one country (India) to three countries in the last few years. However, a sharp and unprecedented increase in orders coming out of India moderated the company's global ambitions for the next three years. The result is that 97% of the Group's revenues in 2016-17 were derived from within India.

### Terrain inexperience risk

This risk is derived from inexperience in operating across diverse terrains, slowing project completion and affecting the service provider's reputation. Over the years, Alphageo has reinforced its respect as a service provider specialising in addressing terrains that are diverse and challenging, emphasising its respect as a go-to company. In turn, this has empowered the company to operate in relatively under-crowded spaces with a positive implication in terms of realisations.





## Financial risks

### Unfavourable gearing risk

This risk is derived from service providers needing to assume large debt on their books to acquire crews. Over the last year, Alphageo entered into extended credit arrangements with crew providers, paying for the equipment through receivables. This unique arrangement helped the company obviate the need to assume debt, protecting overall viability.

### Weak Balance Sheet risk

This risk is derived from an inability of service providers to be able to right size their Balance Sheet to address sectoral opportunities. At Alphageo, we are attractively placed in this regard; we enjoyed a gearing of 0.267 as on 31 March 2017 – net worth of ₹143 cr and ₹90 cr in

debt. Besides, EBITDA margin was 31.90% and RoCE was 32.98% in 2016-17.

### Receivables risk

This risk is derived from the ability to recover outstanding amounts with speed resulting in attractive liquidity. At Alphageo, we work with the largest and most credible names in India's oil exploration sector. The result is that payments are being received mostly within expected timelines causing non-hindrance to the operations.

### Margins risk

This risk is derived from the threat of a decline in margins that could potentially reverse the working capital cycle. However, at Alphageo, we enjoyed a remarkable

increase in margins (365 bps) with a substantial increase in revenues (240.62%), the net effect being that the company reported profitable growth reflected in a 334.65% increase in net profit in 2016-17.

### Costs risk

In the seismic services business, it is imperative to work with a cost structure that remains competitive in good markets and bad. At Alphageo, we have progressively reduced our overheads that have made us one of the leanest and most competitive companies within its space in the world. Operating Overheads were 68.10% of the company's revenues in 2016-17.

### Human resources

Alphageo's workforce is the foundation upon which its organisational superstructure has been erected. At Alphageo, we have created one of the best teams in the business. Our workforce comprises Indians and expatriate professionals who are experts in geology, geophysics, as well as reservoir and survey technology, representing more than 1,000 person-years of experience in challenging terrains. The Company organises training

to upgrade skills and productivity. The incentives and compensation provided by the Company continues to be in line with the best in the industry. As of 31 March 2017, 210 personnel are associated with the Company.

### Internal controls and their adequacy

The Company's internal audit system has been continuously monitored and updated to ensure that assets are safeguarded, established regulations are

complied with and pending issues are addressed promptly. The Audit Committee reviews reports presented by the internal auditors on regular basis. The Committee makes note of the audit observations and takes corrective actions, if necessary. It maintains constant dialogue with statutory and internal auditors to ensure that internal control systems are operating effectively.

# Management Reports

Your Directors are pleased to present the Thirtieth Annual Report, Audited Financial Statements and the report on Company's business and operations for the financial year ended 31st March, 2017.

## Results of Operations

The Results of operations of the Company for the year ended 31st March, 2017 are summarized below:

Particulars	Company		Group	
	2016-17	2015-16	2016-17	2015-16
Revenue from Operations	29656	6860	30589	8958
Other Income	137	163	220	87
Total Revenue	29793	7023	30809	9045
Profit Before Finance costs and Depreciation	9504	1627	10373	2866
Finance Costs	415	72	415	72
Depreciation And Amortisation	1796	524	2372	1230
Profit Before Tax	7293	1031	7586	1564
Tax Expense	2488	336	2531	401
Profit After Tax	4805	695	5055	1163
Earnings Per Share of ₹10/- each				
Basic (₹)	83.04	12.34	87.36	20.65
Diluted (₹)	81.52	12.32	85.76	20.60

## Operational and Financial Performance

The Financial year 2016-17 is a remarkable year for the Company wherein the Company has been awarded contracts for acquiring 2D Seismic Data under National Seismic Program of Government of India worth ₹1300 Crores, net of taxes, from Oil and Natural Gas Corporation Ltd in addition to contract worth ₹102 Crores, net of taxes, from Oil India Ltd awarded in March 2016. The Company succeeded in procuring all the required equipment and personnel for all its projects and necessary financial tie up with the Bankers.

Your Company always strived to be successful in executing contracts profitably and on time. The financial year 2016-17 concluded with the orders on hand, net of taxes, estimated at about ₹1200 Crores.

The experiences gained in execution of contracts seamlessly over the years, has made it possible to scale up the operations from 4 crews as at the end of previous year to 17 crews by the end of the current year and to achieve the better operational and financial performances during the current year. During

the year ended 31st March, 2017 the Company has earned an operational income of ₹29656 Lakh against ₹6860 Lakh for the previous year registering a growth of 332% year on year. The Profit Before Tax for the current year is ₹7293 Lakh against ₹1031 Lakh for the previous year. The Shareholders Funds as on 31st March 2017 have increased to ₹14319 Lakh from ₹7646 Lakh as on March 31st 2016.

Having sizable long duration data acquisition programs on hand, your directors are of the opinion that your Company will continue to achieve similar performances in the forthcoming years. Further, your Directors believe it is time to make efforts for entering into other forms of Geophysical Services.

## Group Performance

During the year ended 31st March 2017, the total operations of the Group achieved an operational Income of ₹30589 Lakh against ₹8958 Lakh in the previous year registering a YOY growth of 241%. The falling oil price continues to make the international markets for seismic data acquisition subdued. The Profit Before Tax for the current year is ₹7586 Lakh against ₹1564 Lakh for the previous year. The Shareholders Funds as on 31st March 2017 have increased to ₹17391 Lakh from ₹10577 Lakh as on March 31st 2016. The international subsidiary of the group is making its best efforts for obtaining viable contracts.

## Share Capital

During the year the Company has issued and allotted 4,85,000 Equity Shares of ₹10 each at a premium of ₹503.62p on conversion of equivalent number of warrants on exercising the option for conversion into Equity Shares by the warrant holders. The remaining warrants 2,45,000 have been converted in to shares of the Company on 19th May 2017.

The proceeds received at the time of conversion during the year 2016-17 and thereafter, have been utilized for the

objects of the issue and there is no amount unutilized with the Company.

## Dividend

Board of Directors are pleased to recommend a dividend at the rate of ₹ 4/- per Equity share of ₹10/- each for the financial Year 2016-17, for the approval of the Members at 30th Annual General Meeting of the Company. The Dividend if approved will be paid to those shareholders whose names appear on the register of the members of the Company as on 21st September 2017.

## Management Discussion and Analysis Report

Management Discussion and Analysis Report for the year under review as stipulated in Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is presented as a separate section forming part of the Annual Report.

## Subsidiaries

The Company has one 100% owned Subsidiary, Alphageo International Limited, incorporated in Jebel Ali Free Zone Area in Dubai and one 100% owned First Level Step Down Subsidiary Alphageo DMCC incorporated under Dubai Multi Commodities Center (DMCC) Regulations.

A Statement containing salient feature of the Financial and Operational information of the Subsidiaries is provided in Form AOC-1 as Annexure-1 to this report. The Consolidated Financial Statements presented by the Company include the financial results of these Subsidiary Companies. Pursuant to Section 136 of the Companies Act, 2013, the Financial Statements of the Subsidiaries are available on the website of the Company and also will be made available upon the request by any member of the Company.





During the year there were no Companies which have become or ceased to be the Subsidiaries, Joint Ventures or Associate Companies of the Company.

### Consolidated Financial Statements

In compliance with the Accounting Standard -21 notified under the Companies Act, 2013 ("Act") and Section 129(3) of Companies Act, 2013 on consolidated financial statements and SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the Consolidated Financial Statements of the Company and its Subsidiaries for the year ended 31st March, 2017 have been prepared and the same together with Auditors' Report thereon form part of this Report.

### Auditors of the Company

In pursuance of the provisions of section 139 and other applicable provisions of the Companies Act, 2013 read with companies (Audit and Auditors) Rules, 2014 and the terms of appointment approved at 27th Annual General Meeting of the Company, the period of office of the present Auditors M/s. PVRK Nageswara Rao & Co., Chartered Accountants, Hyderabad, Statutory Auditors of the Company, will be completed at the conclusion of 30th Annual General Meeting.

It is proposed to appoint M/s Majeti & Co. Chartered Accountants, Hyderabad, as Auditors of the Company with the approval of the Members for a term of 5 (five) consecutive years from the conclusion of 30th Annual General meeting till the conclusion of 35th Annual General Meeting of the Company. The proposed Auditors have confirmed their eligibility and qualification required under the Act for holding the office, as Statutory Auditors of the Company.

### Statutory Auditors' report on Financial Statements

The Auditors' report on financial statements, standalone and consolidated, for the year ended 31st March 2017 does not contain any qualifications, reservations or adverse remarks, which call for any further explanation.

### Number of Meetings of the Board of Directors

During the year ended 31st March 2017, the Board of Directors has met Seven times viz. 20th May 2016, 25th July 2016, 01st August 2016, 13th October 2016, 11th November 2016, 19th December 2016 and 10th February 2017.

### Audit committee

The Audit Committee of the Board, currently headed by an Independent Director as Chairperson and another 2 Independent Directors and one Promoter Director as Members of the Company, meets regularly to discharge its terms of reference effectively and efficiently. During the year there were no instances where the recommendations of the Audit Committee were not accepted by the Board. The details of Composition, scope, terms reference of the Audit Committee are in detail provided in Corporate Governance Report forming part the Directors' Report.

### Directors Responsibility Statements as required under Section 134 of the Companies Act, 2013

Pursuant to the requirement under Section 134 of the Companies Act, 2013 with respect to Directors' Responsibility Statement, it is hereby confirmed that:

- i. in the preparation of the Annual Accounts for the year ended 31st March, 2017, the applicable Accounting Standards read with requirements set out under Schedule III to the Companies Act, 2013, 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, 2017 and of the profit 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, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. the Annual Accounts for the year ended 31st March, 2017 have been prepared on a going concern basis;
- v. internal financial controls have been laid down and such controls are adequate and operating effectively;
- vi. the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating efficiently; and

- vii. there are no instances of frauds involving the officers or employees of the Company reported by the Auditor under section 143(12) of the Act during the year ended 31st March 2017.

### Directors and Key Managerial Personnel

Re-appointments:

Mr. Dinesh Alla, Managing Director of the Company has been re-appointed as Managing Director of the Company for a period of Five (5) years effective from 21st August 2016 at the 29th Annual General Meeting held on 29th September, 2016.

Mr. Rajesh Alla retired by rotation has been re-appointed as Director of the Company at the 29th Annual General Meeting held on 29th September, 2016.

Particulars of Remuneration to Directors and Key Managerial Personnel:

Particulars of Remuneration to Directors and Key Managerial Personnel as required under section 197(12) of the Act read with Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended are given in Annexure-2 and forms part of this Report.

### Particulars of Remuneration to Employees

The details of remuneration to Employees, as required under Rule 5(2) read with Rule 5(3) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended are given in Annexure-3 and forms a part of this Report.

### Board Evaluation

Pursuant to the applicable provisions of the Companies Act, 2013 and SEBI Listing Regulations, the Board has carried out an Annual Evaluation of its own performance, performance of the Directors and the working of its Committees. The Board's functioning was evaluated on various aspects, including inter alia degree of fulfillment of key responsibilities, Board structure and composition, establishment and delineation of responsibilities to various Committees, effectiveness of Board processes, information and functioning.

The performance of the Board was evaluated based on a criterion that includes aspects like composition and structure of the Board, effectiveness of the Board process, information and functioning of the Board etc. Evaluation of the Committees performance was based on the criteria like

composition, its terms of the reference and effectiveness of committee meetings, etc., Individual Director's performance evaluation is based on their preparedness on the issues to be discussed, meaningful and constructive discussions and their contribution to the Board and Committee meetings. The Chairperson was evaluated mainly on key aspects of his role. These performance exercises were conducted seeking inputs from all the Directors / Committee Members wherever applicable.

The evaluation process was carried out internally in FY 2016-17, each Board member has provided their inputs through a questionnaire for peer evaluation of the other Board Members and a feedback on Board, its Committees and their functioning. The Directors were evaluated on parameters such as level of engagement and participation, flow of information, independence of judgment, conflicts resolution, attendance, contribution at Board/Committee Meetings and guidance/support to the Management outside Board/Committee Meetings and their contribution in enhancing the Board's overall effectiveness.

The Nomination and Remuneration Committee reviewed the performance of the individual directors. A separate meeting of the individual directors was also held to review the performance of Non-independent directors, performance of the Board as a whole and performance of the Chairperson of the Company taking into account the views of all the Directors.

The peer rating on certain parameters, positive attributes and improvement areas for each Board member was also provided to them in a confidential manner. The feedback obtained from the interventions was discussed in detail and, where required, independent and collective action points for improvement were put in place.

### Disclosure by Independent Directors

Pursuant to and in compliance with the provisions of Section 149(7) of the Companies Act 2013, every independent director is providing the declaration conforming meeting the criteria of independence as provided under section 149(6) of the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

### Remuneration Policy

Nomination and Remuneration Policy of the Company for appointment and remuneration of Directors, Key Managerial Personnel and Other employees including criteria for



determining qualifications, position attributes and directors' independence, on the recommendation of Nomination and Remuneration Committee of the Board, has been framed by the Board of the Directors and the same is available on website of the Company at URL: <http://www.alphageoindia.com/pdf/REMUNERATION%20AND%20NOMINATION%20POLICY.PDF>. The appointment of Key Managerial Personnel and revision of the remuneration to Whole Time Directors from time to time is in compliance with the policy.

It is affirmed that the remuneration paid to Directors, Key Managerial Personnel and all other employees during the year ended March 31st, 2017 is in accordance with the Remuneration Policy of the Company.

### Particular of Loans, Guarantees or Investments under Section 186 of the Companies Act, 2013:

During the year the Company has not extended any loans, guarantees or investments in terms of Section 186 of the Companies Act, 2013 to any person or body corporate.

### Particulars of Contracts or Arrangements with Related Parties Referred to in Sub-Section (1) of Section 188 of the Companies Act, 2013

In line with the requirements of the Companies Act, 2013 and Listing Regulations, your Company has formulated a Policy on Related Party Transactions made available on Company's website URL at <http://www.alphageoindia.com/pdf/RELATED%20PARTY%20TRANSACTIONS%20POLICY.PDF>. The Policy intends to ensure that proper reporting, approval and disclosure processes are in place for all transactions between the Company and Related Parties.

All contracts and transactions entered by the company during the financial year with related parties were in the ordinary course of business and were with the approval of the Audit Committee and in compliance with the applicable provisions of the Act and the SEBI (LODR) Regulation 2015. There are no materially significant related party transactions made by the Company with the Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company during the year.

The Particulars of such transactions with related parties have been disclosed in the financial statements as required under

Accounting Standard-18- Related Party Disclosures and as specified under section 133 of the Companies Act 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 are given at Note. 26.II.10 of Notes on Financial Statements annexed to this Report.

During the year there were no contracts or arrangements or transactions entered into with the related parties other than at arm's length price and there were no material and significant transaction at arm's length price with the related parties. Accordingly, there were no transactions during the year ended 31st March, 2017 required to be reported in Form AOC-2 of the Companies (Accounts) Rules, 2014.

### Transfer to Reserves

During the year no amount has been proposed to transfer/appropriated to any of the reserves and the entire surplus for the year ended 31st March 2017 is continued to be retained as Balance in Profit and Loss Account.

### Corporate Social Responsibility Committee

In pursuance of its commitment to fulfill its obligations the Company under the guidance of corporate social responsibility committee and in accordance with Schedule VII and other applicable provisions of the Act, has discharged its obligations for the year 2016-17 by making contributions in the areas of Promoting Education of girl child, Health Care and livelihood programs for youth & people with disability and support children for education, protection and their survival. The detailed report on CSR Activities is provided as Annexure- 4 to this Report.

### Corporate Governance and Shareholders' Information

The Companies Act, 2013 and SEBI Listing Regulations have strengthened the governance regime in the country. The Company is in compliance with all the provisions of Corporate Governance as stipulated in the Regulations under Chapter IV of SEBI Listing Regulations.

Pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Corporate Governance Report is presented as a separate section forming part of the Annual Report. A requisite Certificate from the Auditors of the Company confirming compliance with the conditions of corporate governance is attached to the report on corporate governance.

### Risk Management

The Company continuously monitors and addresses potential industrial, business, financial and other risk that affect operations and functioning of the Company. The Company's policy on risk management is provided in the Management Discussion and Analysis Report forming part of the Directors' Report.

### Whistle Blower/Vigil Mechanism

The Vigil Mechanism of the Company, which also incorporates a whistle blower policy in terms of the Listing Regulations, which provide a formal mechanism to the Directors and Employees to report their concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct or Ethics Policy. The Policy provides for adequate safeguards against victimization of Employees who avail of the mechanism and also provides for direct access to the Chairman of the Audit Committee. It is affirmed that no personnel of the Company has been denied access to the Audit Committee. The Whistle Blower Policy has been posted on the website of the Company at URL: <http://www.alphageoindia.com/pdf/WHISTLE%20BLOWER%20POLICY%20VIGIL%20MECHANISM.PDF>

### Policy on Prevention, Prohibition and Redressal of Sexual Harassment at Work place

The Company has zero tolerance for sexual harassment at workplace and has adopted a Policy on Prevention, Prohibition and Redressal of Sexual Harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder. The Policy for Prevention, Prohibition and Redressal of Sexual Harassment at work place has been posted on the website of the Company at URL: <http://www.alphageoindia.com/pdf/Policy%20for%20Prevention%20and%20Prohibition%20of%20Sexual%20Harassment%20of%20Women%20at%20Workplace.PDF>

The Company has also constituted an Internal Complaints Committee, to enquire into complaints of sexual harassment and recommend appropriate action. During the Financial Year 2016-17, no complaints of sexual harassment were received under "The Sexual Harassment of Women at Work Place (Prevention, Prohibition and Redressal) Act, 2013".

### Secretarial Audit

Pursuant to provisions of Section 204 of the Companies Act, 2013 the Company has appointed M/s. D. Hanumanta Raju & Co., Practicing Company Secretaries as Secretarial Auditors for the year 2016-17 and the Audit Report for the year 2016-17 issued by them is provided as Annexure -5 to this Report. The Secretarial Audit Report does not contain any reservation, qualification or adverse remark.

### Extract of Annual Return

Pursuant to the provisions of Section 92 of the Companies Act, 2013 read with Rule 12 of Companies (Management and Administration) Rules, 2014, an Extract of Annual Return as on the financial year ended on 31st March 2017 is provided as Annexure-6 to this Report.

### Deposits

The Company has not accepted any deposits covered under Chapter V of Companies Act, 2013 and also any other deposit which is not in compliance with the requirements of Chapter V of the Companies Act, 2013.

### Internal Financial Controls

The Company has in place adequate internal financial controls with reference to preparation of financial statements and the same are operating efficiently and no deficiencies have been observed during the year.

### Employees Stock Option Scheme

The Company has issued Stock Options to the Employees under the Scheme "Alphageo ESOS 2008". Out of total Stock Options Authorised, as on 31st March, 2017, 235067 Stock Options are available for granting to the Employees. The Stock options granted earlier, in terms of the issue, were lapsed and there are no enforceable stock options outstanding as on 31st March, 2017.

### Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and outgo

The particulars as prescribed under Section 134 (3) (m) of the Companies Act, 2013 (Act) read with the Companies (Accounts) Rules, 2014 are:



- a. Conservation of Energy : Not Applicable
- b. Technology Absorption : NIL
- c. Foreign Exchange Earnings and Outgo: The Particulars of Foreign Exchange Earnings and outgo during the year are given at Clause 26.II.15, 26.II.16 and 26.II.18 of the Notes forming part of Financial Statements for the year 2016-17.

### Transfer of amounts to Investor Education and Protection Fund

Pursuant to the provisions of Section 124 of Companies Act, 2013, read with IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended, declared dividends which remain unclaimed for a period of seven years are being transferred by the company to the IEPF, which has been established by the Central Government.

The above referred rules now mandate transfer of dividends lying unpaid and unclaimed for a period of seven years as well as the underlying equity shares to IEPF Authority. The company has issued individual notices to the shareholders

whose equity shares are liable to be transferred to IEPF, advising them to claim their dividend.

### Other Disclosures

During the year no significant and material orders were passed by the regulators or courts or tribunals on the Company impacting the going concern status and Company's operation in future.

During the year there was no change in the nature of business of the Company.

### Acknowledgment

Your Directors place on record their deep appreciation to employees at all levels for their hard work, dedication and commitment. The enthusiasm and unstinting efforts of the employees have enabled the Company to remain an industry leader. The Directors appreciate and value the contributions made by every member of the Alphageo family.

The Directors also take this opportunity to thank all Investors, Clients, Vendors, Banks, Government and Regulatory Authorities and Stock Exchanges, for their continued support.

For and on behalf of the Board

**Z P Marshall**  
Chairman

Hyderabad  
04.08.2017

## ANNEXURE-1 TO DIRECTORS REPORT

### Form AOC-I

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)  
Statement containing salient features of the Financial Statement of Subsidiaries for the Year Ended 31st March, 2017

(Amount in ₹)			
Sl. No	Particulars	Alphageo International Limited, Dubai	Alphageo DMCC, Dubai
1	The Date since when Subsidiary was acquired	10th June 2010	30th January 2011
2	Reporting currency	USD	USD
3	Exchange rate as on 31.03.2017	64.8386	64.8386
4	Share Capital	18,46,63,380	35,22,033
5	Reserves & surplus	(12,79,914)	24,45,04,675
6	Total assets	18,36,76,602	43,00,09,336
7	Total liabilities	2,93,135	22,64,423
8	Investments (Excluding Investment in Subsidiary)	NIL	NIL
9	Turnover	30,55,584	14,78,94,772
10	Profit before taxation	(6,62,391)	2,22,93,910
11	Provision for taxation	NIL	41,62,638
12	Profit after taxation	(6,62,391)	1,81,31,272
13	Proposed dividend	NIL	NIL
14	% of Shareholding by Holding Company	100	100

Note: Alphageo DMCC, Dubai is 100% owned Subsidiary of Alphageo International Limited and First Level Step down Subsidiary of Alphageo (India) Limited.

For and on behalf of the Board

**Z P Marshall**  
Chairman

Hyderabad  
04.08.2017



## ANNEXURE-2 TO DIRECTORS REPORT

### Information pursuant to Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

1	Ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year		
	Name of the Executive Director	Ratio to Median	% of increase in remuneration (Not Annualised)
	Mr. Dinesh Alla	192.34	365% (Refer Note-1)
	Mrs. Savita Alla	192.34	2173% (Refer Note-2)
	Note-1: The remuneration for the year 2015-16 and 2016-17 is as approved by the Members at 27th and 29th Annual General Meetings of the Company and within the overall remuneration prescribed under Companies Act, 2013.		
	Note-2: The remuneration for the year 2015-16 and 2016-17 is as approved by the Members at 28th Annual General Meetings of the Company and within the overall remuneration prescribed under Companies Act, 2013.		
2	Percentage increase in remuneration of Non-Executive Director and Key Managerial Personnel:		
		Ratio to Median	% of Increase (Not Annualised)
	<b>Non-Executive Directors:</b>		
	Z.P. Marshall, Chairperson- Independent Director	Non-Executive Directors and Independent Directors were paid only Sitting Fees for attending meetings of the Board and Committees of the Board. Hence Ratio to Median is not applicable	Not Applicable
	Rajesh Alla, Director		
	Ashwinder Bhel, Independent Director		
	Mohan Krishna Reddy, Independent Director		
	<b>Key Managerial Personnel:</b>		
	Venkatesa Perumallu Pasumarthy, Chief Financial Officer	Not Applicable	8.93%
	Meenakshi Naag, Company Secretary	Not Applicable	32.00%
3	<b>The percentage increase in median remuneration of employees in the financial year 2016-17:</b> 10.80%		
4	<b>No. of Permanent Employees on the rolls of the Company during 2016-17:</b> 199 Nos.		
5	<b>Average percentile increase already made in the Salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there any exceptional circumstances for increase in the managerial remuneration:</b>		
	The percentage increase in the total salaries of all employees other than managerial personnel in financial year 2016-17 was 163%. The corresponding increase in managerial remuneration for 2016-17 was 772%. The managerial remuneration being paid to Managing Director and Joint Managing Director is as per the provisions of Companies Act 2013 and within overall limit prescribed in the Act which is based on the profits for the year 2016-17. As there is an exceptional growth in the operations of the Company during 2016-17 recording increase in operational income by 332% and Profit before tax by 607% year on year basis, there is an increase in the amount of remuneration to managerial personnel for the year 2016-17.		
6	<b>Affirmation that the remuneration is as per the Remuneration Policy of the Company:</b>		
	It is hereby affirmed that the remuneration to Directors and Key Managerial Personnel for the year 2016-17 was as per the terms of the appointment and remuneration policy of the Company.		

For and on behalf of the Board

Hyderabad  
04.08.2017

**Z P Marshall**  
Chairman

## ANNEXURE-3 TO DIRECTORS REPORT

### Information pursuant to Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

Name	Age (Yr)	Qualification	Designation	Date of Commencement of Employment	Experience (yrs)	Gross Remuneration (Crores)	Last Employment
<b>Employed throughout the year</b>							
Mr. Dinesh Alla	52	M. Sc. (Hons) Mathematics, Masters in Management Studies	Managing Director	21/08/1991	26	4.05	-
Mrs. Savita Alla	49	Masters in Management Studies	Joint Managing Director	26/09/2014	18	4.05	IIC Technologies Pvt Ltd
Mr. Venkatesa Perumallu Pasumarthy	56	B.Com., FCA	Chief Financial Officer	01/02/2012	30	0.44	Practicing Chartered Accountant
Mr. Balaji Sundararajan	53	BE. (Hons) Mechanical, M.Sc. (Hons) Mathematics	Vice President -Operations	01/08/2000	29	0.35	Hindustan Dorr Oliver Ltd
Mr. Sachindra Singh	45	M. Tech (Geophysics)	Chief Seismologist	01/06/1997	20	0.28	-
Mr. Kodanda Rami Reddy Bathula	52	LECE, Grad. IETE, PGDCP	Party Chief	19/05/2007	30	0.26	Shivani Oil & Gas Exploration Services Ltd
Mr. Rahul Chawla	42	M Tech. Applied Geophysics	Party Chief	16/07/2013	17	0.21	Asian Oilfield Services Ltd
Mr. Suresh Rahul Bellap	42	BE. Mechanical	General Manager - Projects	01/04/2016	29	0.21	Mahindra & Mahindra Ltd
Mr. Ravi Kumar Bhogadhi	40	B. Sc. Electronics	Chief Observer	13/03/2006	14	0.19	Sify Broadband
Mr. Chitti Babu Yedla	59	BE. Economics	Party Chief	10/09/1992	26	0.17	Transducers & Controls Pvt Ltd
<b>Employed for a part of the year</b>							
Mr. Anthony Cheshire*	64	BE. (Hons) Electrical & Electronic Engineering	VP - Technical Services	30/09/2016	42	0.32	Seismic Consultants Group Pty. Ltd
Mr. Thomas Ajewole*	48	B. Sc.(Hon) Applied Geophysics	Chief Seismologist	08/08/2016	21	0.36	Petronas Carigali SDN. BHD.

Notes:

- Gross Remuneration includes salary, allowances, company contribution to provident fund, Commission and other benefits.
- Dr. Dinesh Alla, Managing Director and Mrs. Savita Alla, Joint Managing Director are related to each other.
- No other employee mentioned above is related to any Director of the Company.
- Mr. Anthony Cheshire and Mr. Thomas Ajewole appointments are contractual.

For and on behalf of the Board

Hyderabad  
04.08.2017

**Z P Marshall**  
Chairman



**ANNEXURE-4 TO DIRECTORS REPORT**

**Annual Report on Corporate Social Responsibility (CSR) Activities for the year 2016-17**

S. No.	Particulars	Remarks
1.	A brief outline of the company's CSR policy, including overview of projects or programmes proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programmes	The Company has adopted its CSR Policy to ensure that the Company operates its business in an economically, socially & environmentally sustainable manner by enhancing the quality and economic wellbeing of the society in fulfillment of its role as a Socially Responsible Corporate. The Policy is available at <a href="http://www.alphageoindia.com/pdf/CORPORATE%20SOCIAL%20RESPONSIBILITY%20POLICY.PDF">http://www.alphageoindia.com/pdf/CORPORATE%20SOCIAL%20RESPONSIBILITY%20POLICY.PDF</a>
2	The composition of the CSR committee:	The CSR Committee was constituted by the Board of Directors at its meeting held on 12th August 2014. It comprises of:- 1. Mr. Z. P. Marshall - Independent Director 2. Mr. Ashwinder Bhel - Independent Director 3. Mrs. Savita Alla - Executive Director
3.	Average net profit of the company for last three financial years for the purpose of computation of CSR:	₹ 236.43 Lakhs
4.	Prescribed CSR Expenditure (2% of the amount as in item 3 above):	₹ 4.73 Lakhs
5	Details of CSR spent during the financial year:	
a	Total amount spent for the financial year:	₹ 5.18 Lakhs
b	Amount unspent (if any)	NIL
c	Manner in which the amount spent during the year	The Details of the amount spent and the manner the same has been spent are given in Annexure -1 to this Report
6	In case the company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report.	Not Applicable
7	A responsibility statement of the CSR committee that the implementation and monitoring of CSR policy, is in compliance with CSR objectives and policy of the Company.	The implementation and monitoring of CSR Policy is in compliance with the CSR objectives and Policy of the Company.

For and on behalf of the Board

**Z P Marshall**  
Chairman

Hyderabad  
04.08.2017

**Annexure -1 to Annual Report on Corporate Social Responsibility Activities for the year 2016-17**

**5(c) : Manner in which amount spent during the financial year is detailed below:**

A S. No.	B CSR Project or Activities Identified	C Sector in which the Project is Covered	D Projects or Programs (1) Local Area or Other (2) Specify the State & Districts where Projects or Programs were Undertaken	E Amount Outlay (Budget) Project or Program wise for the Fy 2016-17 (₹)	F Amount Spent on the Projects or Programs		G Cumulative Expenditure up to the Reporting Period (₹)	H Amount Spent: Direct or through Implementing Agency
					Direct Expenditure on Projects (₹)	Overheads (₹)		
1	Support Children for Education, Protection & Survival Etc. Program	Activity Covered under (i) & (ii) as per Schedule VII of Companies Act-2013 i.e. Promoting Education and Health Care	States of Telangana & Andhra Pradesh	2,00,000	2,00,000	-	2,00,000	Save the Children (Bal Raksha Bharat), Bangalore
2	Promoting education, employment enhancing skills among differently abled peoples.	Activity Covered under (ii) as per Schedule VII of Companies Act-2013 i.e. Livelihood programs for youth & people with disability	Hyderabad	1,50,000	1,50,000	-	1,50,000	Youth4Jobs Foundation, Hyderabad
3	Supporting Girl Child for Education through Nanhi Kali Program	Activity Covered under (ii) as per Schedule VII of Companies Act-2013 i.e. Promoting Education	States of Telangana & Andhra Pradesh	1,68,000	1,68,000	-	1,68,000	Nanhi Kali Project – a Joint programme of K C Mahindra Education Trust, Mumbai and Naandhi Foundation
<b>Total</b>				<b>5,18,000</b>	<b>5,18,000</b>	<b>-</b>	<b>5,18,000</b>	

For and on behalf of the Board

**Z P Marshall**  
Chairman

Hyderabad  
04.08.2017



## ANNEXURE-5 TO DIRECTORS REPORT

### Form No. MR-3 SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2017  
[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies  
(Appointment and Remuneration Personnel) Rules, 2014]

To,  
The Members,  
**ALPHAGEO (INDIA) LIMITED**

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by ALPHAGEO (INDIA) LIMITED (hereinafter called the 'Company'). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on March 31, 2017, complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2017, according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the Rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Not applicable to the Company during the period of audit).
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not applicable to the Company during the period of audit); and
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (Not applicable to the Company during the period of audit)
- (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
- (vi) As per the representations and explanations give by the Management and Officers of the Company there are no industry specific laws applicable to the Company as the Company falls under service sector.

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India and notified under Companies Act, 2013 with effect from 1st July 2015.
- (ii) The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited (NSE).

During the period under review the Company has complied

Place: Hyderabad  
Date : 04.08.2017

This report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.

with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Decision at the Board Meetings are carried out unanimously as recorded in the Minutes.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period the company has no specific events / actions having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above.

For **D.HANUMANTA RAJU & CO**  
Company Secretaries

**CS SHAIK RAZIA**  
Partner  
FCS: 7122, CP NO: 7824





## ANNEXURE-A

To,  
The Members,  
**ALPHAGEO (INDIA) LIMITED**

Our report of even Date is to be read along with this letter.

- Maintenance of secretarial records is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
- We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed, provide a reasonable basis for our opinion.
- We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
- Where ever required, we have obtained the Management Representation about the compliance of laws, rules and regulations and happening of events etc.
- The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
- The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness and with which the management has conducted the affairs of the company.

For **D.HANUMANTA RAJU & CO**  
Company Secretaries

**CS SHAIK RAZIA**  
Partner  
FCS: 7122, CP NO: 7824

Place: Hyderabad  
Date : 04.08.2017

## ANNEXURE-6 TO DIRECTORS REPORT

### FORM NO. MGT 9 EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31.03.2017  
Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company  
(Management & Administration) Rules, 2014

### I. REGISTRATION & OTHER DETAILS:

i.	CIN	L74210TG1987PLC007580
ii.	Registration Date	July 01, 1987
iii.	Name of the Company	ALPHAGEO (INDIA) LIMITED
iv.	Category/Sub-category of the Company	Company Limited by Shares
v.	Address of the Registered office & contact details	<p><b>Registered Office</b> 802, Babukhan Estate, Basheerbagh, Hyderabad-500 001, Telangana State</p> <p><b>Corporate Office</b> 1st Floor, Plot No.1, Sagar Society, Road No.2, Banjara Hills, Hyderabad - 500 034, Telangana State Phone:040-23550502/23550503 Fax: 040-23302238 Email: cs@alphageoindia.com Website:- www.alphageoindia.com</p>
vi.	Whether listed company	Yes
vii.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	<p>Karvy Computershare Pvt Ltd Karvy Selenium, Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad-500032, Telangana Phone: 040-67161606, 67161602 Email: einward.ris@karvy.com Website:- www.karvycomputershare.com</p>

### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company are:

Sl. No.	Name & Description of main products/services	NIC Code of the Product /service	% to total turnover of the company
1	Seismic Survey Data Acquisition, Processing and interpretation Services	7110	100%



### III. PARTICULARS OF HOLDING, SUBSIDIARY & ASSOCIATE COMPANIES

Sl. No.	Name & Address of the Company	CIN/GLN	Holding / Subsidiary / Associate	% of Shares Held	Applicable Section
1	Alphageo International Limited, TPOFCB06WS103, P O Box No. 17870, Dubai, UAE	N.A.	Subsidiary	100%	2(87)(ii)

### IV. SHAREHOLDING PATTERN (Equity Share capital Break up as % to total Equity)

#### (i) Category-wise Shareholding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
	DEMAT	Physical	Total	% of Total Shares	DEMAT	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/ HUF	1914199	-	1914199	33.97	2182199	0	2182199	35.66	1.69
b) Central Govt. or State Govt.	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	289106	-	289106	5.13	305906	-	305906	5.00	-0.13
d) Bank/ FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
<b>SUB TOTAL:(A) (1)</b>	<b>2203305</b>	<b>-</b>	<b>2203305</b>	<b>39.10</b>	<b>2488105</b>	<b>-</b>	<b>2488105</b>	<b>40.66</b>	<b>1.56</b>
<b>(2) Foreign</b>									
a) NRI- Individuals	126300	-	126300	2.24	126300	-	126300	2.06	-0.18
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	35716	-	35716	0.63	35716	-	35716	0.58	-0.05
d) Banks/ FI	-	-	-	-	-	-	-	-	-
e) Any other...	-	-	-	-	-	-	-	-	-
<b>SUB TOTAL (A) (2)</b>	<b>162016</b>	<b>-</b>	<b>162016</b>	<b>2.88</b>	<b>162016</b>	<b>-</b>	<b>162016</b>	<b>2.65</b>	<b>-0.23</b>
<b>Total Shareholding of Promoter (A)= (A)(1) + (A)(2)</b>	<b>2365321</b>	<b>-</b>	<b>2365321</b>	<b>41.98</b>	<b>2650121</b>	<b>-</b>	<b>2650121</b>	<b>43.30</b>	<b>1.32</b>
<b>B. PUBLIC SHAREHOLDING</b>									
<b>(1) Institutions</b>									
a) Mutual Funds	-	7600	7600	0.13	-	7600	7600	0.12	-0.01
b) Banks/ FI	4130	-	4130	0.07	22212	-	22212	0.36	0.29
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt.	-	-	-	-	-	-	-	-	-
e) Venture Capital Fund	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIS	-	2900	2900	0.06	-	2900	2900	0.05	-0.01
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Foreign Portfolio Investors	-	-	-	-	112000	-	112000	1.83	1.83
j) Others	-	-	-	-	-	-	-	-	-
<b>SUB TOTAL (B)(1):</b>	<b>4130</b>	<b>10500</b>	<b>14630</b>	<b>0.26</b>	<b>134212</b>	<b>10500</b>	<b>144712</b>	<b>2.36</b>	<b>2.10</b>

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
	DEMAT	Physical	Total	% of Total Shares	DEMAT	Physical	Total	% of Total Shares	
<b>(2) Non Institutions</b>									
a) Bodies Corporate	597528	13500	611028	10.84	569138	13500	582638	9.52	-1.32
b) Individuals									
i) Individual shareholders holding nominal share capital up to ₹1 lakh	1367742	175290	1543032	27.38	1801756	164430	1966186	32.13	4.75
ii) Individuals shareholders holding nominal share capital in excess of ₹ 1 lakh	1016283	-	1016283	18.04	577590	-	577590	9.44	-8.60
c) Others (specify)									
i) Clearing Member	6569	-	6569	0.12	20184	-	20184	0.33	0.21
ii) Non Resident Indians	69682	14400	84082	1.49	140194	14000	154194	2.52	1.03
iii) Trust	-	-	-	-	20817	-	20817	0.34	0.34
iv) NBFC Registered with RBI	-	-	-	-	3325	-	3325	0.05	0.05
<b>SUB TOTAL (B)(2):</b>	<b>3051926</b>	<b>202890</b>	<b>3254816</b>	<b>57.76</b>	<b>3133004</b>	<b>191930</b>	<b>3324934</b>	<b>54.33</b>	<b>-3.43</b>
<b>Total Public Shareholding (B)= (B)(1)+(B)(2)</b>	<b>3056056</b>	<b>213390</b>	<b>3269446</b>	<b>58.02</b>	<b>3267216</b>	<b>202430</b>	<b>3469646</b>	<b>56.70</b>	<b>-1.32</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	<b>5421377</b>	<b>213390</b>	<b>5634767</b>	<b>100.00</b>	<b>5917337</b>	<b>202430</b>	<b>6119767</b>	<b>100.00</b>	<b>-</b>

#### (ii) Share holding of Promoters

Sl. No.	Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of shares	% of total shares of the Company	% of shares pledged encumbered to total shares	No. of shares	% of total shares of the Company	% of shares pledged encumbered to total shares	
1	Dinesh Alla	530974	9.42	0	764974	12.50	0	3.08
2	Kamala Rajupet	229166	4.07	0	229166	3.74	0	-0.33
3	Savita Alla	241458	4.29	0	391458	6.40	0	2.11
4	Hemavathi Alla	220167	3.91	0	0	0	0	-3.91
5	Alla Dinesh (HUF)	188900	3.35	0	218067	3.56	0	0.21
6	Aquila Drilling Pvt. Ltd.	279906	4.96	0	305906	5.00	0	0.04
7	Sashank Alla	174000	3.09	0	224000	3.66	0	0.57
8	Anisha Alla	174000	3.09	0	199000	3.25	0	0.16
9	Rajesh Alla	126567	2.25	2.25	126567	2.07	2.07	-0.18
10	Alla Rajesh (HUF)	86333	1.53	1.53	86333	1.41	1.41	-0.12
11	Mrudula Alla	67634	1.20	1.20	67634	1.11	1.11	-0.09
12	Alphageo Inc	35716	0.64	0	35716	0.58	0	-0.06
13	Gopinath Reddy Rajupet	1300	0.02	0	1300	0.02	0	0
14	Athena Infracon (India) Pvt. Ltd.	9200	0.16	0	0	0	0	-0.16
<b>Total</b>		<b>2365321</b>	<b>41.98</b>	<b>4.98</b>	<b>2650121</b>	<b>43.30</b>	<b>4.58</b>	<b>1.32</b>



(iii) Change in Promoters' Shareholding (Specify if there is no change)

Sl. No.	Shareholders Name	Shareholding at the beginning of the Year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	<b>At the beginning of the year</b>	<b>2365321</b>	<b>41.98</b>	<b>2365321</b>	<b>41.98</b>
1.	Allotment of Equity Shares on Conversion of Warrants 07.09.2016	25000	0.45	2390321	42.23
2.	Sold on 27.09.2016	(199000)	(3.51)	2191321	38.72
3.	Allotment of Equity Shares on Conversion of Warrants 13.10.2016	250000	4.23	2441321	41.31
4.	Sold on 13.12.2016	(1200)	(0.02)	2440121	41.29
5.	Allotment of Equity Shares on Conversion of Warrants 13.10.2016	210000	3.43	2650121	43.30
	<b>At the end of the year</b>	<b>2650121</b>	<b>43.30</b>	<b>2650121</b>	<b>43.30</b>

(iv) Shareholding Pattern of top ten Shareholders (Other than Directors, Promoters & Holders of GDRS & ADRS)

Sl. No.	Name of the Shareholder	Shareholding at the beginning of the Year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
<b>1</b>	<b>Shivani Tejas Trivedi</b>				
	At the beginning of the year	151528	2.69	151528	2.69
	Bought during the year	11400	(0.19)	162928	2.66
	Sold during the year	(135334)	(2.21)	27594	0.45
	At the end of the year	27594	0.45	27594	0.45
<b>2</b>	<b>Surendra Kumar Jain</b>				
	At the beginning of the year	110943	1.97	110943	1.97
	Bought during the year	-	-	110943	1.81
	Sold during the year	(52108)	(0.85)	58835	0.96
	At the end of the year	58835	0.96	58835	0.96
<b>3</b>	<b>Minal B Patel</b>				
	At the beginning of the year	75413	1.34	75413	1.34
	Bought during the year	-	-	75413	1.23
	Sold during the year	(40927)	(0.67)	34486	0.56
	At the end of the year	34486	0.56	34486	0.56
<b>4</b>	<b>Trigeo Technologies Pvt. Ltd</b>				
	At the beginning of the year	72203	1.28	72203	1.28
	Bought during the year	-	-	72203	1.18

Sl. No.	Name of the Shareholder	Shareholding at the beginning of the Year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	Sold during the year	(10000)	0.16	62203	1.02
	At the end of the year	62203	1.02	62203	1.02
<b>5</b>	<b>IL AND FS SECURITIES SERVICES LTD</b>				
	At the beginning of the year	60934	1.08	60934	1.08
	Bought during the year	159925	2.61	220859	3.61
	Sold during the year	(183251)	3.00	37608	0.61
	At the end of the year	37608	0.61	37608	0.61
<b>6</b>	<b>Kenneth Andrade</b>				
	At the beginning of the year	59058	1.05	59058	1.05
	Bought during the year	-	-	59058	0.97
	Sold during the year	(13875)	0.23	45183	0.74
	At the end of the year	45183	0.74	45183	0.74
<b>7</b>	<b>VIBGYOR INVESTORS AND DEVELOPERS PVT LTD</b>				
	At the beginning of the year	50000	0.89	50000	0.89
	Bought during the year	-	-	50000	0.82
	Sold during the year	-	-	50000	0.82
	At the end of the year	50000	0.82	50000	0.82
<b>8</b>	<b>SUNITA AGGARWAL</b>				
	At the beginning of the year	50000	0.89	50000	0.89
	Bought during the year	-	-	50000	0.82
	Sold during the year	-	-	50000	0.82
	At the end of the year	50000	0.82	50000	0.82
<b>9</b>	<b>RAVI KUMAR AGGARWAL</b>				
	At the beginning of the year	50000	0.89	50000	0.89
	Bought during the year	-	-	50000	0.82
	Sold during the year	-	-	50000	0.82
	At the end of the year	50000	0.82	50000	0.82
<b>10</b>	<b>RAVI KUMAR AGGARWAL-HUF</b>				
	At the beginning of the year	50000	0.89	50000	0.89
	Bought during the year	-	-	50000	0.82
	Sold during the year	-	-	50000	0.82
	At the end of the year	50000	0.82	50000	0.82
<b>11</b>	<b>JANAK D JESRANI</b>				
	At the beginning of the year	48040	0.85	48040	0.85
	Bought during the year	1250	0.02	49290	0.80



Sl. No.	Name of the Shareholder	Shareholding at the beginning of the Year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	Sold during the year	(34290)	(0.56)	15000	0.24
	At the end of the year	15000	0.24	15000	0.24
<b>12</b>	<b>RELIGARE SECURITIES LTD</b>				
	At the beginning of the year	43811	0.78	43811	0.78
	Bought during the year	42575	0.70	86386	1.41
	Sold during the year	(74475)	(1.22)	11911	0.19
	At the end of the year	11911	0.19	11911	0.19
<b>13</b>	<b>ALCHEMY INDIA LONG TERM FUND LIMITED</b>				
	At the beginning of the year	-	-	-	-
	Bought during the year	110000	1.80	110000	1.80
	Sold during the year	-	-	110000	1.80
	At the end of the year	110000	1.80	110000	1.80
<b>14</b>	<b>ICICI BANK LIMITED</b>				
	At the beginning of the year	27043	0.48	27043	0.48
	Bought during the year	28589	0.47	55632	0.91
	Sold during the year	(36563)	(0.60)	19069	0.31
	At the end of the year	19069	0.31	19069	0.31

#### (v) Shareholding of Directors & Key Managerial Personnel

Sl. No.	For Each of the Directors & KMP	Shareholding at the beginning of the year		Cumulative Share holding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
<b>A</b>	<b>Directors:</b>				
1	Dinesh Alla				
	At the beginning of the year	530974	9.42	530974	9.42
	Allotment of Equity Shares on conversion of warrants on 13.10.2016	24000	0.41	554974	9.39
	Allotment of Equity Shares on conversion of warrants on 23.02.2017	210000	3.43	764974	12.50
	At the end of the year	-	-	764974	12.50
2	Mr. Savita Alla				
	At the beginning of the year	241458	4.29	241458	4.29

Sl. No.	For Each of the Directors & KMP	Shareholding at the beginning of the year		Cumulative Share holding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	Allotment of Equity Shares on conversion of warrants on 13.10.2016	150000	2.11	391458	6.40
	At the end of the year	-	-	391458	6.40
3	Mr. Rajesh Alla	126567	2.25	126567	2.07
4	Mr. Z. P. Marshall	500	0.01	500	0.01
5	Mr. Ashwinder Bhel	-	-	-	-
6	Mr. Mohan Krishna Reddy Aryabumi	-	-	-	-
<b>B</b>	<b>Key Managerial Personnel</b>				
1	Mr. Venkatesa Perumallu Pasumarthy- Chief Financial Officer	-	-	-	-
2	Ms. Meenakshi Naag- Company Secretary	-	-	-	-

#### V. INDEBTEDNESS

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial Year</b>				
i) Principal Amount	2,40,10,484	-	-	2,40,10,484
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i + ii + iii)</b>	<b>2,40,10,484</b>	<b>-</b>	<b>-</b>	<b>2,40,10,484</b>
<b>Change in Indebtedness during the financial year</b>				
Additions	38,70,60,610	8,00,53,260	12,92,54,840	59,63,68,710
Reduction	93,15,967	-	12,92,54,840	13,85,70,807
<b>Net Change</b>	<b>37,77,44,643</b>	<b>8,00,53,260</b>	<b>-</b>	<b>45,77,97,903</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	40,17,55,127	8,00,53,260	-	48,18,08,387
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	90,634	53,260	-	1,43,894
<b>Total (i + ii + iii)</b>	<b>40,16,64,493</b>	<b>8,00,00,000</b>	<b>-</b>	<b>48,16,64,493</b>



## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

### A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sl. No.	Particulars of Remuneration	Name of the MD/WTD/Manager		Total (₹)
		Dinesh Alla Managing Director	Savita Alla Joint Managing Director	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income Tax. 1961.	91,74,194	28,00,000	1,19,74,194
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	13,31,850	6,00,000	19,31,850
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-	-
2	Stock option			
3	Sweat Equity			
4	Commission			
	-as % of profit	2,89,17,349	3,67,88,296	6,57,05,645
	-Others (specify) -			
5	Others,- (Provident fund contribution)	11,00,903	3,36,0000	14,36,903
	<b>Total (A)</b>	<b>4,05,24,296</b>	<b>4,05,24,296</b>	<b>8,10,48,592</b>
	Ceiling as per the Act	4,05,24,296	4,05,24,296	8,10,48,952

### B. Remuneration to other Directors:

Sl. No.	Particulars of Remuneration	Name of Directors			Total (₹)
		Z. P. Marshall	Ashwinder Bhel	Mohan Krishna Reddy Aryabumi	
1	<b>Independent Directors</b>				
	Fee for attending board /committee meetings	50,000	80,000	95,000	2,25,000
	Commission	-	-	-	-
	Others	-	-	-	-
	<b>Total (1)</b>	<b>50,000</b>	<b>80,000</b>	<b>95,000</b>	<b>2,25,000</b>
2	<b>Other Non-Executive Directors</b>	<b>Rajesh Alla</b>			
	Fee for attending board / committee meetings		95,000		95,000
	Commission		-		-
	Others, please specify		-		-
	Total (2) as per the Act		95,000		95,000
	<b>Total (B)= (1+2)</b>				<b>3,20,000</b>
	<b>Total Managerial Remuneration (A+B)</b>				<b>8,13,68,592</b>
	Overall Ceiling as per the Act				8,13,68,592

### C. Remuneration to Key Managerial Personnel other than MD/Manager/Whole Time Director

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		Total (₹)
		Meenakshi Naag, Company Secretary	Venkatesa Perumallu Pasumarthy, Chief Financial Officer	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income Tax. 1961.	4,14,000	38,55,825	42,69,825
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-	-
2	Stock option			
3	Sweat Equity			
4	Commission			
	-as % of profit			
	-Others (specify) -			
5	Others,- Variable Incentive		3,00,000	3,00,000
	<b>Total (A)</b>	<b>4,14,000</b>	<b>41,55,825</b>	<b>45,69,825</b>

## VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment / Compounding fees imposed	Authority (RD/ NCLT/Court)	Appeal made if any (give details)
<b>A. COMPANY</b>			--NIL--		
Penalty			--NIL--		
Punishment			--NIL--		
Compounding			--NIL--		
<b>B. DIRECTORS</b>			--NIL--		
Penalty			--NIL--		
Punishment			--NIL--		
Compounding			--NIL--		
<b>C. OTHER OFFICERS IN DEFAULT</b>			--NIL--		
Penalty			--NIL--		
Punishment			--NIL--		
Compounding			--NIL--		

For and on behalf of the Board

Hyderabad  
04.08.2017

**Z P Marshall**  
Chairman



## Report on Corporate Governance

for the year 2016-17

“Corporate Governance is the application of best management practice, compliance of law in letter and spirit and adherence to ethical standards for effective management and distribution of wealth and discharge of social responsibility for sustainable development of all Stakeholders”.

### 1. Company's Philosophy on Corporate Governance

The Alphageo (India) Limited's philosophy on corporate governance is “Corporate governance is a set of process, practices, policies, procedures, rules and law affecting the way of business is directed, managed or controlled. It is set of systems and processes to ensure that a company is managed to suit the best interest to all. With help of sound corporate governance frameworks the Company can achieve excellence in everything that the Company does”.

The Alphageo (India) Limited (the Company) is fully committed for practising sound corporate governance and upholding the highest business standards in conducting business. Being a value-driven Organisation, the Company has always worked towards building trust with shareholders, employees, customers, suppliers and other stakeholders based on the principles of good Corporate Governance, viz., integrity, equity, transparency, fairness, disclosure, accountability and commitment to values. In addition to compliance with regulatory requirements, the Company endeavours to ensure that highest standards of ethical and responsible conduct are met throughout the organisation.

### 2. The Board of Directors

The Board of Directors is entrusted with the ultimate responsibility of the management of affairs, direction to and performance of the Company and has been vested with requisite powers, authorities and duties. The Company is adhered to its policy of maintaining optimum combination of Executive and Non-executive Directors on its Board, the composition of the Board and the criteria of independence of Independent Directors are in compliance with Regulation 17 of Listing Regulations and Section 149 of the Companies Act 2013.

#### Composition and Category of Directors and Directorships and Committee Memberships:

The Board comprises 6 Directors out of which 3 are Independent Directors, 1 Woman Promoter Director and 2 Promoter Directors. The Company has Independent Director as its Non-Executive Chairperson. The details of Directorships and Committee Memberships of the Directors as on 31st March 2017 are given below. None of the Directors is a member of committee of more than ten committees of the Board of the Company and other companies and are acting as a Chairperson of more than five committees across of all the companies including the company, in which they are directors.

Name of the Director	Category & Designation	Number of Other Directorships	Committee Positions	
			As Member of the Committee	As Chairperson of the Committee
Mr. Z. P. Marshall	Non-Executive, Independent & Chairperson	-	1	3
Mr. Dinesh Alla	Executive, Promoter & Managing Director	1	-	1
Mrs. Savita Alla	Executive, Promoter & Joint Managing Director	2	3	-
Mr. Rajesh Alla	Non-Executive & Promoter	5	4	-
Mr. Ashwinder Bhel	Non-Executive & Independent	5	3	-
Mr. Mohan Krishna Reddy Aryabumi	Non-Executive & Independent	8	7	1

Note: Mr. Dinesh Alla, Mr. Rajesh Alla and Mrs. Savita Alla are Promoter Directors of the Company and related to each other.

### 3. Board Meetings and Attendance of Directors

During the year ended 31st March 2017, the Board has met seven times viz. 20th May, 2016, 25th July 2016, 01st August 2016, 13th October 2016, 11th November 2016, 19th December 2016 and 10th February 2017. All material information was circulated to the directors before the meeting or placed at the meeting, including minimum information required to be made available to the Board as prescribed under Part A of Schedule II of Sub-Regulation 7 of Regulation 17 of the Listing Regulations.

The Board / Committee Meetings are pre-scheduled and a tentative date of the Board and Committee Meetings is

circulated to the Directors well in advance to facilitate them to plan their schedule and to ensure meaningful participation in the meetings. However, in case of a special and urgent business need, the Board's approval is taken by passing resolutions by circulation, as permitted by law, which is noted and confirmed in the subsequent Board meeting. The Board meetings are generally held at Hyderabad.

The Managing Director and Chief Financial Officer certify to the Board, inter alia, the accuracy of the financial statements and adequacy of internal controls for the financial reporting, in accordance with Regulation 17(8) of Listing Regulations pertaining to CEO and CFO certification for the financial year ended March 31, 2017.

The details of attendance of the Directors at the Board Meetings and at the 29th Annual General Meeting held on 29th September 2016 is as given here under:

Name of the Director	No. of Board Meetings		Whether attended last AGM
	Held	Attended	
Mr. Z. P. Marshall	7	3	No
Mr. Dinesh Alla	7	7	Yes
Mrs. Savita Alla	7	5	Yes
Mr. Rajesh Alla	7	5	No
Mr. Ashwinder Bhel	7	3	No
Mr. Mohan Krishna Reddy Aryabumi	7	5	No

### 4. Separate Independent Directors' Meetings and Familiarisation programmes

During the year under review, the Independent Directors met on 10th February 2017, inter alia to get familiarise with the updates to statutory provisions of Companies Act, 2013 and Listing Regulations and discussed:

- the performance of Non-Independent Directors and the Board as a whole;
- the performance of the Chairperson of the Company, taking into account the views of Executive Directors and Non-Executive Directors; and
- the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

All Independent Directors were present at the meeting.

The Company has familiarisation programme for Independent Directors with regard to their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, the business model of the Company etc. The familiarization programme for Independent Directors is disclosed on the Company's website at the following web link: <http://www.alphageoindia.com/Others.htm>

### 5. Performance Evaluation

In terms of the requirements of the Act and Listing Regulations, the Board carried out the annual performance evaluation of the Board as a whole, Board Committees and its Directors.

A formal evaluation mechanism is in place for evaluating the performance of the Board, the Committees thereof, individual Directors and the Chairman of the Board. The evaluation was



done based on the criteria which includes, among others, providing strategic perspective, Chairmanship of Board and Committees, attendance and preparedness for the meetings, contribution at meetings, effective decision making ability, role of the Committees etc. The exercise was led by the Non-Executive Chairman along with an Independent Director of the Company. The Directors expressed their satisfaction with the evaluation process.

## 6. Committees of the Board

The Board Committees play a vital role in improving Board effectiveness in areas where more focused and extensive discussions are required. The Board Committees are set up under the formal approval of the Board to carry out clearly defined roles which are considered to be performed by members of the Board, as a part of good governance practice. The Board supervises the execution of its responsibilities by the Committees and is responsible for their action

The minutes of the meetings of all Committees are placed before the Board for review. The Board Committees can request special invitees to join the meeting, as appropriate. The following committees of the Board are in existence during the year 2016-17:

### Composition, Meetings and Attendance

The Audit Committee met four times on 20th May 2016, 01st August 2016, 11th November 2016 and 10th February 2017 during the year 2016-17. The details of the attendance of the Members at the meetings are as under:

Name of the Director	Category	Designation	No. of Meetings	
			Held	Attended
Mr. Z. P. Marshall	Independent Director	Chairperson	4	2
Mr. Rajesh Alla	Promoter Director	Member	4	3
Mr. Ashwinder Bhel	Independent Director	Member	4	3
Mr. Mohan Krishna Reddy Aryabumi	Independent Director	Member	4	3

The Audit Committee has the powers inter alia in line with the SEBI Listing Regulations, to investigate any activity within its terms of reference, to seek information from any employee, to obtain outside legal or other professional advice and to secure attendance of outsiders with relevant expertise if it considers necessary.

The terms of reference of the Audit Committee are in conformity with the requirements of SEBI Listing Regulations and Section 177(4) of the Companies Act, 2013. The terms of reference of the Audit Committee include the following:

1. Overseeing of the Company's financial reporting process

- (a) Audit Committee;
- (b) Nomination and Remuneration Committee;
- (c) Corporate Social Responsibility Committee;
- (d) Stakeholders' Relationship Committee;
- (e) Securities Issue Committee;

### Audit Committee

The Company's Audit Committee comprises 3 Independent Directors and One Non-Executive Promoter Director as members of the Committee and headed by an independent Director as a Chairperson. 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 of the Company acts as Secretary to the Audit Committee.

The Chairperson of the Audit Committee due to his health reason was absent at the last Annual General Meeting of the Company. With the authorisation from the Chairman, the Chief Financial Officer of the Company has addressed the queries on the Financial Statements raised by shareholders at 29th Annual General Meeting of the Company.

and disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;

2. Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:

- matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
  - Changes, if any, in accounting policies and practices and reasons for the same;
  - Major accounting entries involving estimates based on the exercise of judgment by management;
  - Significant adjustments made in the financial statements arising out of audit findings;
  - Compliance with listing and other legal requirements relating to financial statements;
  - Disclosure of any related party transactions;
  - Qualification in the draft audit report;
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
  6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;
  7. Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
  8. Approval or any subsequent modification of transactions of the listed entity with related parties;
  9. Scrutiny of inter-corporate loans and investments;
  10. Valuation of undertakings or assets of the listed entity, wherever it is necessary;
  11. Evaluation of internal financial controls and risk management systems;
  12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
  13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;

14. Discussion with internal auditors of any significant findings and follow up there on;
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. To review the functioning of the whistle blower mechanism;
19. Approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
20. Carrying out any other function as is mentioned in the terms of reference of the audit committee.

The Audit Committee shall also mandatorily review:

1. Management discussion and analysis of financial condition and results of operations;
2. Statement of significant related party transactions submitted by the management;
3. Letters of internal control weakness issued by the Statutory auditors;
4. Internal audit reports pertaining to internal control weakness;
5. The appointment, removal and terms of remuneration of the chief internal auditor; and
6. Statement of deviations:
  - quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of Listing Regulations;
  - annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7) of Listing Regulations.



### Nomination and Remuneration Committee

In terms of Section 178(1) of the Companies Act, 2013 and Regulation 19 of Listing Regulations, the Nomination and Remuneration Committee should comprise of at least three Directors; all of whom should be Non-Executive Directors. At least half of the Committee members should be Independent with an Independent Director acting as the Chairman of the Committee.

### Composition, Meetings and Attendance:

The Committee of the Company headed by an Independent Director as a Chairperson comprises 4 Directors as Members of the Committee. The Committee has met on 01st August 2016, 07th September 2016, 13th October 2016 and 23rd February 2017 during the year 2016-17 and the details of attendance of each member of the Committee is as given below:

Name of the Director	Category	Designation	No. of Meetings	
			Held	Attended
Mr. Mohan Krishna Reddy Aryabumi	Independent Director	Chairperson	4	4
Mr. Z. P. Marshall	Independent Director	Member	4	1
Mr. Rajesh Alla	Promoter Director	Member	4	3
Mr. Ashwinder Bhel	Independent Director	Member	4	1

In accordance with Section 178 of the Companies Act, 2013 and SEBI Listing Regulations, the terms of the Nomination and Remuneration Committee of the Company are as under:

- formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;
- formulation of criteria for evaluation of performance of independent directors and the board of directors;
- devising a policy on diversity of board of directors;
- identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal;
- whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;
- To formulate remuneration policy ensuring that (i) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully (ii) relationship of remuneration to performance is clear and meets appropriate performance benchmark; and (iii) remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long term

performance objectives appropriate to the working of the company and its goals;

- To administer, monitor and formulate the plan, terms and conditions of Employee Stock Option Scheme titled "Alphageo ESOS 2008", allotment of shares pursuant to exercise of options granted in terms of the Scheme to employees of the Company and also the employees of subsidiary companies.

### Remuneration to Directors:

- Pecuniary Transaction of non-executive directors: During the year under review, there were no pecuniary transactions with any non-executive director of the Company.
- Criteria of making the payments to non-executive directors: Non-executive directors of the Company play a crucial role in the independent functioning of the Board. They bring in an external perspective to decision-making, and provide leadership and strategic guidance while maintaining objective judgment. The Non-Executive Directors of the Company are paid sitting fees for each meeting of the Board and the Audit Committee attended by them.
- Remuneration Policy: The Remuneration Policy in the Company is designed to create a high performance culture. It enables the Company to attract, retain and motivate employees to achieve results. The Policy of the Company, inter alia, disclosing the criteria of making payments to

directors, key managerial personnel can be accessed at <http://www.alphageoindia.com/pdf/REMUNERATION%20AND%20NOMINATION%20POLICY.PDF>

- Executive directors: The appointment and remuneration of the Executive Directors will be by way of resolution passed by the Board of Directors and the shareholders of the Company, ordinary or special whichever is applicable, which covers terms of appointment and remuneration as recommended by the Committee, and further approved by way of Board and will be within the limits set by the shareholders at the General meeting.

The details of remuneration paid/payable to the Directors for the year 2016-2017 are:

### i) Non-executive Director(s):

Name	Sitting Fees (₹)	No. of options outstanding as on 31.03.2017	No. of Shares held as on 31.03.2017
Mr. Z. P. Marshall	50,000	Nil	500
Mr. Rajesh Alla	95,000	Nil	126567
Mr. Ashwinder Bhel	80,000	Nil	Nil
Mr. Mohan Krishna Reddy Aryabumi	95,000	Nil	Nil

### ii) Executive Director(s):

Name	Salary ₹	Perquisites ₹	Commission ₹	Contribution to P.F. ₹	Total ₹
Mr. Dinesh Alla	91,74,194	13,31,850	2,89,17,349	11,00,903	4,05,24,296
Mrs. Savita Alla	28,00,000	6,00,000	3,67,88,296	3,36,000	4,05,24,296

### Corporate Social Responsibility (CSR) Committee:

The Committee discharges the role of Corporate Social Responsibility Committee under Section 135 of the Companies Act, 2013 which includes formulating and recommending to the Board, a Corporate Social Responsibility (CSR) Policy indicating the activities to be undertaken by the Company, in compliance with Schedule VII to the Companies Act, 2013; recommending the amount of expenditure to be incurred; and monitoring the implementation of CSR Policy in the Company.

### Composition, Meetings and Attendance

The Committee comprises 3 Directors as Members of the Committee comprising two Independent Directors and one Executive Director. The Committee has met on 21st May 2016, during the year 2016-17 and the attendance of the each member of the Committee is as given below:

Name of the Director	Category	Designation	No. of Meetings	
			Held	Attended
Mr. Z. P. Marshall	Independent Director	Chairperson	1	1
Mrs. Savita Alla	Executive Director	Member	1	1
Mr. Ashwinder Bhel	Independent Director	Member	1	-

The CSR activities undertaken during the year under review are detailed in the Annual Report on CSR activities annexed to the Directors' Report. The focus areas for Company's CSR activities during 2016-17 were Promoting Education and Health Care of children; livelihood programs for youth & people with disability; and promoting education among girl children. Corporate Social Responsibility Policy of the Company is available on the Company's website [www.alphageoindia.com](http://www.alphageoindia.com).





### Stakeholders' Relationship Committee:

The Stakeholders Relationship Committee oversees, inter-alia, redressal of shareholder and investor's grievances pertaining to share transfers, non-receipt of annual reports, Dividend payments, issue of duplicate share certificates, recording de-materialisation/rematerialization of shares transmission of shares and other shareholder related queries, complaints etc. In addition to above, the Committee also oversees the performance of the Registrar and Share Transfer Agents and recommends measures for overall quality improvement of investor services.

### Composition, Meetings and Attendance

The Chairperson of the Committee is an Independent Non-Executive Director. The Committee has met four times on 20th May 2016, 01st August 2016, 11th November 2016 and 08th February 2017 during the year 2016-17.

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

Name of the Director	Category	Designation	No. of Meetings	
			Held	Attended
Mr. Z. P. Marshall	Independent Director	Chairperson	4	3
Mrs. Savita Alla	Executive Director	Member	4	4
Mr. Rajesh Alla	Promoter Director	Member	4	3

During the year ended 31st March, 2017, 33 Complaints were received from the Shareholders. All Complaints were redressed and none of them were pending as on 31st March, 2017.

### Securities Issue Committee:

"Securities Issue Committee" has come in to existence on 13th October 2016 to deal with issue of Securities of the Company from time to time to strengthen the Company's Financial Position and Net Worth by augmenting the long term resources and to enhance the competitiveness and financial ability to meet financial needs of the company at the respective times. "Securities" inter alia includes equity shares /fully convertible debentures, partly convertible debentures, optionally convertible debentures, non-convertible debentures/ preference shares, convertible or non-convertible/ global depository receipts/ American depository receipts/ foreign currency convertible bonds /any other financial instrument or securities convertible into or linked to equity shares with or without detachable warrants with a right exercisable by warrant holders to convert or subscribe to the equity shares or otherwise, with or without voting rights, denominated in rupees or in foreign currency.

The main terms of reference of the Committee include the following and incidental thereto:

- to issue Securities of the Company of such nature and in the manner in compliance with applicable provisions of the Companies Act, SEBI (ICDR) Regulations 2009, Foreign Exchange Management Act and other applicable provisions, rules and regulations from time to time;
- to authorise or appoint any of the Members of the Committee or Officers of the Company to do any of the relevant act for this purpose;
- to determine the utilisation of the funds raised through issue of Securities from time to time;
- to appoint any professional, attorney or advocate, a consultant at such remuneration as the Committee think fit from time to time;
- to do all other relevant acts in implementing the term of reference, until these terms are modified or amended by the Board.

### Composition, Meetings and Attendance

The Chairperson of the Committee is an Executive Director. The Committee has met on 11th November 2016 during the year 2016-17.

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

Name of the Director	Category	Designation	No. of Meetings	
			Held	Attended
Mr. Dinesh Alla	Executive Director	Chairperson	1	1
Mrs. Savita Alla	Executive Director	Member	1	1
Mr. Rajesh Alla	Promoter Director	Member	1	1
Mr. Mohan Krishna Reddy Aryabumi	Independent Director	Member	1	0

### 7. Unclaimed Dividend

Section 124 of the Companies Act 2013 read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules 2016 ('the Rules') mandates the Companies to transfer dividend that has remained unclaimed for a period of seven years from the unpaid dividend account to the Investor Education and Protection Fund (IEPF). Accordingly, the dividend for the years mentioned as follows will be transferred to IEPF on the respective dates if the dividend remains unclaimed for seven years.

The details of Dividend of earlier years remain unclaimed by the shareholders as on 31.03.2017 are as given below:

Financial Year	Date of Declaration of Dividend	Last Date of Claiming the Dividend	Unclaimed amount as on 31.03.2017 ₹	Due date for transfer to Investor Education and Protection Fund (IEPF)
2009-10	24.09.2010	23.09.2017	2,26,241	22.10.2017
2010-11	23.09.2011	22.09.2018	1,65,480	21.10.2018
2013-14	26.09.2014	25.09.2021	3,12,500	24.10.2021
2014-15	28.09.2015	27.09.2022	2,97,248	26.10.2022
2015-16	29.09.2016	28.09.2023	3,07,739	27.10.2023

Note: For the financial years 2011-12 and 2012-13 no dividend has been declared.

In pursuance with the provisions of Section 124(6) read with the Rules as amended, the company has initiated the process for identification of shares relating the dividend unclaimed for a period of seven years and to transfer the same to the designated account of Investors Education and Protection Fund Authority. The details of shares and shareholders identified are hosted on the website of the Company for the information of the shareholders. The Company has also intimated to the concerned shareholders through personal letters and by way of notice published in general, advising them to lodge their claims with respect to unclaimed dividend. Shareholders may note that both the unclaimed dividend and corresponding shares transferred to IEPF including all benefits accruing on such shares, if any, can be claimed back from IEPF following with procedures prescribed in the Rules. No claim shall lie in respect these shares and benefits thereon with the Company.

### 8. General Body Meetings

#### A.1: Details of location and time of holding the last three Annual General Meetings are:

Financial Year ended	Date	Time	Venue
27th AGM	31.03.2014	26.09.2014	Sundarayya Vignana Kendram, Baghlingampally, Hyderabad
28th AGM	31.03.2015	28.09.2015	
29th AGM	31.03.2016	29.09.2016	



## A.2: Special Resolutions passed at last three Annual General Meeting:

- a) 27th Annual General Meeting- September 26, 2014:
  - i. Special Resolution was passed for the approval of remuneration of Mr. Dinesh Alla, Managing Director of the Company for a period of two years from 21st August 2014 to 20th August 2016.
  - ii. Special Resolution was passed for adoption of new Articles of Association in compliance with regulatory changes applicable due to enactment of new Companies Act 2013.
- b) 28th Annual General Meeting- September 28, 2015- No special resolutions were passed.
- c) 29th Annual General Meeting- September 29, 2016:
  - i. Special Resolution was passed for the appointment of Mr. Dinesh Alla as Managing Director of the Company for a period of Five years from 21st August 2016 to 20th August 2021 and for approval of remuneration for a period of 3 years from 21st August 2016 to 20th August 2019.
  - ii. Issue of Securities of the Company.

## B: 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.

## 9. Disclosures

### a) Related Party transactions:

The Company does not have any materially significant related party transactions, which have potential conflict with the interests of the Company during the year. The details of transactions with related parties as required under Accounting Standard 18 notified under the Companies Act, 2013 are given at Note. 26.II.10 of Other Explanatory Information of Financial Statement for the year ended 31st March 2017 and the same are in compliance with applicable provision of Companies Act 2013 and SEBI (LODR) Regulations 2015. The Register of Contracts containing transactions, in which Directors are interested, is placed before the Board Regularly. In terms of the Companies Act, 2013, and pursuant to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations,

2015, the Company has adopted a policy to determine the materiality of the Related Party Transactions. The Policy is available on the website of the Company (Web link: <http://www.alphageoindia.com/pdf/RELATED%20PARTY%20TRANSACTIONS%20POLICY.PDF>).

### b) Details of non-compliance by the Company, penalties, and strictures imposed on the Company by Stock Exchanges or SEBI or any statutory authority, on any matter related to capital markets, during the last three years.

The Company has complied with the requirements of the Stock Exchanges or SEBI on matters related to Capital Markets, as applicable, and there are no instances of non-compliance during the last three years.

### c) Whistle Blower Policy and Access of personnel to the Audit Committee:

To strengthen its policy of corporate transparency, the company has established an innovative and empowering mechanism for employees. Employees can report to the management their concern about unethical behaviour, actual or suspected fraud or violation of company's code of conduct or ethics policy. It also provides adequate safeguards against the victimization of employees who avail of this mechanism and allows direct access to the Chairperson of the audit committee in exceptional cases. The Audit Committee reviews periodically the functioning of whistle blower mechanism. No personnel have denied access to the Audit Committee wherever requested during the year. A copy of the Whistle Blower Policy is also available on the website of the Company <http://www.alphageoindia.com/Policies.htm>.

### d) Code of Conduct for Prevention of Insider Trading

The Company has adopted a code of conduct for prevention of Insider Trading (Insider Trading Code) in accordance with the SEBI (Prohibition of Insider Trading) Regulations. The Code, viz. "Code of Conduct to Regulate, Monitor and Report Trading by Insider" applicable to all directors and designated employees, lays down guidelines and procedures to be followed and disclosures to be made while dealing in the securities of the Company and consequences of violation.

It also prohibits the purchase or sale of Company's securities by the Directors, designated person and connected persons, while in possession of unpublished price sensitive information in relation to the Company

and during the period when the trading window is closed. The Company Secretary of the Company is designated as the Compliance Officer for this Code. Reports on matters related to insider trading code are reported to the Chairman of Audit Committee on a quarterly basis.

### e) Subsidiary Companies

In accordance with Regulation 24 of the SEBI Listing Regulations, during this financial year none of the companies fall under the category of material non-listed Indian subsidiaries. Even though the foreign subsidiary is a non-material subsidiary, the Board nominated a Director on the Board of the Subsidiary and monitors the performance of the Subsidiary.

The Company has a 100% owned subsidiary named Alphageo International Limited in Dubai of United Arab Emirates. The Company has devised a policy for determining material subsidiaries to the Company and the same is available on the website of the Company at <http://www.alphageoindia.com/pdf/POLICY%20ON%20DETERMINING%20MATERIAL%20SUBSIDIARIES.PDF>

As per the applicable regulations prevailing in the country of Subsidiary, the Board is free to regulate its proceedings without any mandatory stipulation in conducting its proceedings. The financial statements and details of significant transactions periodically provided by the foreign subsidiary are being reviewed by the Audit Committee and the Board of the Directors at their Meetings.

### f) Disclosure of Accounting Treatment:

The financial statements of the Company have been prepared in compliance with all material aspects with the Accounting Standards ("AS") notified under the Companies (Accounting Standards) Rules, 2015. The Company has not adopted a treatment different from the prescribed in any accounting standard in the preparation of financial statements.

### g) Risk Management:

The Company has been addressing various risks impacting the company. The Company's policy on risk management is provided in Management Discussion and Analysis report.

## 10. Compliance with Mandatory Requirements

The Board of Directors periodically reviews the compliance

of all applicable laws and steps taken by the Company to rectify the instances of non-compliance, if any. The Company is in full compliance with all the mandatory requirements of Corporate Governance as specified in Regulation 17 to 27 and Clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the Listing Regulations.

## 11. Compliance with the Discretionary Requirements under Listing Regulations

In addition to compliance with mandatory requirements of corporate governance regulations, the Company has also adopted the following non-mandatory requirements to the extent mentioned below:

### A. Shareholders rights

Quarterly and half yearly results are being displayed on the Company's website [www.alphageoindia.com](http://www.alphageoindia.com) and also be published in widely circulated newspapers. The Company publishes the voting results of shareholder meetings and makes it available on website [www.alphageoindia.com](http://www.alphageoindia.com) and reports the same to Stock Exchanges in terms of regulation 44 of the Listing Regulations.

### B. Audit qualifications

Company's financial statements for the year ended 31st March 2017 are with unmodified opinion of the Auditors of the Company.

### C. Separate posts of Chairperson and Chief Executive Officer or Managing Director

Mr. Z. P. Marshall is the Chairperson of the Company and Mr. Dinesh Alla is the Managing Director of the Company.

## 12. Code of Conduct

The Company has adopted the Code of Ethics and Business Conduct for Executive Directors and Senior Management of the Company. The code is comprehensive and applicable to Executive Directors, Key Managerial Personnel and Senior Management of the Company. The code has been circulated to all the members of the Board and Senior Management of the Company and the same has been put on the Company's web-site, [www.alphageoindia.com](http://www.alphageoindia.com). Executive Directors, Key Managerial personnel and Senior Management affirmed the compliance of the Code. The Company has obtained declaration from the Managing Director confirming compliance of Code of Conduct.



### Declaration by the Managing Director

I hereby confirm that pursuant to SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 that:

- The Board of Directors of Alphageo (India) Limited has laid down a Code of Conduct for all the Board members and senior management of the Company. The said Code of Conduct has also been posted on the Investors page of the Company website [www.alphageoindia.com](http://www.alphageoindia.com)
- All the Board Members and senior management personnel have affirmed their compliance with the said Code of Conduct for the year ended March 31, 2017.

Hyderabad  
04.08.2017

**Dinesh Alla**  
Managing Director

### 13. Proceeds from public issues, rights issues, preferential issues, etc

During the year the warrant holders have paid the remaining part of issue price of the warrants for exercising the option for conversion of 4,85,000 warrants into equity shares of the Company. The proceeds thus received have been utilised for the objects of the Issue and there is no un-utilised proceeds as on March, 31st 2017.

### 14. Reconciliation of share capital audit:

A qualified practicing Company Secretary carried out a share capital audit to reconcile the total admitted equity share capital with the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) and the total issued and listed equity share capital. The audit report confirms that the total issued / paid-up capital is in agreement with the listed share capital of the Company.

### 15. Means of Communication

- The Quarterly, Half-yearly, Annual financial results, Notices to Shareholders as well as proceedings of General Meetings of the Company are communicated or published in accordance with the requirements of the SEBI (Listing Obligations and disclosure Requirements) Regulations, 2015.
- Newspapers wherein results normally published: The results of the Company are published in widely circulated newspapers namely Financial Express / Business Standard (English daily) in all India editions and Nava Telangana (Telugu daily) in Hyderabad edition.
- Any website, where displayed: The Financial results of the Company are displayed on the Company's website: [www.alphageoindia.com](http://www.alphageoindia.com).
- Whether it also displays official news releases: Official news releases along with quarterly results are displayed on the Company's website: [www.alphageoindia.com](http://www.alphageoindia.com).
- Presentations made to institutional investors or to the analysts: Presentations if any made to the investors/ analysts are being hosted on the Company's website: [www.alphageoindia.com](http://www.alphageoindia.com) and will be submitted to stock exchanges for dissemination of the same.

### 16. Certificate on Corporate Governance

Auditor's Certificate on Corporate Governance as stipulated in Para E of Schedule V of the Listing Regulations, regarding compliance of conditions of corporate governance as an Annexure to this Report.

### 17. General Shareholder Information

<b>a. Annual General Meeting</b>		
DATE	:	29th September, 2017
TIME	:	11:00 AM
VENUE	:	Sundarayya Vignana Kendram, 1-8-1/B/25A, Baghlingampally, Hyderabad-500044
<b>b. Financial Calendar for the year 2017-18 (Tentative)</b>		
Results for Quarter ending June, 2017	:	Within 45 days from the end of quarter
Results for Quarter ending September, 2017	:	Within 45 days from the end of quarter
Results for Quarter ending December, 2017	:	Within 45 days from the end of quarter
Results for Quarter ending March, 2018	:	Last Week of May, 2018
Annual General Meeting	:	September, 2018
<b>c. Dividend Payment date</b>	:	Credit / dispatch of dividend payment: On or before 26th October 2017
<b>d. Book Closure Dates</b>	:	From 22nd September 2017 to 28th September 2017

#### e. Listing of equity shares & stock code

The equity shares of the Company are listed at National Stock Exchange of India Limited (NSE) and BSE Limited (BSE).

#### Name and Address of the Stock Exchange

##### BSE Limited.,

1st Floor, New Trading Ring, P.J. Towers,  
Dalal Street, Fort, Mumbai - 400 001

##### National Stock Exchange of India Limited

"Exchange Plaza", Bandra-Kurla Complex,  
Bandra – East, Mumbai - 400 051

#### Listing Fees and Custodian / Issues fees:

Annual Listing Fees for the year 2017-18 has been paid to National Stock Exchange of India Limited (NSE) and BSE Limited (BSE). Annual Custodian / Issuer Fees for 2017-18 has also been paid to National Stock Depositories Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

#### f. Stock Codes-

- (i) BSE SCRIP CODE – 526397; SCRIP ID: ALPHAGEO
- (ii) NSE SCRIP SYMBOL: ALPHAGEO

#### g. ISIN code – INE 137C01018



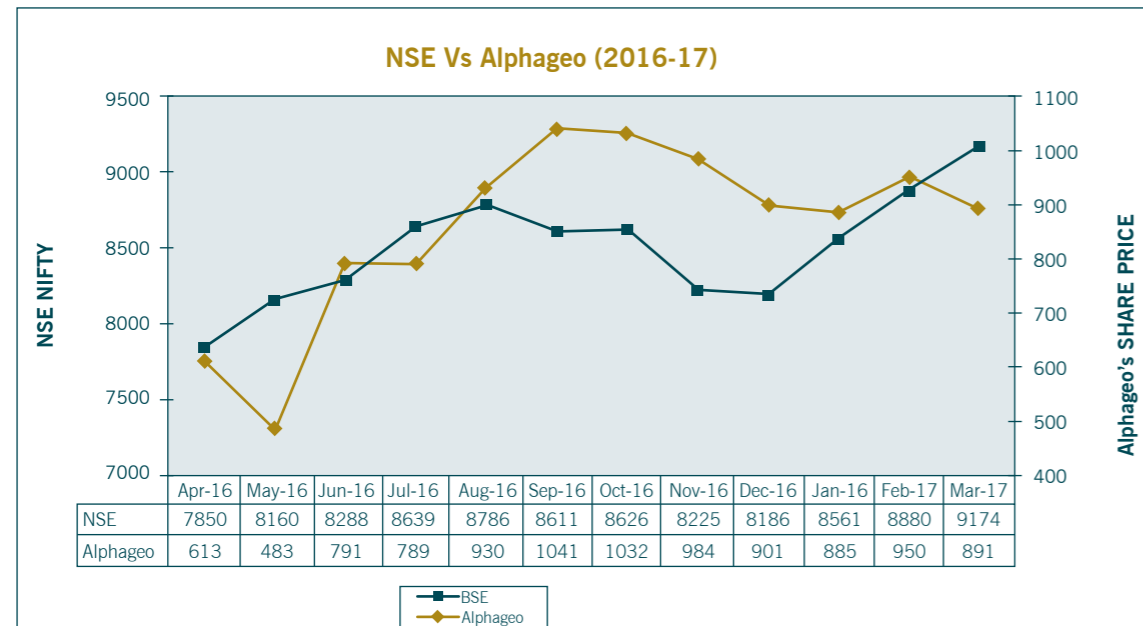
### h. Stock Market Data

Monthly high, low quotations and trading volumes of the Company's equity shares during the financial year 2016-17 at BSE and NSE are as given below:

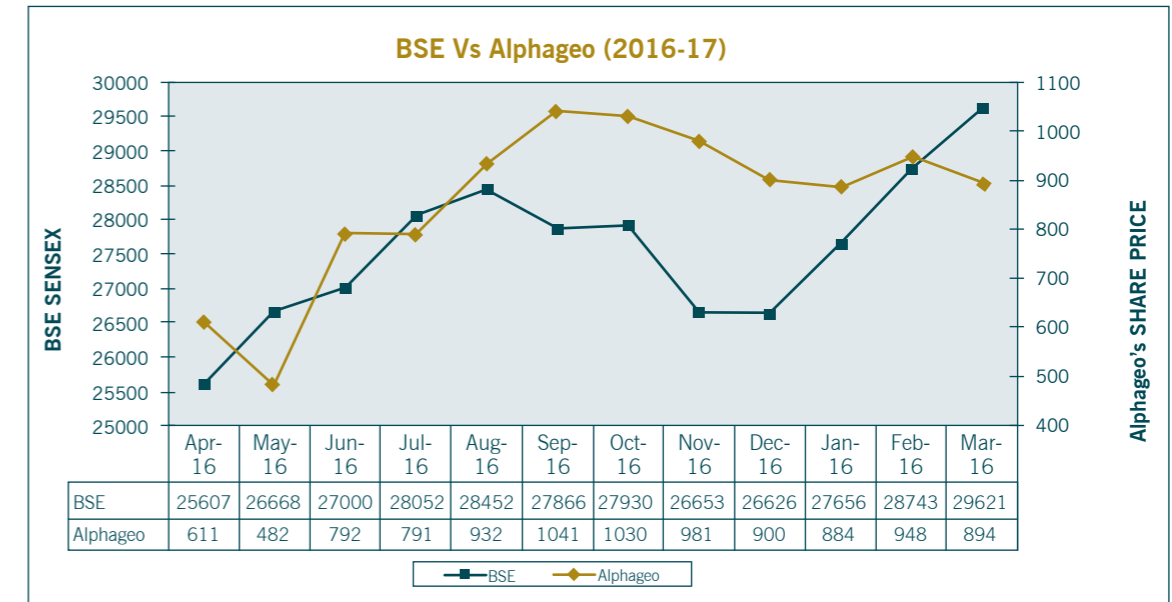
Month	BSE			NSE		
	High (₹)	Low (₹)	Volume of Shares Traded	High (₹)	Low (₹)	Volume of Shares Traded
April-2016	625.00	501.50	44,867	628.00	503.00	1,90,680
May-2016	625.00	470.00	1,72,522	625.00	472.60	6,33,164
June-2016	861.00	480.00	10,09,816	862.00	475.25	37,21,719
July-2016	835.00	710.00	2,79,443	832.00	708.60	9,47,305
August-2016	1005.35	736.00	4,99,350	1003.85	718.70	17,25,576
September-2016	1145.50	879.00	7,22,592	1147.00	875.30	17,92,538
October-2016	1144.00	999.00	2,41,690	1146.00	1018.60	7,42,300
November-2016	1041.25	823.80	1,00,453	1043.00	821.60	5,09,048
December-2016	1075.00	885.05	1,16,346	1075.00	884.55	5,73,625
January-2017	980.10	863.10	80,623	984.30	863.00	4,43,360
February-2017	1068.00	879.00	1,33,718	1062.15	878.25	6,82,722
March-2017	999.00	886.00	99,954	998.90	885.00	4,00,255

### i. Performance of the Company's Share Price in comparison with the broad-based indices:

Comparison of Company's share price with NSE NIFTY



Comparison of Company's share price with BSE SENSEX



### j. Share Transfer System

The Company's Registrar and Share Transfer Agent, if the documents required are valid and complete in all respects, process the share transfers within 15 days of receipt of request. De-materialisation of Shares of the Company will also be completed within 15 days if the request through depository participants with the requisite documents received. Stakeholders Relationship Committee will meet as often as required to approve the shares transfers and for attending the grievances received from shareholders.

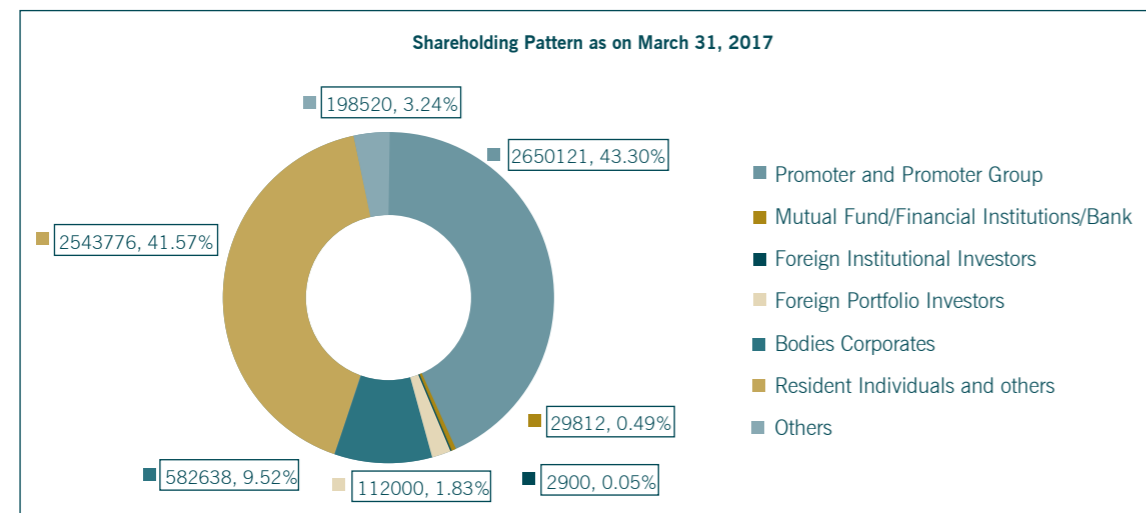
### k. Distribution of Shareholding as on 31st March 2017

Nominal Value (₹)	Shareholders		No. of Shares	
	Numbers	%	Numbers	%
1-5000	12,412	93.43	10,65,145	17.41
5001-10000	430	3.24	3,30,993	5.41
10001-20000	216	1.62	3,20,298	5.23
20001-30000	75	0.56	1,84,100	3.01
30001-40000	30	0.23	1,07,386	1.75
40001-50000	24	0.18	1,10,783	1.81
50001-100000	44	0.33	3,03,965	4.97
100001 & Above	54	0.41	36,97,097	60.41
<b>Total</b>	<b>13285</b>	<b>100.00</b>	<b>61,19,767</b>	<b>100.00</b>



### I. Shareholding Pattern as on 31st March 2017:

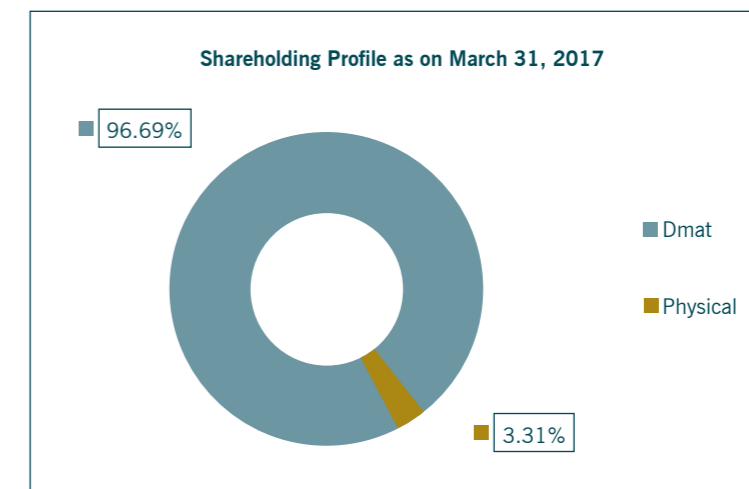
S. No.	Category	No. of Shareholders	No. of Shares held	%
1	Promoter and Promoter Group			
i	Indian	13	24,88,105	40.65
ii	Foreign	3	1,62,016	2.65
		<b>16</b>	<b>26,50,121</b>	<b>43.30</b>
2	Mutual Funds/ Financial Institutions/ Banks			
i	Mutual Funds	11	7,600	0.12
ii	Financial Institutions/ Banks	2	22,212	0.36
		<b>13</b>	<b>29,812</b>	<b>0.49</b>
3	Foreign Institutional Investors	2	2,900	0.05
4	Foreign Portfolio Investors	2	1,12,000	1.83
5	Bodies Corporate	360	5,82,638	9.52
6	Resident Individuals and HUF	12,384	25,43,776	41.57
7	Others			
i	Clearing Members	48	20,184	0.33
ii	Non-Resident Indians	456	1,54,194	2.52
iii	Non-banking Finance Corporations	2	3,325	0.05
iv	Trusts	2	20,817	0.34
		<b>508</b>	<b>1,98,520</b>	<b>3.24</b>
<b>Total</b>		<b>13,285</b>	<b>61,19,767</b>	<b>100.00</b>



### m. De-materialisation of Shares and Liquidity and Shareholding Profile as on 31st March 2017:

As on March 31, 2017, 59,17,337 equity shares representing 96.69% of the total equity share capital of the Company were held in dematerialised form with National Securities Depository Limited (78.65%) and Central Depository Services (India) Limited (18.04%). The break-up of equity shares held in Physical and Dematerialised form as on March 31, 2017, is given below:

Mode of Holding	No. of Holders	No. of Shares	% of Holding
Dmat:			
NSDL	7117	48,12,960	78.65
CDSL	4875	11,04,377	18.04
Total	11992	59,17,337	96.69
Physical	1293	202,430	3.31
<b>Total</b>	<b>13285</b>	<b>61,19,767</b>	<b>100.00</b>



### n. Outstanding GDRs/ADRs/Warrants or any Convertible Instruments:

The Company has issued and allotted 7,30,000 Warrants, convertible into One Equity Share of ₹10/- each of the Company, to Promoter and Promoter Group on preferential basis at a price of ₹513.62p per warrant in pursuance of the approval of members at an Extra Ordinary General Meeting held on 11th November, 2015 and with consent and approval by the Nomination and Remuneration Committee at its meeting held on 26th November 2015. During the year 4,85,000 Equity Shares have been allotted to the warrants holders on conversion of warrants. Out of 7,30,000 warrants 2,45,000 warrants are pending for conversion as on March, 31st 2017.



**o. Address for Correspondence:**

- i Registrar and Share Transfer Agents: M/s Karvy Computershare Private Limited  
Karvy Selenium, Tower B, Plot No. 31-32,  
Gachibowli, Financial District, Nanakramguda,  
Serilingampally, Hyderabad-500032  
Phone: 040-67161500  
Toll Free No. 1800-3454-001  
E-mail: einward.ris@karvy.com  
Website:-www.karvycomputershare.com
- ii Contact Personnel of the Company: 1. Ms. Meenakshi Naag –Company Secretary & Compliance Officer  
2. Mr. Venkatesa Perumallu Pasumarthy -Chief Financial Officer
- iii Corporate Office of the Company: ALPHAGEO (INDIA) LIMITED  
Plot No.1, Sagar Society,  
Road No.2, Banjara Hills  
Hyderabad – 500034, Telangana  
Ph: 040-23550502/23550503 Fax: 040-23302238  
E-mail: info@alphageoindia.com  
Website: www.alphageoindia.com

**For Alphageo (India) Limited**

**Dinesh Alla**  
Managing Director

Hyderabad  
04.08.2017

## Certificate

To  
The Members of  
**ALPHAGEO (INDIA) LIMITED**

We have examined the compliance of conditions of Corporate Governance by ALPHAGEO (INDIA) LIMITED (“the Company”), for the year ended 31st March, 2017, as per Regulations 17 to 27, clauses (b) to (i) of Regulation 46(2) and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

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

We conducted our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the company has complied with the conditions of Corporate Governance as specified in Regulations 17 to 27, clauses (b) to (i) of Regulation 46(2) and paragraphs C, D and E of Schedule V of the Listing Regulations, as applicable.

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.

**Restrictions on use**

This Certificate is issued solely for the purpose of complying with the aforesaid Regulations and may not be suitable for any other purpose.

**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  
04.08.2017



## Certification of Managing Director and Chief Financial Officer to the Board pursuant to Regulation 17(8) of the SEBI (LODR) Regulations, 2015

We, Dinesh Alla, Managing Director and Venkatesa Perumallu Pasumarthy, Chief Financial officer, to the best of our knowledge and belief, certify that:

- (a) We have reviewed the Audited Financial Statements of the Company and of the Group for the Year ended March 31st, 2017 and these statements:
  - i. do not contain any materially untrue statement or omit 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) 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 and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and 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 we 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 become aware about the involvement therein of the management or an employee having a significant role in the company's internal control system over financial reporting.

Hyderabad  
29.05.2017

**Dinesh Alla**  
Managing Director

**Venkatesa Perumallu Pasumarthy**  
Chief Financial Officer

# Financial Statements



## Independent Auditor's Report

To  
The Members of  
**ALPHAGEO (INDIA) LIMITED**

### Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **ALPHAGEO (INDIA) LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2017, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

### Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone 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 principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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 standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are

required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. 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 the 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 financial control relevant to the Company's preparation of the 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 the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, 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 on the standalone financial statements.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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, of the state of affairs of the Company as at 31st March, 2017, and its profit and its cash flows for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - (e) On the basis of written representations received from the directors as on 31st March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
  - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B".
  - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014,

in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company does not have any pending litigations as at 31st March, 2017 which would impact its financial position;
- ii. The Company did not have any long-term contracts including derivative contracts as at 31st March, 2017;
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended 31st March, 2017.
- iv. The Company has provided requisite disclosures in its standalone financial statements (Refer 26.II.20) as to holding as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 and these are in accordance with the books of accounts maintained by the Company.

For **P.V.R.K. NAGESWARA RAO & CO.**  
Chartered Accountants  
Firm's Registration Number: 002283S

HYDERABAD  
29.05.2017

**P.V.R.K. NAGESWARA RAO**  
Partner  
Number: 18840





## Annexure A 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

- |  |  |  |  |
|--|--|--|--|
| <p>1 (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.</p> <p>(b) 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.</p> <p>(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.</p> <p>2 The inventories, representing stock of stores of the company have been physically verified at reasonable intervals during the year by the Management. 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.</p> <p>3 The Company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013 ("the Act"). Therefore, the provisions of Clause 3(iii), (iii)(a), (iii)(b) and (iii)(c) of the Order are not applicable to the Company.</p> <p>4 The Company has not granted any loans or made any investments, or provided any guarantees or security to the parties covered under Section 185 and 186 of the Act. Therefore, the provisions of Clause 3(iv) of the said Order are not applicable to the Company.</p> <p>5 The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the rules framed there under to the extent notified.</p> <p>6 In respect of this company, maintenance of cost records</p> | <p>has not been prescribed by the Central Government under sub-section (1) of Section 148 of the Act.</p> <p>7 (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, employees state insurance, income tax, service tax, duty of customs, cess and any other statutory dues with the appropriate authorities. In respect of these statutory dues, there are no outstanding dues as on 31.03.2017 which are outstanding for a period of more than six months from the date they became payable. As confirmed by the company, the provisions of the sales tax, duty of excise and value added tax are not applicable to the Company.</p> <p>(b) According to the records of the Company and as per the information and explanations given to us, there are no dues of income tax, sales tax, service tax, duty of customs, duty of excise and value added tax which have not been deposited on account of any dispute as on 31.03.2017.</p> <p>8 According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of loans or borrowings to any financial institution or bank or Government as at the balance sheet date. There was no amount raised by the Company through the issue of Debentures.</p> <p>9 The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) and term loans. Accordingly, the provisions of Clause 3(ix) of the Order are not applicable to the Company.</p> <p>10 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 according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the</p> | <p>year, nor have we been informed of any such case by the Management.</p> <p>11 The Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.</p> <p>12 As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.</p> <p>13 The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Accounting Standard (AS) 18, Related Party Disclosures specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.</p> <p>14 The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.</p> | <p>15 The Company has not entered into any non cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.</p> <p>16 The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.</p> |
|--|--|--|--|

For **P.V.R.K. NAGESWARA RAO & CO.**  
Chartered Accountants  
Firm's Registration Number: 002283S

HYDERABAD  
29.05.2017

**P.V.R.K. NAGESWARA RAO**  
Partner  
Number: 18840



## Annexure B to Independent Auditor's Report

Referred to in Paragraph 2(f) under the heading of 'Report on Other Legal and Regulatory Requirements' of our report of even date

### Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of ALPHAGEO (INDIA) LIMITED ("the Company") as of 31st March, 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

### Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting

was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

### Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2017,

based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **P.V.R.K. NAGESWARA RAO & CO.**  
Chartered Accountants  
Firm's Registration Number: 002283S

HYDERABAD  
29.05.2017

**P.V.R.K. NAGESWARA RAO**  
Partner  
Number: 18840



BALANCE SHEET		AS AT 31ST MARCH, 2017		(Amount in ₹)	
Particulars	Note No.	As at 31st March, 2017		As at 31st March, 2016	
<b>EQUITY AND LIABILITIES</b>					
<b>Shareholders' funds</b>					
Share capital	1	6,13,33,670		5,64,83,670	
Reserves and surplus	2	1,33,91,31,018		61,44,12,579	
Money received against share warrants		3,14,59,225	143,19,23,913	9,37,35,650	76,46,31,899
<b>Non-current liabilities</b>					
Long-term borrowings	3	38,84,773		-	
Other long term liabilities	4	13,30,65,805		2,14,22,475	
Long-term provisions	5	92,15,293	14,61,65,871	58,67,035	2,72,89,510
<b>Current liabilities</b>					
Short-term borrowings	6	47,29,33,594		2,40,10,484	
Trade payables:					
Total outstanding dues of micro and small enterprises (Refer note no. 26.II.5)		1,83,750		1,82,885	
Total outstanding dues of creditors other than micro and small enterprises		57,35,13,473		26,33,39,721	
Other current liabilities	7	59,14,64,566		15,97,11,163	
Short-term provisions	8	2,13,86,575	165,94,81,958	1,74,81,559	46,47,25,812
<b>TOTAL</b>		<b>323,75,71,742</b>		<b>125,66,47,221</b>	
<b>ASSETS</b>					
<b>Non-current assets</b>					
<b>Fixed assets</b>					
Tangible assets					
	9	108,53,69,773		46,34,33,723	
Intangible assets					
		5,16,64,237		-	
		113,70,34,010		46,34,33,723	
Capital work-in-progress		1,04,23,714		1,04,23,714	
		114,74,57,724		47,38,57,437	
Non-current investments	10	13,22,13,750		13,22,13,750	
Deferred tax assets (net)	11	4,59,05,833		5,89,15,797	
Long-term loans and advances	12	1,51,47,855		9,77,187	
Other non-current assets	13	-	134,07,25,162	5,94,55,243	72,54,19,414
<b>Current assets</b>					
Inventories	14	31,70,669		10,20,311	
Trade receivables	15	157,36,17,255		39,59,36,923	
Cash and bank balances	16	25,18,35,895		8,85,30,385	
Short-term loans and advances	17	6,35,64,305		3,95,12,767	
Other current assets	18	46,58,456	189,68,46,580	62,27,421	53,12,27,807
<b>TOTAL</b>		<b>323,75,71,742</b>		<b>125,66,47,221</b>	
Summary of significant accounting policies and other explanatory information	26				

As Per our Report of even date  
For **P.V.R.K. Nageswara Rao & Co.**  
Chartered Accountants  
Firm's Registration Number: 002283S

**Dinesh Alla**  
Managing Director

**Z.P. Marshall**  
Chairman

**P.V.R.K. NAGESWARA RAO**  
Partner  
Membership Number: 18840

**Venkatesa Perumallu Pasumarthy**  
Chief Financial Officer

**Meenakshi Naag**  
Company Secretary

Hyderabad  
29.05.2017

For and on behalf of the Board

STATEMENT OF PROFIT AND LOSS		FOR THE YEAR ENDED 31ST MARCH, 2017		(Amount in ₹)	
Particulars	Note No.	For the year ended 31st March, 2017		For the year ended 31st March, 2016	
<b>REVENUE</b>					
Revenue from operations	19	296,56,23,377		68,59,90,753	
Other income	20	1,36,40,775		1,62,70,384	
<b>Total Revenue</b>		<b>297,92,64,152</b>		<b>70,22,61,137</b>	
<b>EXPENSES</b>					
Survey and survey related expenses	21	179,12,49,870		44,96,31,089	
Employee benefits expense	22	17,00,00,373		6,01,90,179	
Finance costs	23	4,14,66,794		71,75,261	
Depreciation and amortisation expense	24	17,96,03,959		5,24,32,893	
Other expenses	25	6,75,98,295		2,97,20,885	
<b>Total Expenses</b>		<b>224,99,19,291</b>		<b>59,91,50,307</b>	
Profit before tax		72,93,44,861		10,31,10,830	
Tax expense					
Current Tax		20,50,00,000		2,12,00,000	
MAT credit utilisation		3,09,08,376		52,15,000	
Income tax adjustments of earlier years		(96,397)		(6,52,882)	
Deferred Tax		1,30,09,964	24,88,21,943	77,93,499	3,35,55,617
<b>Profit after tax</b>		<b>48,05,22,918</b>		<b>6,95,55,213</b>	
<b>Earnings per equity share</b>					
(Nominal value: ₹10/- per share)					
Basic		83.04		12.34	
Diluted		81.52		12.32	
Summary of significant accounting policies and other explanatory information	26				

As Per our Report of even date  
For **P.V.R.K. Nageswara Rao & Co.**  
Chartered Accountants  
Firm's Registration Number: 002283S

**Dinesh Alla**  
Managing Director

**Z.P. Marshall**  
Chairman

**P.V.R.K. NAGESWARA RAO**  
Partner  
Membership Number: 18840

**Venkatesa Perumallu Pasumarthy**  
Chief Financial Officer

**Meenakshi Naag**  
Company Secretary

Hyderabad  
29.05.2017



**CASH FLOW STATEMENT** FOR THE YEAR ENDED 31st MARCH 2017 (Amount in ₹)

Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016
<b>I CASH FLOW FROM OPERATING ACTIVITIES:</b>		
Profit before tax for the year	72,93,44,861	10,31,10,830
Add/ (Less): Adjustments for:		
Depreciation and Amortisation Expense	17,96,03,959	5,24,32,893
Unrealised Foreign Exchange (gain)/ loss(net)	(24,42,879)	9,22,630
Interest Expense	2,26,63,628	11,41,685
Interest Income	(73,64,810)	(68,97,896)
Dividend on current investments	(5,92,855)	(28,34,866)
Profit on Sale of Assets	(2,27,531)	(7,87,240)
Book Deficit on assets discarded	97,674	3,19,990
	19,17,37,186	4,42,97,196
	92,10,82,047	14,74,08,026
Add / (Less): Adjustments for Working Capital Changes:		
(Increase)/Decrease in Inventories	(21,50,358)	11,64,860
(Increase) in Trade receivables	(117,56,13,851)	(30,30,99,065)
(Increase)/Decrease in Other current assets	46,22,244	(46,22,244)
(Increase) in Long-term loans and advances	(1,47,97,515)	(2,68,358)
(Increase)/Decrease in Other non-current asset	5,94,55,243	(5,94,55,243)
(Increase) in Short-term loans and advances	(5,49,59,914)	(2,30,185)
Increase in Trade payables	31,01,74,617	23,63,04,748
Increase in Other current liabilities	13,58,21,914	1,63,55,580
Increase in Short-term provisions	10,95,077	80,980
Increase in Other long-term liabilities	11,13,58,974	2,14,22,475
Increase in Long-term provisions	33,48,258	14,91,679
	(62,16,45,311)	(9,08,54,773)
Cash generated from operations	29,94,36,736	5,65,53,253
Less : Direct taxes paid	18,85,29,918	2,11,29,898
<b>Net Cash flow from operating activities</b>	<b>11,09,06,818</b>	<b>3,54,23,355</b>
<b>II CASH FLOW USED IN INVESTING ACTIVITIES:</b>		
Purchase of fixed assets	(56,18,03,046)	(20,37,89,459)
Proceeds from sale of fixed assets	2,80,000	9,15,264
Investment in bank deposits (Original maturity of more than three months)(net)	(4,68,48,117)	(7,29,63,626)
Investment in Current Investments	-	3,68,75,954
Dividend received on current investments	5,92,855	28,34,866
Dividend and Corporate Dividend Tax thereon paid	(1,36,23,925)	(1,35,63,746)
Recovery from subsidiaries	-	8,36,46,002
Interest received	43,11,531	60,44,976
<b>Net Cash (used in) Investing Activities</b>	<b>(61,70,90,702)</b>	<b>(15,99,99,769)</b>

**CASH FLOW STATEMENT** FOR THE YEAR ENDED 31st MARCH 2017 (contd.) (Amount in ₹)

Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016
<b>III CASH FLOW FROM FINANCING ACTIVITIES:</b>		
Consideration for Issue of Shares	18,68,29,275	9,37,35,650
Proceeds from long-term borrowings	1,09,80,460	-
(Repayment) of long-term borrowings	(22,49,562)	(50,00,000)
Proceeds from short-term borrowings (net)	44,89,23,110	1,59,89,759
Interest Paid	(2,25,19,734)	(22,15,274)
<b>Net Cash Flow From Financing Activities</b>	<b>62,19,63,549</b>	<b>10,25,10,135</b>
IV Net increase/(Decrease) in cash and cash equivalents	11,57,79,665	(2,20,66,279)
V Exchange difference on translation of foreign currency cash and cash equivalents	6,60,754	(20,272)
VI Cash and cash equivalents as at the beginning of the year	37,31,445	2,58,17,996
VII Cash and cash equivalents as at the end of the year	<b>12,01,71,864</b>	<b>37,31,445</b>

**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".
- Summary of significant accounting policies and other explanatory information (Note No.26) form an Integral part of the Cash Flow Statement.
- Previous year figures have been regrouped / reclassified to conform to current year classification.

As Per our Report of even date  
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  
29.05.2017

For and on behalf of the Board

**Dinesh Alla**  
Managing Director

**Venkatesa Perumallu Pasumarthy**  
Chief Financial Officer

**Z.P. Marshall**  
Chairman

**Meenakshi Naag**  
Company Secretary



## NOTES TO BALANCE SHEET

Note 1: SHARE CAPITAL		(Amount in ₹)	
Particulars	As at 31st March, 2017	As at 31st March, 2016	
<b>Authorised:</b>			
1,00,00,000 (Previous year: 1,00,00,000) Equity Shares of ₹10/- each	10,00,00,000	10,00,00,000	
<b>Issued :</b>			
61,31,167 (Previous year: 56,46,167) Equity Shares of ₹10/- each	6,13,11,670	5,64,61,670	
<b>Subscribed and fully paid up:</b>			
61,19,767 (Previous year: 56,34,767) Equity Shares of ₹10/- each fully paid up	6,11,97,670	5,63,47,670	
Add: Forfeited shares (Amount originally paid up)	1,36,000	1,36,000	
	<b>6,13,33,670</b>	<b>5,64,83,670</b>	

Reconciliation of the number of Equity Shares Outstanding and amount of Share Capital is set out below:

Particulars	As at 31st March, 2017		As at 31st March, 2016	
	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year	56,34,767	5,63,47,670	56,34,767	5,63,47,670
Add: Shares issued during theyear	4,85,000	48,50,000	-	-
Shares outstanding at the end of the year	61,19,767	6,11,97,670	56,34,767	5,63,47,670

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

Particulars	As at 31st March, 2017		As at 31st March, 2016	
	No. of shares held	% of holding	No. of shares held	% of holding
Promoters Group				
Alla Dinesh	7,64,974	12.50	5,30,974	9.42
Alla Savita	3,91,458	6.40	2,41,458	4.29

### Terms/rights attached to equity shares:

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

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.

### Terms of the Issue of Share Warrants:

7,30,000 Warrants issued and allotted to Promoter and Promoter Group on preferential basis at an issue price of ₹513.62 per warrant on 26.11.2015, on payment of remaining amount and exercise of option for conversion within 18 months from the date of allotment in one or more tranches, are convertible into one equity share of ₹10/- each at a premium of ₹503.62. The due date for exercising of the option by the respective allottee is 25th May, 2017. During 2016-17, 4,85,000 Warrants have been converted into 4,85,000 Equity Shares of ₹10/- each of the Company.

## NOTES TO BALANCE SHEET

Note 2: RESERVES AND SURPLUS		(Amount in ₹)	
Particulars	As at 31st March, 2017	As at 31st March, 2016	
<b>Capital reserve:</b>			
Share warrants forfeiture account	1,61,18,047	1,61,18,047	
<b>Securities premium account</b>			
As per last Balance Sheet	18,15,04,831	18,15,04,831	
Add: Share premium on allotment of Equity Shares	24,42,55,700	42,57,60,531	- 18,15,04,831
<b>General reserve</b>		4,00,00,000	4,00,00,000
<b>Balance in statement of profit and loss (surplus):</b>			
As per last Balance Sheet	37,67,89,701	32,07,98,234	
Add: Profit as per statement of profit and loss	48,05,22,918	6,95,55,213	
Total available for allocations and appropriations	85,73,12,619	39,03,53,447	
Less: Allocations and appropriations:			
Dividend paid	50,000	1,12,69,534	
Corporate Dividend Tax thereon	10,179	85,72,52,440	22,94,212 37,67,89,701
	<b>133,91,31,018</b>	<b>61,44,12,579</b>	

## Note 3: LONG-TERM BORROWINGS (Amount in ₹)

Particulars	As at 31st March, 2017	As at 31st March, 2016	
<b>Term Loans (Secured)</b>			
A. From HDFC Bank Limited	32,50,467	-	
Less: Current Maturities of Long term debt	22,43,937	10,06,530	-

### 1. Nature of Security:

#### Primary Security:

Secured by hypothecation of Vehicles

#### Guarantee

Personal Guarantee of one of the Directors of the company

### 2. Terms of Repayment :

Amount of Loan	Interest Rate	Amount of Installments due	Total No. of Installments due	Period of Maturity from Balance Sheet date
44,55,000	10.51%	32,50,467	17	1 Year 5 Months



## NOTES TO BALANCE SHEET

### Note 3: LONG-TERM BORROWINGS (contd.) (Amount in ₹)

Particulars	As at 31st March, 2017		As at 31st March, 2016	
<b>B. From TATA Motors Finance Limited</b>	23,12,984		-	
Less: Current Maturities of Long term debt	15,00,873	8,12,111	-	-

#### 1. Nature of Security:

##### Primary Security:

Secured by hypothecation of Vehicles

##### Guarantee

Personal Guarantee of one of the Directors of the company

#### 2. Terms of Repayment :

Amount of Loan	Interest Rate	Amount of Installments due	Total No. of Installments due	Period of Maturity from Balance Sheet date
14,56,000	10.63%	11,18,148	18	1 Year 6 Months
15,56,000	10.58%	11,94,836	18	1 Year 6 Months

Particulars	As at 31st March, 2017		As at 31st March, 2016	
<b>C. From BMW India Financial Services Pvt Ltd</b>	31,67,447		-	
Less: Current Maturities of Long term debt	11,01,315	20,66,132	-	-

#### 1. Nature of Security:

##### Primary Security:

Secured wby hypothecation of Vehicles

#### 2. Terms of Repayment :

Amount of Loan	Interest Rate	Amount of Installments due	Total No. of Installments due	Period of Maturity from Balance Sheet date
35,13,460	8.87%	31,67,447	32	2 Years 8 Months
<b>Total</b>		<b>38,84,773</b>		

### Note 4: OTHER LONG-TERM LIABILITIES (Amount in ₹)

Particulars	As at 31st March, 2017		As at 31st March, 2016	
Trade Payables:				
Total outstanding dues of micro and small enterprises (Refer Note No.26.II.5)			-	-
Total outstanding dues of creditors other than micro and small enterprises		13,30,65,805		2,14,22,475
		<b>13,30,65,805</b>		<b>2,14,22,475</b>

## NOTES TO BALANCE SHEET

### Note 5: LONG-TERM PROVISIONS (Amount in ₹)

Particulars	As at 31st March, 2017		As at 31st March, 2016	
Provision for employee benefits		92,15,293		58,67,035
		<b>92,15,293</b>		<b>58,67,035</b>

### Note 6: SHORT- TERM BORROWINGS (Amount in ₹)

Particulars	As at 31st March, 2017		As at 31st March, 2016	
<b>Secured Loans- Repayable on demand</b>				
<b>A Working capital loan from State Bank of India</b>		15,85,03,029		2,40,10,484
<b>1. Nature of Security:</b>				
<b>Primary Security:</b>				
First charge on the entire current assets of the Company on paripassu basis with other banks.				
<b>Collateral Security:</b>				
a) First charge on the entire fixed assets of the company both present and future on paripassu basis with other banks				
b) Equitable mortgage of certain immovable properties belonging to three Directors and relatives of three directors of the Company and cash collateral of Rs.2,41,00,000/- in the form of deposit				
<b>Guarantee</b>				
Personal Guarantees of three Directors and relatives of two Directors of the Company.				
<b>2. Rate of Interest:</b> 2.75% (Previous year 3%) 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.				
<b>B Working capital loan from Punjab National Bank</b>		9,47,23,237		-
<b>1. Nature of Security:</b>				
<b>Primary Security:</b>				
First charge on the entire current assets of the Company on paripassu basis with other banks.				
<b>Collateral Security:</b>				
a) First charge on the entire fixed assets of the company both present and future on paripassu basis with other banks				



## NOTES TO BALANCE SHEET

Note 6: SHORT- TERM BORROWINGS (contd.)		(Amount in ₹)	
Particulars	As at 31st March, 2017	As at 31st March, 2016	
b) Equitable mortgage of certain immovable properties belonging to three Directors and relatives of three directors of the Company.			
<b>Guarantee</b>			
Personal Guarantees of three Directors			
<b>2. Rate of Interest:</b> 0.90% 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.			
<b>C Working capital loan from Axis Bank limited</b>	13,97,07,328		-
<b>1. Nature of Security:</b>			
<b>Primary Security:</b>			
First charge on the entire current assets of the Company on paripassu basis with other banks.			
<b>Collateral Security:</b>			
a) First charge on the entire fixed assets of the company both present and future on paripassu basis with other banks			
b) Equitable mortgage of certain immovable properties belonging to three Directors and relatives of three directors of the Company.			
<b>Guarantee</b>			
Personal Guarantee of three Directors and relatives of three Directors of the Company.			
<b>2. Rate of Interest:</b> 2.5% 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.			
<b>D Loan repayable on demand (Unsecured)</b>	8,00,00,000		-
<b>From the Axis Bank Limited</b>			
<b>1. Guarantee</b>			
Personal Guarantee of one of the Directors of the company .			
<b>2. Rate of Interest:</b> 4.1% 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.			
	47,29,33,594		2,40,10,484

## NOTES TO BALANCE SHEET

Note 7: OTHER CURRENT LIABILITIES		(Amount in ₹)	
Particulars	As at 31st March, 2017	As at 31st March, 2016	
Current maturities of long-term debt	48,46,125		-
Interest accrued but not due on borrowings	1,43,894		-
Unclaimed dividend accounts (There is no amount due and outstanding to be credited to investor education and protection fund)	13,09,208		12,92,234
<b>Other Payables:</b>			
Creditors for capital works	42,36,18,296		13,26,93,800
Statutory liabilities	2,08,18,536		83,82,818
Employee benefits payable	7,73,61,157		70,47,567
Creditors for Expenses	6,33,67,350		1,02,94,744
	<b>59,14,64,566</b>		<b>15,97,11,163</b>

Note 8: SHORT-TERM PROVISIONS		(Amount in ₹)	
Particulars	As at 31st March, 2017	As at 31st March, 2016	
Provision for employee benefits	12,16,449		10,71,372
Provision for taxation (Net of prepaid taxes of 18,57,79,874/- (Previous year ₹1,83,53,559/-))	1,92,20,126		28,46,441
Provision for Interest on Income Tax	9,50,000		-
Proposed dividend	-		1,12,69,534
Provision for corporate dividend tax	-		22,94,212
	<b>2,13,86,575</b>		<b>1,74,81,559</b>



Sl. No.	Description	Gross block				Depreciation/amortisation				Net block		
		COST AS AT 01.04.2016	ADDITIONS DURING THE YEAR	DEDUCTIONS DURING THE YEAR	TOTAL COST AS AT 31.03.2017	UPTO 31.03.2016	FOR THE YEAR	DEDUCTIONS	ON 31.03.2017	UPTO 31.03.2017	AS AT 31.03.2017	AS AT 31.03.2016
	<b>OWN ASSETS:</b>											
	<b>TANGIBLE ASSETS:</b>											
1	Land	2,19,08,666	-	-	2,19,08,666	-	-	-	-	-	2,19,08,666	2,19,08,666
2	Buildings	14,46,800	-	-	14,46,800	2,57,467	51,970	-	3,09,437	11,37,363	11,37,363	11,89,333
3	Plant and Equipment	125,67,41,817	76,91,28,161	-	202,58,69,978	82,39,28,628	17,11,48,357	-	99,50,76,985	103,07,92,993	43,28,13,189	43,28,13,189
4	Electrical Fittings	4,05,342	6,68,411	-	10,73,753	1,42,411	1,12,241	-	2,54,652	8,19,101	2,62,931	2,62,931
5	Furniture and Fittings	19,58,332	8,11,060	-	27,69,392	14,06,554	1,80,748	-	15,87,302	11,82,090	5,51,778	5,51,778
6	Motor Vehicles	1,31,78,961	1,62,99,333	8,23,353	2,86,54,941	99,79,780	16,39,837	7,82,186	1,08,37,431	1,78,17,510	31,99,181	31,99,181
7	Office Equipment	88,57,225	42,83,502	2,26,032	1,29,14,695	64,67,164	7,63,648	2,14,730	70,16,082	58,98,613	23,90,061	23,90,061
8	Computers and Data Processing units	26,42,756	62,71,917	19,53,527	69,61,146	15,24,172	14,79,390	18,55,853	11,47,709	58,13,437	11,18,584	11,18,584
	Sub Total (A)	<b>130,71,39,899</b>	<b>79,74,62,384</b>	<b>30,02,912</b>	<b>210,15,99,371</b>	<b>84,37,06,176</b>	<b>17,53,76,191</b>	<b>28,52,769</b>	<b>101,62,29,598</b>	<b>108,53,69,773</b>	<b>46,34,33,723</b>	<b>46,34,33,723</b>
	<b>INTANGIBLE ASSETS:</b>											
1	Computer Software	2,21,782	5,58,92,004	-	5,61,13,786	2,21,782	42,27,767	-	44,49,549	5,16,64,237	-	-
	Sub Total (B)	<b>2,21,782</b>	<b>5,58,92,004</b>	<b>-</b>	<b>5,61,13,786</b>	<b>2,21,782</b>	<b>42,27,767</b>	<b>-</b>	<b>44,49,549</b>	<b>5,16,64,237</b>	<b>-</b>	<b>-</b>
	<b>Grand Total (A + B)</b>	<b>130,73,61,681</b>	<b>85,33,54,388</b>	<b>30,02,912</b>	<b>215,77,13,157</b>	<b>84,39,27,958</b>	<b>17,96,03,958</b>	<b>28,52,769</b>	<b>102,06,79,147</b>	<b>113,70,34,010</b>	<b>46,34,33,723</b>	<b>46,34,33,723</b>
	As on 31.03.2016	<b>98,07,45,325</b>	<b>33,51,22,106</b>	<b>85,05,750</b>	<b>130,73,61,681</b>	<b>79,95,75,531</b>	<b>5,24,32,893</b>	<b>80,80,466</b>	<b>84,39,27,958</b>	<b>46,34,33,723</b>	<b>18,11,69,794</b>	<b>18,11,69,794</b>
	<b>CAPITAL WORK-IN-PROGRESS</b>	<b>1,04,23,714</b>	<b>-</b>	<b>-</b>	<b>1,04,23,714</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,04,23,714</b>	<b>-</b>	<b>1,04,23,714</b>

NOTES TO BALANCE SHEET

Note 10: NON-CURRENT INVESTMENTS			(Amount in ₹)	
Particulars	As at 31st March, 2017	As at 31st March, 2016		
(Long-term investment)				
Investment in Equity Instruments (Non Trade-Unquoted, fully paid up)				
(At Cost less provision for other than temporary diminution in value, if any)				
Investment in subsidiary:				
1,05,036 (Previous year: 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 other than temporary in value of investments	-			-

Note 11: DEFERRED TAX ASSET (NET)			(Amount in ₹)	
Particulars	As at 31st March, 2017	As at 31st March, 2016		
As per last Balance Sheet	5,89,15,797			6,67,09,296
Less: Adjustments for the year	(1,30,09,964)			(77,93,499)
	4,59,05,833			5,89,15,797

Note 12: LONG-TERM LOANS AND ADVANCES			(Amount in ₹)	
Particulars	As at 31st March, 2017	As at 31st March, 2016		
(Unsecured, Considered good)				
Capital Advances	-			6,26,846
Security Deposits	11,80,679			3,15,679
Prepaid expenses	1,39,67,176			34,662
	<b>1,51,47,855</b>			<b>9,77,187</b>

Note 13: OTHER NON CURRENT ASSETS			(Amount in ₹)	
Particulars	As at 31st March, 2017	As at 31st March, 2016		
(Unsecured, considered good)				
Long term trade receivables	-			5,94,55,243
	-			5,94,55,243





## NOTES TO BALANCE SHEET

<b>Note 14: INVENTORIES</b> (Amount in ₹)				
Particulars	As at 31st March, 2017		As at 31st March, 2016	
(Valued at lower of cost and net realisable value)				
Stock of stores		31,70,669		10,20,311
		<b>31,70,669</b>		<b>10,20,311</b>

<b>Note 15: TRADE RECEIVABLES</b> (Amount in ₹)				
Particulars	As at 31st March, 2017		As at 31st March, 2016	
(Unsecured, considered good)				
Outstanding for a period exceeding six months from the date they became due for payment		-		-
Others		157,36,17,255		39,59,36,923
		<b>157,36,17,255</b>		<b>39,59,36,923</b>

<b>Note 16: CASH AND BANK BALANCES</b> (Amount in ₹)				
Particulars	As at 31st March, 2017		As at 31st March, 2016	
<b>Cash and cash equivalents:</b>				
Cash on hand		15,79,459		2,45,230
<b>Balances with banks:</b>				
In Local Currency accounts		7,03,31,180		8,03,688
In Other Currency accounts		4,82,61,225	12,01,71,864	26,82,527
<b>Other bank balances:</b>				
In Term deposits (₹10,62,54,823/- (Previous Year : 7,00,06,706) held as margin money security against guarantees issued by banks and ₹2,41,00,000/- (Previous Year : 1,35,00,000) as Collateral security against Working Capital Loan)		13,03,54,823		8,35,06,706
<b>Earmarked balances:</b>				
In Unclaimed dividend accounts		13,09,208		12,92,234
		<b>25,18,35,895</b>		<b>8,85,30,385</b>

## NOTES TO BALANCE SHEET

<b>Note 17: SHORT-TERM LOANS AND ADVANCES</b> (Amount in ₹)				
Particulars	As at 31st March, 2017		As at 31st March, 2016	
(Unsecured, considered good)				
Prepaid expenses		1,35,55,372		65,31,759
Loans and advances to employees		3,63,687		5,25,558
MAT credit entitlement		-		3,09,08,376
Service tax credit receivable		4,72,09,764		-
Advance for supply of goods and services		24,35,482		15,47,074
		<b>6,35,64,305</b>		<b>3,95,12,767</b>

<b>Note 18: OTHER CURRENT ASSETS</b> (Amount in ₹)				
Particulars	As at 31st March, 2017		As at 31st March, 2016	
Interest accrued on Term deposits with Banks and others		46,58,456		16,05,177
Reimbursement of expenses receivable		-		46,22,244
		<b>46,58,456</b>		<b>62,27,421</b>

## NOTES TO STATEMENT OF PROFIT AND LOSS

<b>Note 19: REVENUE FROM OPERATIONS</b> (Amount in ₹)				
Particulars	For the year ended 31st March, 2017		For the year ended 31st March, 2016	
Seismic Survey and related service income		296,27,66,113		68,06,35,751
Income from Provision of Services		28,57,264		53,55,002
		<b>296,56,23,377</b>		<b>68,59,90,753</b>

<b>Note 20: OTHER INCOME</b> (Amount in ₹)				
Particulars	For the year ended 31st March, 2017		For the year ended 31st March, 2016	
Interest Income		73,64,810		68,97,896
Dividend From Current Investments		5,92,855		28,34,866
Profit on sale of assets		2,27,531		7,87,240
Gain on Sale of used spares and consumables		-		25,46,756
Net gain on foreign currency transactions and translations		50,76,701		28,58,084
Other Non-operating Income		3,78,878		3,45,542
		<b>1,36,40,775</b>		<b>1,62,70,384</b>



## NOTES TO STATEMENT OF PROFIT AND LOSS

<b>Note 21: SURVEY AND SURVEY RELATED EXPENSES</b> (Amount in ₹)				
Particulars	For the year ended 31st March, 2017		For the year ended 31st March, 2016	
Consumption of stores		2,73,25,337		54,03,736
Labour charges		6,24,10,307		42,64,338
Survey and drilling charges		141,25,43,094		40,52,35,595
Fuel		6,12,63,637		44,33,472
Vehicle hire charges		3,95,70,232		44,43,061
Equipment hire charges		5,69,42,223		55,28,603
Repairs to machinery		70,13,946		19,09,284
Camp rental charges		1,29,65,949		33,58,694
Technical consultancy charges		3,54,20,013		30,90,882
Camp expenses		6,03,73,328		59,27,577
Transport and handling charges		93,38,155		51,11,345
Other survey expenses		60,83,649		9,24,502
		<b>179,12,49,870</b>		<b>44,96,31,089</b>

<b>Note 22: EMPLOYEE BENEFITS EXPENSE</b> (Amount in ₹)				
Particulars	For the year ended 31st March, 2017		For the year ended 31st March, 2016	
Salaries, wages and other allowances		16,53,68,929		5,71,57,369
Contribution to Provident fund		35,51,402		25,85,681
Contribution to ESI		1,47,609		13,809
Staff welfare expenses		9,32,433		4,33,320
		<b>17,00,00,373</b>		<b>6,01,90,179</b>

<b>Note 23: FINANCE COSTS</b> (Amount in ₹)				
Particulars	For the year ended 31st March, 2017		For the year ended 31st March, 2016	
Interest expense		2,17,13,628		11,41,685
Interest on Income tax		9,50,000		-
Other Borrowing costs		1,88,03,166		60,33,576
		<b>4,14,66,794</b>		<b>71,75,261</b>

## NOTES TO STATEMENT OF PROFIT AND LOSS

<b>Note 24: DEPRECIATION AND AMORTISATION EXPENSE</b> (Amount in ₹)				
Particulars	For the year ended 31st March, 2017		For the year ended 31st March, 2016	
Depreciation for the year		17,53,76,192		5,24,32,893
Amortisation expense		42,27,767		-
		<b>17,96,03,959</b>		<b>5,24,32,893</b>

<b>Note 25: OTHER EXPENSES</b> (Amount in ₹)				
Particulars	For the year ended 31st March, 2017		For the year ended 31st March, 2016	
Rent		18,78,297		15,24,000
Repairs and maintenance to other assets		11,91,088		4,26,871
Directors sitting fees		3,20,000		1,66,111
Printing and stationery		19,14,741		11,57,098
Communication expenses		23,86,078		9,79,963
Travelling and conveyance		1,48,49,236		78,48,585
Insurance		35,79,819		16,47,837
Swachh bharat cess		82,29,743		20,15,971
Rates and taxes, excluding taxes on income		1,17,16,867		22,95,867
Payment to auditors (Refer Note No 26.II.19)		15,56,000		12,46,000
Professional and consultancy charges		1,42,70,076		44,34,946
Advertisement and publication expenses		1,14,803		2,14,106
Vehicle maintenance		2,29,586		3,36,176
Book deficit on assets discarded		97,674		3,19,990
Bank charges		8,98,520		6,15,798
CSR Expenditure (Refer Note No 26.II.22)		5,18,000		-
Donations		25,000		-
Miscellaneous expenses		38,22,767		44,91,566
		<b>6,75,98,295</b>		<b>2,97,20,885</b>

## NOTES TO STANDALONE FINANCIAL STATEMENTS

### 26. 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 compliance with all material aspects of the Accounting Standards specified under Section 133 of the Companies Act, 2013 ("the Act"), read with Rule 7(i) of the Companies (Accounts) Rules, 2014, other pronouncements of the Institute of Chartered Accountants of India and the relevant provisions of the Act and also the guidelines issued by the Securities and Exchange Board of India (SEBI).

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.



## NOTES TO STANDALONE FINANCIAL STATEMENTS

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 Schedule III to the Act. 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 / materialized and the difference is classified in statement of Profit and Loss using the same classification as was used previously for the estimate.

### C. Tangible Assets and Depreciation

i) Tangible fixed assets are stated at historical cost less accumulated depreciation thereon and impairment losses, if any. Historical cost is inclusive of freight, duties and taxes and incidental expenses related to acquisition and net of CENVAT wherever applicable. In respect of projects involving construction, related pre-operational expenses form part of the cost of the assets capitalised.

Subsequent costs are included in the asset's carrying amount or recognised as separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as separate asset is derecognised when replaced. All other repairs and maintenance are charged to statement of profit and loss during the period in which they are incurred.

ii) Depreciation is charged on straight line basis so as to write off the depreciable amount of the asset over the useful lives specified in Schedule II to the Act. The useful life of the assets are periodically reviewed and re-determined based on a technical evaluation and expected use and the unamortised depreciable amount is charged over the remaining useful life of such assets. In certain cases, the useful life of assets so determined being different from the useful life as specified under Part C of Schedule II of the Act, are as given below:

Nature of Asset	Useful Life
Machinery in the nature of Geophone strings and cables	5 Years
Machinery in the nature of equipment used for Seismic Survey	5 Years

### D. Intangible assets and amortisation

Cost relating to an acquired Intangible asset is being capitalised and being amortised over the period of its estimated useful life on Straight line basis.

Nature of Asset	Useful Life
Software	3 Years

### E. Impairment of assets

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the statement of profit and loss. If at the balance sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of amortised historical cost.

## NOTES TO STANDALONE FINANCIAL STATEMENTS

### F. Foreign exchange transactions

Transactions in Foreign Exchange 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 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.

### G. Investments

- 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.
- Current investments are carried at lower of cost and fair value determined on individual investment basis.
- Long-term investments are carried at cost of acquisition. Provision is made for diminution, other than temporary, in the value of investments.
- 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 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). Net realizable value is the estimated selling price in the ordinary course of business, less estimated cost of completion and estimated cost necessary to make the sale.

### I. Taxes on income

- Tax expenses is the aggregate of current income tax, MAT credit entitlement/utilisation and deferred income tax charge / (credit) for the year.
- 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.
- 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 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 certainty or virtual certainty, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realised.
- Minimum Alternate Tax (MAT) Credit:**  
MAT credit is recognised, as an Asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which the Minimum Alternative tax (MAT) credit becomes eligible to be recognised as an asset in accordance with the recommendation contained in Guidance Note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the Statement of profit and loss and shown as MAT Credit Entitlement. The Company reviews the same



## NOTES TO STANDALONE FINANCIAL STATEMENTS

at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal Income Tax during the specified period.

### J. 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.

### K. Borrowing costs

Borrowing costs 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.

### L. 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.

### M. 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 its 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 using projected unit credit method 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.

### N. 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.

Dividend on investments is recognized as and when the right to receive the same is established.

### O. Provisions, Contingent liabilities and Contingent assets

Provisions, involving substantial degree of estimation in measurement are recognised when there is a present obligation

## NOTES TO STANDALONE FINANCIAL STATEMENTS

as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities, which are possible or present obligations that may but probably will not require outflow of resources, are not recognised but are disclosed in the explanatory information to the financial statements. Contingent Assets are neither recognised nor disclosed in the financial statements.

### P. 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.

### Q. Dividends

Final dividends on shares are recorded as liability on the date of approval by the shareholders and interim dividends are recorded as liability as on the date of declaration by the company's Board of Directors.

## II. OTHER EXPLANATORY INFORMATION

### 1. Corporate Information:

Alphageo (India) Limited (the Company or AGIL) is a public limited company incorporated under the provisions of erstwhile Companies Act, 1956 having its registered office at Hyderabad in the state of Telangana, 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 service provider of 2 Dimensional and 3-Dimensional Seismic Data Acquisition, Processing and Interpretation Services for Oil Exploration and Production Entities. The Company possesses an experience of working in difficult terrains while respecting local socio-economic realities and environment.

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

3. 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 at least equal to the amount at which they are stated and provision for all known liabilities have been made.

4. Disclosure on utilisation of proceeds of preferential issues in terms of SEBI (ICDR) Regulation 2009: In pursuance of approval, under Section 62(1)(c), Section 42 and other applicable provisions of the Companies Act 2013 and the Rules made thereunder, of the Members at the Extra Ordinary General Meeting held on 11th November, 2015 and in compliance with SEBI (Issue of Capital And Disclosure Requirements) Regulations, 2009 and applicable laws, rules and regulations, the Company, during the year 2015-16, issued and allotted, to promoter and promoter group on preferential basis, 7,30,000 Convertible Warrants of ₹513.62 each (issue price) convertible into One Equity Share of ₹10/- each at the option of the Allottees with in a period of 18 months from the date of allotment subject to fulfilment of terms of the issue. The Company, during the year 2016-17 is in receipt of ₹18,68,29,275/- from the Warrant holders exercising their option for converting 485,000 warrants into Equity Shares of the Company. The Proceeds thus received have been utilised in total in terms of objects of issue viz., for financing (i) the capital expenditure of the projects and (ii) augment in working capital requirements of the Company.

5. Dues of the Micro and Small Enterprises: Information pertaining to Micro and Small Enterprises as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 (Act) is given below and 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:



## NOTES TO STANDALONE FINANCIAL STATEMENTS

Particulars	(Amount in ₹)	
	2016-17	2015-16
Principal Amount remaining unpaid as on 31st March	1,83,750	1,82,885
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

6. Disclosures pursuant to the Regulation 34(3) read with para A of Schedule V to SEBI Listing Regulations, 2015:
- The company, during the year has not given any loans and advances in the nature of loans to any of the subsidiaries or to any firm or company in which the directors are interested.
  - Investment by the loanees in the shares of the Company:  
The loanees have not made any investments in the shares of the Company
7. **Derivative Instruments:**
- There are no foreign currency exposures that are covered by derivative instruments as on 31.03.2017 (As on 31.03.2016: ₹ NIL).
  - The details of foreign currency exposures that are not hedged by any derivative instruments or otherwise are as under:

Particulars	(Amount in ₹)			
	As at 31st March, 2017		As at 31st March, 2016	
	Amount in Foreign Currency	Equivalent Amount in Indian Currency	Amount in Foreign Currency	Equivalent Amount in Indian Currency
Payable for supply of equipment	\$ 53,78,525	34,87,36,058	\$ 2,00,000	13,26,65,800
Payable for supply of Machinery Spares & Components	GBP 35,259	28,51,754	--	--
Payable for supply of Software	\$4,99,785	3,24,05,401	--	--
Advance for supply of equipment	\$ 1,462	94,794	--	--
Payables for services	\$ 672,066	4,35,75,846	\$ 73,386	48,67,906
Loans and advances	--	--	\$ 9,450	6,26,846
Balance with banks	\$7,44,329	4,82,61,225	\$40,440	26,82,527
Receivable for services rendered	\$ 9,55,047	6,19,23,901	\$ 8,64,892	5,73,70,799

## NOTES TO STANDALONE FINANCIAL STATEMENTS

### 8. Employee Benefits:

The disclosures required under Accounting Standard 15 "Employee Benefits":

	(Amount in ₹)	
	2016-17	2015-16
<b>i. Defined Contribution Schemes</b>		
Employer's Contribution to Provident Fund	35,51,402	25,85,681
<b>ii. State Plans</b>		
Employer's Contribution to State Insurance Scheme	1,47,609	13,809
<b>iii. Defined Benefit Plans</b>		

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 detailed below:

Particulars	(Amount in ₹)	
	2016-17	2015-16
<b>A Gratuity (Funded)</b>		
<b>(i) Components of Employer Expense</b>		
Current Service Cost	10,55,682	6,04,458
Interest Cost on benefit obligation	6,57,491	5,26,177
Return on Plan Assets	(5,88,665)	(5,37,601)
Actuarial (gain)/loss	6,21,305	5,10,788
Premium Expenses	17,276	7,643
Net benefit expense	17,63,089	11,11,465
<b>(ii) Actual Return on Plan Assets</b>	(5,88,665)	(5,37,601)
<b>(iii) Net Asset / Liability recognised in Balance Sheet</b>		
Defined Benefit Obligation	104,74,856	82,18,640
Fair Value Of Plan Assets	(88,75,363)	(71,14,090)
Status (Surplus)/Deficit	15,99,493	11,04,550
Unrecognised Past Service Cost	--	--
Net (Asset)/Liability recognised in Balance Sheet	15,99,493	11,04,550
<b>(iv) Changes in the Present Value of Defined Benefit Obligation</b>		
At the beginning of the year	82,18,640	65,77,217
Current Service Cost	10,55,682	6,04,458
Interest Cost	6,57,491	5,26,177
Actuarial (gain)/loss	6,21,305	5,10,788
Benefits paid	(78,262)	--
At the end of the year	104,74,856	82,18,640



## NOTES TO STANDALONE FINANCIAL STATEMENTS

Particulars	(Amount in ₹)	
	2016-17	2015-16
<b>(v) Changes in Fair Value of Plan Assets</b>		
Opening Fair Value of Plan Assets	71,14,090	63,24,838
Expected Return	5,88,665	5,37,601
Contributions	12,68,146	2,59,294
Premium Expenses	(17,276)	(7,643)
Benefits Paid	(78,262)	--
Actuarial Gain/ Loss	--	--
Closing Fair value of Plan Assets	88,75,363	71,14,090
<b>(vi) Movement in Balance Sheet</b>		
Opening Liability	11,04,550	2,52,379
Expenses as above	17,63,089	11,11,465
Contribution Paid	(12,68,146)	(2,59,294)
Closing Liability	15,99,493	11,04,550
<b>(vi) Actuarial assumptions:</b>		
Mortality Table (L.I.C)	2006-08	2006-08
Discount rate (per annum)	8%	8%
Attrition Rate (per annum)	4%	4%
Rate of escalation in salary (per annum)	4%	4%

A.(ii) Amounts recognized in current and previous four years

Particulars	(Amount in ₹)				
	31st March, 2017	31st March, 2016	31st March, 2015	31st March, 2014	31st March, 2013
Gratuity					
Defined Benefit Obligation	104,74,856	82,18,640	65,77,217	54,51,371	54,97,188
Plan Assets	88,75,363	71,14,090	63,24,838	41,49,486	37,14,224
(Surplus)/Deficit	15,99,493	11,04,550	2,52,379	13,01,885	17,82,964
Experience Adjustments in Plan Liabilities	--	--	--	--	--
Experience Adjustments in Plan Assets	--	--	--	--	--

## NOTES TO STANDALONE FINANCIAL STATEMENTS

B. Leave Encashment (Unfunded)

Particulars	(Amount in ₹)	
	2016-17	2015-16
<b>i) Statement of Profit and Loss</b>		
Current Service Cost	5,81,178	6,86,623
Interest Cost on benefit obligation	2,67,704	66,350
Actuarial (gain)/loss	8,01,383	1,13,702
Past Services cost	--	--
Net benefit expense	16,50,255	8,66,675
<b>ii) Balance Sheet</b>		
At the beginning of the year	16,96,044	8,29,369
Current Service Cost	5,81,178	6,86,623
Interest Cost	2,67,704	66,350
Actuarial (gain)/loss	8,01,383	1,13,702
Benefits paid	--	--
At the end of the year	33,46,309	16,96,044
<b>iii) Actuarial assumptions:</b>		
Mortality Table (L.I.C)	2006-08	2006-08
Discount rate (per annum)	8%	8%
Attrition Rate (per annum)	4%	4%
Rate of escalation in salary (per annum)	4%	4%

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.

### 9. 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.

### 10. Related Party Transactions:

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

(Amount in ₹)	
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	
Dinesh Alla	Yes
Savita Alla	Yes



## NOTES TO STANDALONE FINANCIAL STATEMENTS

		(Amount in ₹)
b. Relatives of Key Management Personnel		
Rajesh Alla	Yes	
Kamala Rajupet	Yes	
Sashank Alla	Yes	
Anisha Alla	Yes	
Mrudulla Alla	Yes	
Gopinath Reddy Rajput	Yes	
c. Concern in which Key Management Personnel have substantial interest (Significant interest):		
Dinesh Alla (HUF)	Yes	
Aquila Drilling Private Limited	Yes	
d. Concerns in which the Relatives of Key Management Personnel have substantial interest (Significant interest):		
Transducers and Controls Private Limited	No	
Rajesh Alla (HUF)	Yes	
IIC Technologies Limited	No	
IIC Academy Private Limited	No	
IIC Geosurveys Private Limited	No	
e. Subsidiary:		
Alphageo International Limited	Yes	
f. Step-down subsidiary:		
Alphageo DMCC	Yes	

ii. Details of Transactions		2016-17		2015-16	
SL. No.	Nature of Relation/Nature of Transactions	Amount of Transaction	Amount outstanding as on 31.03.2017	Amount of Transaction	Amount outstanding as on 31.03.2016
1	<b>Key Management Personnel:</b>				
	Remuneration	8,10,48,592	6,65,59,022(Cr)	1,04,92,523	11,54,111(Cr)
	Dividend Paid	15,44,864	--	15,44,864	--
	Interest on Loan	43,37,507	--	3,74,336	--
	Acceptance of Loan	9,92,54,840	--	1,50,00,000	--
	Repayment of Loan	9,92,54,840	--	2,00,00,000	--
	Amount received on Share Warrants	14,79,22,560	--	6,09,92,375	--
2	<b>Relatives of the Key Management Personnel:</b>				
	Sitting Fees	95,000	--	43,611	--
	Rent	1,20,000	--	1,20,000	34,550 (Cr)
	Dividend Paid	15,95,334	--	19,83,068	--
	Amount received on Share Warrants	2,88,91,125	--	96,30,375	--

## NOTES TO STANDALONE FINANCIAL STATEMENTS

		(Amount in ₹)			
3	<b>Concerns in which Key Management Personnel has Substantial Interest:</b>				
	Rent	9,00,000	--	9,00,000	2,02,500 (Cr)
	Dividend Paid	13,77,946	--	13,77,946	--
	Amount received on Share Warrants	1,00,15,590	--	2,31,12,900	--
4	<b>Concerns in which Relative of the Key Management Personnel has Substantial Interest:</b>				
	Survey/Drilling Charges	--	--	84,69,300	--
	Dividend Paid	1,72,666	--	1,72,666	--
	Acceptance of Loan	--	--	1,50,00,000	--
	Repayment of Loan	--	--	1,50,00,000	--
	Interest on Loan	--	--	1,91,803	--
	Professional Charges	--	--	3,60,000	--
	Security Charges	--	--	3,60,000	--
	Rent	3,00,000	--	3,00,000	1,12,500 (Cr)
5	<b>Subsidiary</b>				
	Loan given received back	--	--	8,13,68,040	--
	Interest Income	--	--	45,46,414	--
	Income from provision of services	28,57,264	--	53,55,002	--
6	<b>Step-down subsidiary</b>				
	Sale of used equipment	--	--	6,40,264	--
	Sale of used consumables	--	--	25,46,756	--
	Equipment hire charges	5,56,13,894	4,35,75,846(Cr)	48,72,167	48,67,906 (Cr)

(Amount in ₹)			
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:			
Nature of Transactions	Name of the Related Party	2016-17	2015-16
Remuneration*	Dinesh Alla	4,05,24,296	87,09,692
	Savita Alla	4,05,24,296	20,08,831
Interest on Loan Taken	Dinesh Alla	41,89,082	3,74,336
	Smt Savita Alla	1,48,425	--
	Aquila Drilling Private Limited	--	1,91,803
Repayment of Loan	Dinesh Alla	9,27,54,840	2,00,00,000
	Smt Savita Alla	65,00,000	--
	Aquila Drilling Private Limited	--	1,50,00,000
Acceptance of Loan	Dinesh Alla	9,27,54,840	1,50,00,000
	Smt Savita Alla	65,00,000	--
	Aquila Drilling Private Limited	--	1,50,00,000
Sitting Fee	Rajesh Alla	95,000	43,611
Drilling Charges	Aquila Drilling Private Limited	--	84,69,300



## NOTES TO STANDALONE FINANCIAL STATEMENTS

(Amount in ₹)			
Amount received on Share Warrants	Dinesh Alla	9,01,40,310	4,17,31,625
	Aquila Drilling Private Limited	1,00,15,590	2,31,12,900
	Sashank Alla	1,92,60,750	64,20,250
	Savita Alla	5,77,82,250	1,92,60,750
	Anisha Alla	96,30,375	32,10,125
Rent	Dinesh Alla (HUF)	9,00,000	9,00,000
	Rajesh Alla (HUF)	3,00,000	3,00,000
Sale of used equipment	Alphageo DMCC	--	6,40,264
Sale of used consumables	Alphageo DMCC	--	25,46,756
Equipment hire charges	Alphageo DMCC	5,56,13,894	48,72,167
Dividend Paid	Dinesh Alla	10,61,948	10,61,948
	Dinesh Alla (HUF)	8,18,134	4,58,332
	Savita Alla	4,82,916	4,82,916
	Aquila Drilling Private Limited	5,59,812	5,59,812
Loan Given	Alphageo International Limited	--	--
Loan Given Received Back	Alphageo International Limited	--	8,13,68,040
Interest Income	Alphageo International Limited	--	45,46,414
Income from provision of Services	Alphageo International Limited	28,57,264	53,55,002
Professional charges	IIC Technologies Limited	--	3,60,000
Security charges	IIC Technologies Limited	--	3,60,000

\*Note: As gratuity and leave encashment are computed for all the employees in aggregate, the amounts relating to the Key Managerial Personnel cannot be individually identified.

### 11. 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 ₹45,95,785/- (Previous Year ₹36,85,886/-)

### 12. Earnings Per Share:

(Amount in ₹)			
Particulars	2016-17	2015-16	
<b>The Numerator and Denominator used to calculate Earnings Per Share (EPS):</b>			
A Earnings attributable to Equity shareholders	48,05,22,918	6,95,55,213	
<b>B Number of Shares:</b>			
Weighted average number of Equity shares outstanding for Basic EPS during the year (Nos.)	57,86,603	56,34,767	
Weighted average number of Equity shares outstanding for Diluted EPS during the year (Nos.)	58,94,675	56,46,227	
Nominal Value of Equity Share	10	10	
C Earnings Per Share – Basic	83.04	12.34	
--Diluted	81.52	12.32	

## NOTES TO STANDALONE FINANCIAL STATEMENTS

### 13. Deferred Income Tax:

The movement of provision for deferred tax for the year ended 31.03.2017 is as given below:

(Amount in ₹)			
Particulars	As at 01.04.2016	(Charge)/Credit For the year	As at 31.03.2017
<b>Deferred Tax Asset:</b>			
Depreciation on Assets	5,65,14,553	(1,38,84,297)	4,26,30,256
Expenses allowable on the basis of Payment	24,01,244	8,74,333	32,75,577
<b>Total</b>	<b>5,89,15,797</b>	<b>(1,30,09,964)</b>	<b>4,59,05,833</b>

### 14. Details of Revenue from operations:

(Amount in ₹)		
Particulars	2016-17	2015-16
Seismic Survey and Related services	2,96,27,66,113	68,06,35,751
Income from Provision of Services	28,57,264	53,55,002
<b>Total</b>	<b>2,96,56,23,377</b>	<b>68,59,90,753</b>

### 15. Value of Imports Calculated on C.I.F Basis:

(Amount in ₹)		
Particulars	2016-17	2015-16
Capital Goods	55,75,25,650	32,64,17,847
Components and Spare parts	23,55,341	1,05,851
Software for data acquisition and processing	4,63,96,223	--

### 16. Expenditure in foreign currency (on accrual basis):

(Amount in ₹)		
Particulars	2016-17	2015-16
Travelling Expenses	6,55,150	11,37,878
Technical Consultancy Charges	3,49,23,144	19,39,219
Equipment Hire Charges	5,56,13,894	48,72,167
Membership Fees	3,90,920	4,36,965

### 17. Remittance of Dividend in Foreign Currency:

(Amount in ₹)		
Particulars	2016-17	2015-16
Number of Non-resident share holders	7	7
Number of shares	1800	1800
Amount	3600	3600
Year to which it relates	2015-16	2014-15





## NOTES TO STANDALONE FINANCIAL STATEMENTS

### 18. Earnings in foreign exchange (on accrual basis):

(Amount in ₹)		
Particulars	2016-17	2015-16
Seismic Survey and Related services income (including service tax)	19,89,90,605	5,75,65,841
Income from provision of services	28,57,264	53,55,002
Interest income	--	45,46,414
Sale of used equipment	--	6,40,264
Sale of used spares and consumables	--	25,46,756

### 19. Details of payment to auditors:

(Amount in ₹)		
Particulars	2016-17	2015-16
As Auditor	6,00,000	5,00,000
For Tax Audit	2,75,000	2,00,000
For Quarterly reviews	3,00,000	2,50,000
For Taxation matters	75,000	75,000
For Other services	2,80,000	1,60,000
For Reimbursement of expenses	26,000	11,000
<b>Total</b>	<b>15,56,000</b>	<b>12,46,000</b>

### 20. The details of specified Bank Notes (SBN) held and transacted during the period from 8th November, 2016 to 30th December, 2016 is provided in table below:

(Amount in ₹)			
Particulars	Specified bank notes	Other denomination notes	Total
Closing cash in hand as on 8th November, 2016	8,67,000	21,69,188	30,36,188
Add: Permitted receipts		88,51,935	88,51,935
Add: Non Permitted receipts			
Less: Permitted payments	8,67,000	98,33,177	1,07,00,177
Less: Non Permitted payments			
Less: Amount deposited in banks			
Closing cash in hand as on 30th December, 2016	--	11,87,946	11,87,946

### 21. Proposed dividend

The final dividend proposed for the year is as follows

(Amount in ₹)		
Particulars	2016-17	2015-16
On 63,64,767 Equity Shares of ₹10 each as on 29.05.2017 (Previous year on 56,34,767 Equity Shares of ₹10 each as on 20.05.2016)		
Dividend per Equity Share	4	2
Amount of dividend proposed	2,54,59,068	1,12,69,534

## NOTES TO STANDALONE FINANCIAL STATEMENTS

### 22. Corporate social responsibility (CSR):

- A. Gross amount required to be spent by the company during the year ₹4,72,860/-.  
B. Amount spent during the year ₹5,18,000/-.

(Amount in ₹)		
Sl. No.	Nature of Expenditure	Amount Paid
1	For supporting Education for Children	2,00,000/-
2	For empowering Employment skills for Youth	1,50,000/-
3	For supporting Education for Girl Child	1,68,000/-
	<b>Total</b>	<b>5,18,000/-</b>

As Per our Report of even date

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

29.05.2017

For and on behalf of the Board

**Dinesh Alla**  
Managing Director

**Venkatesa Perumallu Pasumarthy**  
Chief Financial Officer

**Z.P. Marshall**  
Chairman

**Meenakshi Naag**  
Company Secretary



## Independent Auditor's Report

To  
The Members of  
**ALPHAGEO (INDIA) LIMITED**

### Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **ALPHAGEO (INDIA) LIMITED** ("hereinafter referred to as the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"); (Refer Note No. 25.II.4 to the attached consolidated financial statements), comprising of the consolidated Balance Sheet as at 31st March, 2017, the consolidated Statement of Profit and Loss, the consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information prepared based on the relevant records (hereinafter referred to as "the Consolidated Financial Statements").

### Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with accounting principles generally accepted in India including the Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014. The Holding Company's Board of Directors is also responsible for ensuring accuracy of records including financial information considered necessary for the preparation of Consolidated Financial Statements. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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, which has been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

### Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act and the Rules made thereunder including the accounting standards and matters which are required to be included in the audit report.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements 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 auditors' judgement, 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 financial control relevant to the Holding Company's preparation 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 the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is

sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated 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 of the consolidated state of affairs of the Group as at 31st March, 2017, and their consolidated profit and their consolidated cash flows for the year ended on that date.

### Other Matter

We did not audit the financial statements of subsidiary and its step down subsidiary whose financial statements reflect total assets of ₹44,73,12,101/- and net assets of ₹44,47,54,543/- as at March 31, 2017, total revenue of ₹16,01,00,780/-, net profit before tax of ₹2,36,36,498/- and net cash in flows amounting to ₹6,22,84,094/- for the year ended on that date, as considered in the consolidated financial statements. These financial

statements have been audited by other auditors whose reports have been furnished to us by the Management, and our opinion on the consolidated financial statements insofar as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-sections (3) and (11) of Section 143 of the Act insofar as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements is not modified in respect of the above matter with respect to our reliance on the work done and the reports of the other auditors.

For **P.V.R.K. NAGESWARA RAO & CO.**  
Chartered Accountants  
Firm's Registration Number: 002283S

**P.V.R.K. NAGESWARA RAO**  
Partner  
Number: 18840  
HYDERABAD  
29.05.2017



CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2017 (Amount in ₹)					
Particulars	Note No.	As at 31st March, 2017		As at 31st March, 2016	
<b>EQUITY AND LIABILITIES</b>					
<b>Shareholders' funds</b>					
Share capital	1	6,13,33,670		5,64,83,670	
Reserves and surplus	2	164,62,89,769		90,75,19,612	
Money received against share warrants		3,14,59,225	173,90,82,664	9,37,35,650	105,77,38,932
<b>Non-current liabilities</b>					
Long-term borrowings	3	38,84,773		-	
Other long term liabilities	4	13,30,65,805		2,14,22,475	
Long-term provisions	5	92,15,293	14,61,65,871	58,67,035	2,72,89,510
<b>Current liabilities</b>					
Short-term borrowings	6	47,29,33,594		2,40,10,484	
Trade payables:					
Total outstanding dues of micro and small enterprises		1,83,750		1,82,885	
Total outstanding dues of creditors other than micro and small enterprises		57,35,13,473		27,83,21,338	
Other current liabilities	7	55,04,46,278		15,80,74,848	
Short-term provisions	8	2,13,86,575	161,84,63,670	1,74,81,559	47,80,71,114
<b>TOTAL</b>			<b>350,37,12,205</b>		<b>156,30,99,556</b>
<b>ASSETS</b>					
<b>Non-current assets</b>					
<b>Fixed assets</b>					
Tangible assets	9				
Tangible assets		134,38,11,689		77,46,25,590	
Intangible assets		5,91,27,353		1,77,439	
		140,29,39,042		77,48,03,029	
Capital work-in-progress		1,04,23,714		1,04,23,714	
		141,33,62,756		78,52,26,743	
Deferred tax assets (net)	10	4,59,05,833		5,89,15,797	
Long-term loans and advances	11	1,51,47,855		9,77,187	
Other non current assets	12	-	147,44,16,444	5,94,55,243	90,45,74,970
<b>Current assets</b>					
Inventories	13	1,18,46,787		22,18,180	
Trade receivables	14	160,02,92,698		48,63,37,904	
Cash and bank balances	15	34,78,89,289		12,22,99,685	
Short-term loans and advances	16	6,46,08,531		4,14,41,396	
Other current assets	17	46,58,456	202,92,95,761	62,27,421	65,85,24,586
<b>TOTAL</b>			<b>350,37,12,205</b>		<b>156,30,99,556</b>
Summary of significant accounting policies and other explanatory information	25				

As Per our Report of even date  
For **P.V.R.K. Nageswara Rao & Co.**  
Chartered Accountants  
Firm's Registration Number: 002283S

**Dinesh Alla**  
Managing Director

**Z.P. Marshall**  
Chairman

**P.V.R.K. NAGESWARA RAO**  
Partner  
Membership Number: 18840

**Venkatesa Perumallu Pasumarthy**  
Chief Financial Officer

**Meenakshi Naag**  
Company Secretary

Hyderabad  
29.05.2017

For and on behalf of the Board

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2017 (Amount in ₹)				
Particulars	Note No.	For the year ended 31st March, 2017		For the year ended 31st March, 2016
<b>REVENUE</b>				
Revenue from operations	18		305,89,34,157	89,57,85,533
Other income	19		2,19,59,617	87,15,575
<b>Total Revenue</b>			<b>308,08,93,774</b>	<b>90,45,01,108</b>
<b>EXPENSES</b>				
Survey and survey related expenses	20		178,78,74,154	51,78,65,285
Employee benefits expense	21		17,13,74,368	6,13,68,266
Finance costs	22		4,14,66,794	71,75,261
Depreciation and amortisation expense	23		23,72,00,496	12,29,99,197
Other expenses	24		8,43,13,130	3,86,79,716
<b>Total Expenses</b>			<b>232,22,28,942</b>	<b>74,80,87,725</b>
Profit before tax			75,86,64,832	15,64,13,383
Tax expense				
Current tax		20,93,07,152		2,77,19,143
Income tax adjustments		(96,397)		(6,52,882)
Tax credit entitlements		3,09,08,376		52,15,000
		24,01,19,131		3,22,81,261
Deferred tax		1,30,09,964	25,31,29,095	77,93,499
<b>Profit after tax</b>			<b>50,55,35,737</b>	<b>11,63,38,623</b>
<b>Earnings per equity share</b>				
(Nominal value: ₹10/- per share)				
Basic			87.36	20.65
Diluted			85.76	20.60
Summary of significant accounting policies and other explanatory information	25			

As Per our Report of even date  
For **P.V.R.K. Nageswara Rao & Co.**  
Chartered Accountants  
Firm's Registration Number: 002283S

**Dinesh Alla**  
Managing Director

**P.V.R.K. NAGESWARA RAO**  
Partner  
Membership Number: 18840

**Venkatesa Perumallu Pasumarthy**  
Chief Financial Officer

For and on behalf of the Board

**Z.P. Marshall**  
Chairman

**Meenakshi Naag**  
Company Secretary

Hyderabad  
29.05.2017


**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2017 (Amount in ₹)**

Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016
<b>I CASH FLOW FROM OPERATING ACTIVITIES:</b>		
Profit/(Loss) before tax for the year	75,86,64,832	15,64,13,383
Add/ (Less) : Adjustments for:		
Depreciation and amortisation expense	23,72,00,496	12,29,99,197
Unrealised Foreign Exchange loss/(gain) (net)	(24,42,879)	9,22,630
Interest expense	2,26,63,628	11,41,685
Interest income	(73,64,810)	(23,51,482)
Dividend on current investments	(5,92,855)	(28,34,866)
Bad debts written off	81,13,078	-
Profit on Sale of Assets	(85,46,373)	(2,14,747)
Book Deficit on assets discarded	97,674	3,19,990
	24,91,27,959	11,99,82,407
	100,77,92,791	27,63,95,790
Add / (Less): Adjustments for Working Capital Changes:		
(Increase)/Decrease in Inventories	(96,28,607)	(33,009)
(Increase) in Trade receivables	(112,00,01,391)	(32,09,73,144)
(Increase)/Decrease in Other current assets	46,22,244	(46,22,244)
(Increase) in Long-term loans and advances	(1,47,97,514)	(2,45,628)
(Increase)/Decrease in Other non-current asset	5,94,55,243	(5,94,55,243)
(Increase) in Short-term loans and advances	(5,40,75,511)	(22,652)
Decrease in Trade payables	29,49,08,644	24,88,81,814
Decrease in Other current liabilities	9,64,39,941	1,47,19,265
Decrease in Short-term provisions	10,95,077	80,980
Decrease in Other long-term liabilities	11,16,43,330	2,14,22,475
Decrease in Long-term provisions	33,48,258	14,91,679
	(62,69,90,286)	(9,87,55,707)
Cash generated from operations	38,08,02,505	17,76,40,083
Less : Direct taxes paid	19,28,37,070	2,76,49,041
<b>Net Cash flow from operating activities</b>	<b>18,79,65,435</b>	<b>14,99,91,042</b>
<b>II CASH FLOW USED IN INVESTING ACTIVITIES:</b>		
Purchase of fixed assets	(58,53,16,958)	(20,37,89,459)
Proceeds from sale of fixed assets	1,31,46,167	2,75,000
Investment in bank deposits (Original maturity of more than three months) (net)	(4,68,48,117)	(7,29,63,626)
Investment in Current Investments	-	3,68,75,954
Dividend received on current investments	5,92,855	28,34,866
Dividend and Corporate Dividend Tax thereon paid	(1,36,23,925)	(1,35,63,746)
Interest received	43,11,531	14,98,562
<b>Net Cash (used in) Investing Activities</b>	<b>(62,77,38,447)</b>	<b>(24,88,32,449)</b>

**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2017 (Amount in ₹)**

Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016
<b>III CASH FLOW FROM FINANCING ACTIVITIES:</b>		
Consideration for Issue of Shares/Warrants	18,68,29,275	9,37,35,650
Proceeds from long-term borrowings	1,09,80,460	-
(Repayment) of long-term borrowings	(22,49,562)	(50,00,000)
Proceeds/(Repayment) from short-term borrowings (net)	44,89,23,110	1,59,89,759
Interest Paid	(2,25,19,734)	(22,15,274)
<b>Net Cash Flow From Financing Activities</b>	<b>62,19,63,549</b>	<b>10,25,10,135</b>
IV Net increase/(Decrease) in cash and cash equivalents	18,21,90,537	36,68,728
V Adjustment due to change in exchange rate	(41,26,778)	15,32,048
VI Exchange difference on translation of foreign currency cash and cash equivalents	6,60,754	(20,272)
VII Cash and Cash Equivalents as at the beginning of the year	3,75,00,745	3,23,20,241
VIII Cash and Cash Equivalents as at the end of the year	<b>21,62,25,258</b>	<b>3,75,00,745</b>

**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 "Cashflow statement"
- Summary of significant accounting policies and other explanatory information (Note No.25) form an Integral part of the Cash Flow Statement.
- Previous year figures have been regrouped / reclassified to conform to current year classification.

As Per our Report of even date

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

Chartered Accountants

Firm's Registration Number: 0022835

**P.V.R.K. NAGESWARA RAO**

Partner

Membership Number: 18840

Hyderabad

29.05.2017

For and on behalf of the Board

**Dinesh Alla**  
 Managing Director

**Z.P. Marshall**  
 Chairman

**Venkatesa Perumallu Pasumarthy**  
 Chief Financial Officer

**Meenakshi Naag**  
 Company Secretary



## NOTES TO CONSOLIDATED BALANCE SHEET

Note 1: SHARE CAPITAL		(Amount in ₹)	
Particulars	As at 31st March, 2017	As at 31st March, 2016	
<b>Authorised:</b>			
1,00,00,000 (Previous year: 1,00,00,000) Equity Shares of ₹10/- each	10,00,00,000	10,00,00,000	
<b>Issued :</b>			
61,31,167 (Previous year: 56,46,167) Equity Shares of ₹10/- each	6,13,11,670	5,64,61,670	
<b>Subscribed and fully paid up:</b>			
61,19,767 (Previous year: 56,34,767) Equity Shares of ₹10/- each fully paid up	6,11,97,670	5,63,47,670	
Add: Forfeited shares (Amount originally paid up)	1,36,000	1,36,000	
	<b>6,13,33,670</b>	<b>5,64,83,670</b>	

Note 2: RESERVES AND SURPLUS		(Amount in ₹)	
Particulars	As at 31st March, 2017	As at 31st March, 2016	
<b>Capital reserve:</b>			
Share warrants forfeiture account	1,61,18,047	1,61,18,047	
<b>Securities premium account</b>			
As per last Balance Sheet	18,15,04,831	18,15,04,831	
Add: Share premium on allotment of Equity Shares	24,42,55,700	42,57,60,531	-
<b>Foreign currency translation reserve:</b>			
As per last Balance Sheet	9,10,70,772	6,81,33,943	
Add: Movement during the year	(1,09,61,101)	8,01,09,671	2,29,36,829
<b>General reserve</b>	4,00,00,000	4,00,00,000	
<b>Balance in statement of profit and loss (surplus):</b>			
As per last Balance Sheet	57,88,25,962	47,60,51,085	
Add: Profit as per statement of profit and loss	50,55,35,737	11,63,38,623	
Total available for allocations and appropriations	108,43,61,699	59,23,89,708	
Less: Allocations and appropriations			
Dividend paid	50,000	1,12,69,534	
Corporate Dividend Tax thereon	10,179	22,94,212	57,88,25,962
	<b>164,62,89,769</b>	<b>90,75,19,612</b>	

## NOTES TO CONSOLIDATED BALANCE SHEET

Note 3: LONG-TERM BORROWINGS		(Amount in ₹)	
Particulars	As at 31st March, 2017	As at 31st March, 2016	
<b>Term Loans (Secured)</b>			
<b>A. From HDFC Bank Limited</b>	32,50,467	-	
Less: Current Maturities of Long term debt	22,43,937	10,06,530	-
<b>1. Nature of Security:</b>			
<b>Primary Security:</b>			
Secured by hypothecation of Vehicles			
<b>Guarantee</b>			
Personal Guarantee of one of the Directors of the company			
<b>2. Terms of Repayment :</b>			
Amount of Loan HDFC Bank Limited	Interest Rate	Amount of Installments due	Total No. of Installments due
44,55,000	10.51%	32,50,467	17
			Period of Maturity from Balance Sheet date
			1 Year 5 Months
<b>B. From TATA Motors Finance Limited</b>	23,12,984	-	
Less: Current Maturities of Long term debt	15,00,873	8,12,111	-
<b>1. Nature of Security:</b>			
<b>Primary Security:</b>			
Secured by hypothecation of Vehicles			
<b>Guarantee</b>			
<b>2. Terms of Repayment :</b>			
Amount of Loan Tata Motors Finance Limited	Interest Rate	Amount of Installments due	Total No. of Installments due
14,56,000	10.63%	11,18,148	18
15,56,000	10.58%	11,94,836	18
			Period of Maturity from Balance Sheet date
			1 Year 6 Months
			1 Year 6 Months
<b>C. From BMW India Financial Services Pvt Ltd.</b>	31,67,447	-	
Less: Current Maturities of Long term debt	11,01,315	20,66,132	-
<b>1. Nature of Security:</b>			
<b>Primary Security:</b>			
Secured by hypothecation of Vehicles			
<b>2. Terms of Repayment :</b>			
Amount of Loan BMW Finance Limited	Interest Rate	Amount of Installments due	Total No. of Installments due
35,13,460	8.87%	31,67,447	32
			Period of Maturity from Balance Sheet date
			2 Years 8 Months
<b>Total</b>		<b>38,84,773</b>	-



## NOTES TO CONSOLIDATED BALANCE SHEET

Note 4: OTHER LONG-TERM LIABILITIES (Amount in ₹)				
Particulars	As at 31st March, 2017		As at 31st March, 2016	
Trade Payables:				
Total outstanding dues of micro and small enterprises		-		-
Total outstanding dues of creditors other than micro and small enterprises		13,30,65,805		2,14,22,475
		<b>13,30,65,805</b>		<b>2,14,22,475</b>

Note 5: LONG-TERM PROVISIONS (Amount in ₹)				
Particulars	As at 31st March, 2017		As at 31st March, 2016	
Provision for employee benefits		92,15,293		58,67,035
		<b>92,15,293</b>		<b>58,67,035</b>

Note 6: SHORT- TERM BORROWINGS (Amount in ₹)				
Particulars	As at 31st March, 2017		As at 31st March, 2016	
<b>Secured:</b>				
<b>A Working capital loan from State Bank of India</b>		15,85,03,029		2,40,10,484
<b>1. Nature of Security:</b>				
<b>Primary Security:</b>				
First charge on the entire current assets of the Company on paripassu basis with other banks.				
<b>Collateral Security:</b>				
a) First charge on the entire fixed assets of the company both present and future on paripassu basis with other banks				
b) Equitable mortgage of certain immovable properties belonging to three Directors and relatives of three directors of the Company and cash collateral of ₹ 2,41,00,000/- in the form of deposit				
<b>Guarantee</b>				
Personal Guarantees of three Directors and relatives of two				
Directors of the Company.				
<b>2. Rate of Interest:</b> 2.75% (Previous year 3%) 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.				

## NOTES TO CONSOLIDATED BALANCE SHEET

Note 6: SHORT- TERM BORROWINGS (contd.) (Amount in ₹)				
Particulars	As at 31st March, 2017		As at 31st March, 2016	
<b>B Working capital loan from Punjab National Bank</b>		9,47,23,237		-
<b>1. Nature of Security:</b>				
<b>Primary Security:</b>				
First charge on the entire current assets of the Company on paripassu basis with other banks.				
<b>Collateral Security:</b>				
a) First charge on the entire fixed assets of the company both present and future on paripassu basis with other banks				
b) Equitable mortgage of certain immovable properties belonging to three Directors and relatives of three directors of the Company.				
<b>Guarantee</b>				
Personal Guarantees of three Directors				
<b>2. Rate of Interest:</b> 0.90% 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.				
<b>C Working capital loan from Axis Bank limited</b>		13,97,07,328		-
<b>1. Nature of Security:</b>				
<b>Primary Security:</b>				
First charge on the entire current assets of the Company on paripassu basis with other banks.				
<b>Collateral Security:</b>				
a) First charge on the entire fixed assets of the company both present and future on paripassu basis with other banks				
b) Equitable mortgage of certain immovable properties belonging to three Directors and relatives of three directors of the Company.				
<b>Guarantee</b>				
Personal Guarantee of three Directors and relatives of three Directors of the Company.				
<b>2. Rate of Interest:</b> 2.5% 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.				



## NOTES TO CONSOLIDATED BALANCE SHEET

Note 6: SHORT- TERM BORROWINGS (contd.) (Amount in ₹)			
Particulars	As at 31st March, 2017		As at 31st March, 2016
<b>D Unsecured</b>		8,00,00,000	-
From the Axis Bank Limited			
1. Guarantee			
Personal Guarantee of one of the Directors of the company .			
2. Rate of Interest: 4.1% 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.			
		<b>47,29,33,594</b>	<b>2,40,10,484</b>

Note 7: OTHER CURRENT LIABILITIES (Amount in ₹)			
Particulars	As at 31st March, 2017		As at 31st March, 2016
Current maturities of long-term debt		48,46,125	-
Interest accrued but not due on borrowings		1,43,894	-
Unclaimed dividend accounts		13,09,208	12,92,234
(There is no amount due and outstanding to be credited to investor education and protection fund)			
<b>Other Payables:</b>			
Creditors for capital works		42,36,18,296	13,26,93,800
Statutory liabilities		2,08,18,536	83,82,818
Employee benefits payable		7,73,61,157	70,47,567
Creditors for Expenses		2,23,49,062	86,58,429
		<b>55,04,46,278</b>	<b>15,80,74,848</b>

Note 8: SHORT-TERM PROVISIONS (Amount in ₹)			
Particulars	As at 31st March, 2017		As at 31st March, 2016
Provision for employee benefits		12,16,449	10,71,372
Provision for taxation (Net of prepaid taxes)		1,92,20,126	28,46,441
Provision for Interest on Income Tax		9,50,000	-
Proposed dividend		-	1,12,69,534
Provision for corporate dividend tax		-	22,94,212
		<b>2,13,86,575</b>	<b>1,74,81,559</b>

## NOTES TO CONSOLIDATED BALANCE SHEET

Sl. Description No.	Gross block				Depreciation/amortisation				Net block			
	COST AS AT 01.04.2016	ADJUSTMENT	ADDITIONS DURING THE YEAR	DEDUCTIONS DURING THE YEAR	TOTAL COST AS AT 31.03.2017	UPTO 31.03.2016	ADJUSTMENT	FOR THE YEAR	ON DEDUCTIONS	UPTO 31.03.2017	AS AT 31.03.2017	AS AT 31.03.2016
<b>OWN ASSETS:</b>												
<b>A TANGIBLE ASSETS:</b>												
1 Freshhold Land	2,19,08,666	-	-	-	2,19,08,666	-	-	-	-	-	2,19,08,666	2,19,08,666
2 Buildings	14,46,800	-	-	-	14,46,800	2,57,467	-	51,970	-	3,09,437	11,37,363	11,89,333
3 Plant and Equipment	200,00,27,519	(1,30,18,718)	78,39,19,142	1,18,50,292	275,90,77,651	125,88,12,751	(62,04,066)	22,70,62,285	73,02,966	147,03,68,004	128,87,09,647	74,32,14,768
4 Electrical Fittings	4,05,342	-	6,68,411	-	10,73,753	1,42,411	-	1,12,241	-	2,54,652	8,19,101	2,62,931
5 Furniture and Fittings	19,58,332	-	8,11,060	-	27,69,392	14,06,555	-	1,80,748	-	15,87,303	11,82,089	5,51,777
6 Vehicles	1,31,78,961	-	1,62,99,333	-	2,94,78,294	99,79,782	-	16,39,837	7,82,186	1,08,37,433	1,78,17,508	31,99,179
7 Office Equipment	1,10,18,527	(49,089)	42,83,502	2,26,032	1,50,26,908	79,17,233	(35,101)	10,13,000	2,14,730	86,80,402	63,46,506	31,01,294
8 Data Processing units	28,93,279	(4,185)	62,71,917	19,53,527	72,07,484	16,95,637	(2,499)	14,79,390	18,55,853	13,16,675	58,90,809	11,97,642
<b>Total</b>	<b>205,28,37,426</b>	<b>(1,30,71,992)</b>	<b>81,22,53,365</b>	<b>1,48,53,204</b>	<b>283,71,65,595</b>	<b>127,82,11,836</b>	<b>(62,41,666)</b>	<b>23,15,39,471</b>	<b>1,01,55,735</b>	<b>149,33,53,906</b>	<b>134,38,11,689</b>	<b>77,46,25,590</b>
<b>B INTANGIBLE ASSETS:</b>												
Software	20,75,918	(41,768)	6,46,14,935	-	6,66,49,085	18,98,479	(37,772)	56,61,025	-	75,21,732	5,91,27,353	1,77,439
<b>Grand Total</b>	<b>205,49,13,344</b>	<b>(1,31,13,760)</b>	<b>87,68,68,300</b>	<b>1,48,53,204</b>	<b>290,38,14,680</b>	<b>128,01,10,315</b>	<b>(62,79,438)</b>	<b>23,72,00,496</b>	<b>1,01,55,735</b>	<b>150,08,75,638</b>	<b>140,29,39,042</b>	<b>77,48,03,029</b>
Previous Year Total (31.03.2016)	169,45,92,291	3,28,03,868	33,51,22,106	76,04,921	205,49,13,344	115,29,36,709	1,13,99,086	12,29,99,197	72,24,677	128,01,10,315	77,48,03,029	54,16,55,582
<b>C CAPITAL WORK-IN-PROGRESS</b>	<b>1,04,23,714</b>	-	-	-	<b>1,04,23,714</b>	-	-	-	-	-	<b>1,04,23,714</b>	<b>1,04,23,714</b>



## NOTES TO CONSOLIDATED BALANCE SHEET

Note 10: DEFERRED TAX ASSET (NET) (Amount in ₹)				
Particulars	As at 31st March, 2017		As at 31st March, 2016	
As per last Balance Sheet		5,89,15,797		6,67,09,296
Less: Adjustments for the year		(1,30,09,964)		(77,93,499)
		<b>4,59,05,833</b>		<b>5,89,15,797</b>

Note 11: LONG-TERM LOANS AND ADVANCES (Amount in ₹)				
Particulars	As at 31st March, 2017		As at 31st March, 2016	
(Unsecured, Considered good)				
Capital Advances		-		6,26,846
Security Deposits		11,80,679		3,15,679
Prepaid expenses		1,39,67,176		34,662
		<b>1,51,47,855</b>		<b>9,77,187</b>

Note 12: OTHER NON CURRENT ASSETS (Amount in ₹)				
Particulars	As at 31st March, 2017		As at 31st March, 2016	
(Unsecured, considered good)				
Long term trade receivables		-		5,94,55,243
		-		<b>5,94,55,243</b>

Note 13: INVENTORIES (Amount in ₹)				
Particulars	As at 31st March, 2017		As at 31st March, 2016	
(Valued at lower of cost and net realisable value)				
Stock of stores		1,18,46,787		22,18,180
		<b>1,18,46,787</b>		<b>22,18,180</b>

Note 14: TRADE RECEIVABLES (Amount in ₹)				
Particulars	As at 31st March, 2017		As at 31st March, 2016	
(Unsecured, considered good)				
Outstanding for a period exceeding six months from the date they became due for payment		-		-
Others		160,02,92,698		48,63,37,904
		<b>160,02,92,698</b>		<b>48,63,37,904</b>

## NOTES TO CONSOLIDATED BALANCE SHEET

Note 15: CASH AND BANK BALANCES (Amount in ₹)				
Particulars	As at 31st March, 2017		As at 31st March, 2016	
<b>Cash and cash equivalents:</b>				
Cash on hand		16,50,652		5,15,023
<b>Balances with banks:</b>				
In Current accounts		21,45,74,606		21,62,25,258
				3,69,85,722
				3,75,00,745
<b>Other bank balances:</b>				
In Term deposits				13,03,54,823
				8,35,06,706
(₹10,62,54,823/- (Previous Year : 7,00,06,706) held as margin money security against guarantees issued by banks and ₹2,41,00,000/- (Previous Year : 1,35,00,000) as Collateral security against Working Capital Loan)				
<b>Earmarked balances:</b>				
In Unclaimed dividend accounts				13,09,208
				12,92,234
		<b>34,78,89,289</b>		<b>12,22,99,685</b>

Note 16: SHORT-TERM LOANS AND ADVANCES (Amount in ₹)				
Particulars	As at 31st March, 2017		As at 31st March, 2016	
(Unsecured, considered good)				
Security Deposits		-		9,419
Prepaid expenses		1,45,99,598		80,10,651
Loans and advances to employees		3,63,687		6,32,752
Service tax credit receivable		4,72,09,764		-
Tax credit entitlements		-		3,09,08,376
Advances for supply of goods and services		24,35,482		18,80,198
		<b>6,46,08,531</b>		<b>4,14,41,396</b>

Note 17: OTHER CURRENT ASSETS (Amount in ₹)				
Particulars	As at 31st March, 2017		As at 31st March, 2016	
Interest accrued on Term deposits with Banks and others		46,58,456		16,05,177
Reimbursement of expenses receivable		-		46,22,244
		<b>46,58,456</b>		<b>62,27,421</b>





## NOTES TO CONSOLIDATED STATEMENT OF PROFIT AND LOSS

<b>Note 18: REVENUE FROM OPERATIONS</b> (Amount in ₹)			
Particulars	For the year ended 31st March, 2017		For the year ended 31st March, 2016
Seismic Survey and related service income		305,89,34,157	89,57,85,533
		<b>305,89,34,157</b>	<b>89,57,85,533</b>

<b>Note 19: OTHER INCOME</b> (Amount in ₹)			
Particulars	For the year ended 31st March, 2017		For the year ended 31st March, 2016
Interest Income		73,64,810	23,51,482
Dividend from Current Investments		5,92,855	28,34,866
Profit on sale of assets		85,46,373	2,14,747
Net gain on foreign currency transactions and translations		50,76,701	29,68,938
Other Non-operating income		3,78,878	3,45,542
		<b>2,19,59,617</b>	<b>87,15,575</b>

<b>Note 20: SURVEY AND SURVEY RELATED EXPENSES</b> (Amount in ₹)			
Particulars	For the year ended 31st March, 2017		For the year ended 31st March, 2016
Consumption of stores		2,87,32,139	1,14,63,032
Labour charges		6,48,59,346	70,75,516
Survey and drilling charges		142,02,15,797	43,73,83,636
Fuel		6,21,34,527	67,00,374
Vehicle hire charges		4,25,20,162	1,19,58,081
Equipment hire charges		13,28,329	6,56,436
Repairs to machinery		1,37,83,555	20,39,266
Camp rental charges		1,62,79,169	83,86,247
Technical consultancy charges		5,56,33,170	72,15,628
Camp expenses		6,26,42,969	1,18,68,410
Transport and handling charges		1,35,75,132	1,18,65,209
Other survey expenses		61,69,859	12,53,450
		<b>178,78,74,154</b>	<b>51,78,65,285</b>

<b>Note 21: EMPLOYEE BENEFITS EXPENSE</b> (Amount in ₹)			
Particulars	For the year ended 31st March, 2017		For the year ended 31st March, 2016
Salaries, wages and other allowances		16,67,42,924	5,83,35,456
Contribution to provident and other funds		35,51,402	25,85,681
Contribution to ESI		1,47,609	13,809
Staff welfare expenses		9,32,433	4,33,320
		<b>17,13,74,368</b>	<b>6,13,68,266</b>

## NOTES TO CONSOLIDATED STATEMENT OF PROFIT AND LOSS

<b>Note 22: FINANCE COSTS</b> (Amount in ₹)			
Particulars	For the year ended 31st March, 2017		For the year ended 31st March, 2016
Interest expense		2,17,13,628	11,41,685
Interest on Income tax		9,50,000	-
Other Borrowing costs		1,88,03,166	60,33,576
		<b>4,14,66,794</b>	<b>71,75,261</b>

<b>Note 23: DEPRECIATION AND AMORTISATION EXPENSE</b> (Amount in ₹)			
Particulars	For the year ended 31st March, 2017		For the year ended 31st March, 2016
Depreciation for the year		23,15,39,471	12,25,65,910
Amortisation expense		56,61,025	4,33,287
		<b>23,72,00,496</b>	<b>12,29,99,197</b>

<b>Note 24: OTHER EXPENSES</b> (Amount in ₹)			
Particulars	For the year ended 31st March, 2017		For the year ended 31st March, 2016
Rent		20,65,745	20,69,913
Repairs and maintenance to other assets		12,81,390	5,92,719
Directors sitting fees		6,87,651	5,23,464
Printing and stationery		19,56,269	13,11,493
Communication expenses		27,40,982	15,57,749
Travelling and conveyance		1,80,06,808	1,13,99,144
Insurance		37,46,335	18,97,068
Swachh bharaat cess		82,29,743	20,15,971
Rates and taxes, excluding taxes on income		1,37,60,081	30,96,443
Payment to auditors (Refer 25.II.15)		26,58,819	22,11,246
Professional and consultancy charges		1,42,70,076	51,31,916
Advertisement and publication expenses		1,14,803	2,14,106
Vehicle maintenance		2,60,313	4,17,988
Book deficit on discard of assets		97,674	3,19,990
Bad Debts Written Off		81,13,078	-
Bank charges		11,37,359	7,31,316
CSR Expenses		5,18,000	-
Donations		25,000	-
Miscellaneous expenses		46,43,004	51,89,190
		<b>8,43,13,130</b>	<b>3,86,79,716</b>



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### 25. 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 compliance with all material aspects of the Accounting Standards specified under Section 133 of the Companies Act, 2013 ("the Act"), read with Rule 7(i) of the Companies (Accounts) Rules, 2014, other pronouncements of the Institute of Chartered Accountants of India and the relevant provisions of the Act and also the guidelines issued by the Securities and Exchange Board of India (SEBI).

The accounting policies have been consistently applied by the Group 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 based on the Group normal operating cycle and other criteria. Being service provider, the Group has assumed its operating cycle as 12 months for the purpose of current/non-current classification of assets and liabilities.

##### B. Principles of Consolidation

- The consolidated financial statements include the financial statements of Alphageo (India) Limited, the parent company and its subsidiary companies in which Alphageo (India) Limited Group, 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.
- 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.
- 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.
- 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 / materialized and the difference is classified in statement of Profit and Loss using the same classification as was used previously for the estimate.

##### D. Tangible Assets and Depreciation

- Tangible fixed assets are stated at historical cost less accumulated depreciation thereon and impairment losses, if any. Historical cost is inclusive of freight, duties and taxes and incidental expenses related to acquisition and net of CENVAT wherever applicable. In respect of projects involving construction, related pre-operational expenses form part of the cost of the assets capitalised.

Subsequent costs are included in the asset's carrying amount or recognised as separate asset, as appropriate, only

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as separate asset is derecognised when replaced. All other repairs and maintenance are charged to statement of profit and loss during the period in which they are incurred.

- Depreciation is charged on straight line basis so as to write off the depreciable amount of the asset over the useful lives specified in Schedule II to the Act. The useful life of the assets are periodically reviewed and re-determined based on a technical evaluation and expected use and the unamortised depreciable amount is charged over the remaining useful life of such assets. In certain cases, the useful life of assets so determined being different from the useful life as specified under Part C of Schedule II of the Act, are as given below:

Nature of Asset	Useful Life
Machinery in the nature of Geophone strings and cables	5 Years
Machinery in the nature of equipment used for Seismic Survey	5 Years
Machinery in the nature of Vibrators used for Seismic Survey	20 Years

##### E. Intangible assets and amortisation

Cost relating to an acquired Intangible asset is being capitalised and being amortised over the period of its estimated useful life on Straight line basis.

Nature of Asset	Useful Life
Software	3 Years

##### F. Foreign exchange transactions

Transactions in Foreign Exchange 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 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 prevailing during the year and all resulting exchange differences are being 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

- 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.



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

- 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 diminution, 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 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). Net realisable value is the estimated selling price in the ordinary course of business, less estimated cost of completion and estimated cost necessary to make the sale.

### I. Taxes on income

- i. Tax expenses is the aggregate of current income tax and deferred income tax charge / (credit) for the year.
- ii. **Current income tax:**  
Current income tax expense is measured as per prevailing tax rates and laws and regulations that have been enacted or substantially enacted in those jurisdictions, where the Group operates.
- 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 certainty or virtual certainty, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realised.
- iv. **Tax Credit Entitlement:**  
Tax credit entitlements are recognised, as an Asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which Tax Credit becomes eligible to be recognised as an asset the said asset is created by way of a credit to the Statement of profit and loss and shown as Tax Credit Entitlements. The Company reviews the same at each balance sheet date and writes down the carrying amount of Tax Credit Entitlements to the extent there is no longer convincing evidence to the effect that Company will pay normal Income Tax during the specified period.

### J. Dividend

Final dividends on shares are recorded as liability on the date of approval by the shareholders and interim dividends are recorded as liability as on the date of declaration by the Company's Board of Directors.

### 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 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.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

- 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.

#### Defined benefit plans:

- i) **Gratuity:** The Group funds major part of its gratuity liability to its employees by contributing to a Scheme of planned assets maintained by insurance companies. Annual contribution to the fund to planned assets is expensed in the year of contribution. The shortfall between the accumulated funds available with fund 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 Group's scheme based on expected obligation on undiscounted basis in the 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.

Dividend on investment is recognized as and when the right to receive the same is established.

### P. Provisions, Contingent liabilities and Contingent assets

Provisions, involving substantial degree of estimation in measurement, are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities, which are possible or present obligations that may but probably will not require outflow of resources, are not recognized but are disclosed in the explanatory information to the financial statements. Contingent Assets are neither recognized nor disclosed in the financial statements.

### Q. 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 2Dimensional and 3Dimensional Seismic Survey Data Acquisition, Processing and Interpretation Services for Oil Exploration and Production Entities.

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



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### 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 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:

S. No.	Name of the Entity	Country of Incorporation	Extent of holding	
			As on 31.03.2017	As on 31.03.2016
1.	Alphageo International Limited	DUBAI	100%	100%
2.	Alphageo DMCC (Subsidiary of Alphageo International Limited)	DUBAI	100%	100%

5. In the opinion of the Board, all assets other than fixed assets 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.

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

In pursuance of approval, under Section 62(1)(c), Section 42 and other applicable provisions of the Companies Act 2013 and the Rules made there under, of the Members at the Extra Ordinary General Meeting held on 11th November, 2015 and in compliance with SEBI (Issue of Capital And Disclosure Requirements) Regulations, 2009 and applicable laws, rules and regulations, the Company, during the year 2015-16, issued and allotted, to promoter and promoter group on preferential basis, 7,30,000 Convertible Warrants of Rs. 513.62 each (issue price) convertible into One Equity Share of Rs. 10/- each at the option of the Allottees with in a period of 18 months from the date of allotment subject to fulfillment of terms of the issue. The Company, during the year 2016-17 is in receipt of Rs 18,68,29,275/- from the Warrant holders exercising their option for converting 4,85,000 warrants into Equity Shares of the Company. The Proceeds thus received have been utilised in total in terms of objects of issue viz., for financing (i) the capital expenditure of the projects and (ii) augment in working capital requirements of the Company.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### 7. Derivative Instruments:

- There are no foreign currency exposures that are covered by derivative instruments as on 31.03.2017 (As on 31.03.2016: ₹ NIL).
- The details of foreign currency exposures that are not hedged by any derivative instruments or otherwise are as under:

Particulars	(Amount in ₹)			
	As at 31st March, 2017		As at 31st March, 2016	
	Amount in Foreign Currency	Equivalent Amount in Indian Currency	Amount in Foreign Currency	Equivalent Amount in Indian Currency
Payable for supply of equipment	\$ 53,78,525	34,87,36,058	\$ 2,00,000	13,26,65,800
Payable for supply of Machinery Spares & Components	GBP 35,259	28,51,754	--	--
Payable for supply of Software	\$4,99,785	3,24,05,401	--	--
Advance for supply of equipment	\$ 1,462	94,794	--	--
Loans and advances	--	--	\$ 9,450	6,26,846
Balance with banks	\$7,44,329	4,82,61,225	\$40,440	26,82,527
Receivable for services rendered	\$ 9,55,047	6,19,23,901	\$ 8,64,892	5,73,70,799

### 8. Employee Benefits:

The disclosures required under Accounting Standard 15 "Employee Benefits":

	(Amount in ₹)	
	2016-17	2015-16
<b>i. Defined Contribution Schemes</b>		
Employer's Contribution to Provident Fund	35,51,402	25,85,681
<b>ii. State Plans</b>		
Employer's Contribution to State Insurance Scheme	1,47,609	13,809
<b>iii. Defined Benefit Plans</b>		

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 detailed below:

Particulars	(Amount in ₹)	
	2016-17	2015-16
<b>A(i) Gratuity (Funded)</b>		
<b>(i) Components of Employer Expense</b>		
Current Service Cost	10,55,682	6,04,458
Interest Cost on benefit obligation	6,57,491	5,26,177
Return on Plan Assets	(5,88,665)	(5,37,601)
Actuarial (gain)/loss	6,21,305	5,10,788
Premium Expenses	17,276	7,643
Net benefit expense	17,63,089	11,11,465



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Particulars	(Amount in ₹)	
	2016-17	2015-16
(ii) Actual Return on Plan Assets	(5,88,665)	(5,37,601)
(iii) Net Asset / Liability recognised in Balance Sheet		
Defined Benefit Obligation	104,74,856	82,18,640
Fair Value Of Plan Assets	(88,75,363)	(71,14,090)
Status (Surplus)/Deficit	15,99,493	11,04,550
Unrecognised Past Service Cost	--	--
Net (Asset)/Liability recognised in Balance Sheet	15,99,493	11,04,550
(iv) Changes in the Present Value of Defined Benefit Obligation		
At the beginning of the year	82,18,640	65,77,217
Current Service Cost	10,55,682	6,04,458
Interest Cost	6,57,491	5,26,177
Actuarial (gain)/loss	6,21,305	5,10,788
Benefits paid	(78,262)	--
At the end of the year	104,74,856	82,18,640
(v) Changes in Fair Value of Plan Assets		
Opening Fair Value of Plan Assets	71,14,090	63,24,838
Expected Return	5,88,665	5,37,601
Contributions	12,68,146	2,59,294
Premium Expenses	(17,276)	(7,643)
Benefits Paid	(78,262)	--
Actuarial Gain/ Loss	--	--
Closing Fair value of Plan Assets	88,75,363	71,14,090
(vi) Movement in Balance Sheet		
Opening Liability	11,04,550	2,52,379
Expenses as above	17,63,089	11,11,965
Contribution Paid	(12,68,146)	(2,59,294)
Closing Liability	15,99,493	11,04,550
(vi) Actuarial assumptions:		
Mortality Table (L.I.C)	2006-08	2006-08
Discount rate (per annum)	8%	8%
Attrition Rate (per annum)	4%	4%
Rate of escalation in salary (per annum)	4%	4%

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

A.(ii) Amounts recognized in current and previous four years

Particulars	(Amount in ₹)				
	31st March, 2017	31st March, 2016	31st March, 2015	31st March, 2014	31st March, 2013
<b>Gratuity</b>					
Defined Benefit Obligation	1,04,74,856	82,18,640	65,77,217	54,51,371	54,97,188
Plan Assets	88,75,363	71,14,090	63,24,838	41,49,486	37,14,224
(Surplus)/Deficit	15,99,493	11,04,550	2,52,379	13,01,885	17,82,964
Experience Adjustments in Plan Liabilities	--	--	--	--	--
Experience Adjustments in Plan Assets	--	--	--	--	--

### B. Leave Encashment (Unfunded)

Particulars	(Amount in ₹)	
	2016-17	2015-16
i) <b>Statement of Profit and Loss</b>		
Current Service Cost	5,81,178	6,86,623
Interest Cost on benefit obligation	2,67,704	66,350
Actuarial (gain)/loss	8,01,383	1,13,702
Past Services cost	--	--
Net benefit expense	16,50,255	8,66,675
ii) <b>Balance Sheet</b>		
At the beginning of the year	16,96,044	8,29,369
Current Service Cost	5,81,178	6,86,623
Interest Cost	2,67,704	66,350
Actuarial (gain)/loss	8,01,383	1,13,702
Benefits paid	--	--
At the end of the year	33,46,309	16,96,044
iii) <b>Actuarial assumptions:</b>		
Mortality Table (L.I.C)	2006-08	2006-08
Discount rate (per annum)	8%	8%
Attrition Rate (per annum)	4%	4%
Rate of escalation in salary (per annum)	4%	4%

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

### 9. 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 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:

(Amount in ₹)						
Details	India		Other Countries		Total	
	31.03.2017	31.03.2016	31.03.2017	31.03.2016	31.03.2017	31.03.2016
Revenue (From external Customers)	296,56,23,377	68,06,35,751	9,33,10,780	21,51,49,782	305,89,34,157	89,57,85,533
Carrying amount of Segment Assets	310,53,57,992	112,44,33,471	39,83,54,213	43,86,66,085	350,37,12,205	156,30,99,556
Additions to Fixed Assets	85,33,54,388	33,51,22,106	2,35,13,912	--	87,68,68,300	33,51,22,106

### 10. Related Party Transactions:

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

(Amount in ₹)	
i. List of Related Parties with whom transactions have taken place and nature of relationships:	Transactions during the year (Yes/No)
<b>a. Key Management Personnel</b>	
Dinesh Alla	Yes
Savita Alla	Yes
<b>b. Relatives of Key Management Personnel</b>	
Rajesh Alla	Yes
Kamala Rajupet	Yes
Sashank Alla	Yes
Anisha Alla	Yes
Mrudulla Alla	Yes
Gopinath Reddy Rajput	Yes
<b>c. Concern in which Key Management Personnel have substantial interest (Significant interest):</b>	
Dinesh Alla (HUF)	Yes
Aquila Drilling Private Limited	Yes

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Amount in ₹)	
i. List of Related Parties with whom transactions have taken place and nature of relationships:	Transactions during the year (Yes/No)
<b>d. Concerns in which the Relatives of Key Management Personnel have substantial interest (Significant interest):</b>	
Transducers and Controls Private Limited	No
Rajesh Alla (HUF)	Yes
IIC Technologies Limited	No
IIC Academy Private Limited	No
IIC Geosurveys Private Limited	No

(Amount in ₹)					
ii. Details of Transactions		2016-17		2015-16	
SL. No.	Nature of Relation/Nature of Transactions	Amount of Transaction	Amount outstanding as on 31.03.2017	Amount of Transaction	Amount outstanding as on 31.03.2016
1	<b>Key Management Personnel:</b>				
	Remuneration	8,10,48,592	6,65,59,022(Cr)	1,04,92,523	11,54,111(Cr)
	Dividend Paid	15,44,864	--	15,44,864	--
	Interest on Loan	43,37,507	--	3,74,336	--
	Acceptance of Loan	9,92,54,840	--	1,50,00,000	--
	Repayment of Loan	9,92,54,840	--	2,00,00,000	--
	Amount received on Share Warrants	14,79,22,560	--	6,09,92,375	--
2	<b>Relatives of the Key Management Personnel:</b>				
	Sitting Fees	95,000	--	43,611	--
	Rent	1,20,000	--	1,20,000	34,550 (Cr)
	Dividend Paid	15,95,334	--	19,83,068	--
	Amount received on Share Warrants	2,88,91,125	--	96,30,375	--
3	<b>Concerns in which Key Management Personnel has Substantial Interest:</b>				
	Rent	9,00,000	-	9,00,000	2,02,500 (Cr)
	Dividend Paid	13,77,946	--	13,77,946	--
	Amount received on Share Warrants	1,00,15,590	--	2,31,12,900	--
4	<b>Concerns in which Relative of the Key Management Personnel has Substantial Interest:</b>				
	Survey/Drilling Charges	--	--	84,69,300	--
	Dividend Paid	1,72,666	--	1,72,666	--
	Acceptance of Loan	--	--	1,50,00,000	--



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Amount in ₹)					
ii. Details of Transactions		2016-17		2015-16	
SL. No.	Nature of Relation/Nature of Transactions	Amount of Transaction	Amount outstanding as on 31.03.2017	Amount of Transaction	Amount outstanding as on 31.03.2016
	Repayment of Loan	--	--	1,50,00,000	--
	Interest on Loan	--	--	1,91,803	--
	Professional Charges	--	--	3,60,000	--
	Security Charges	--	--	3,60,000	--
	Rent	3,00,000	--	3,00,000	1,12,500 (Cr)

(Amount in ₹)			
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:			
Nature of Transactions	Name of the Related Party	2016-17	2015-16
Remuneration*	Dinesh Alla	4,05,24,296	87,09,692
	Savita Alla	4,05,24,296	20,08,831
Interest on Loan Taken	Dinesh Alla	41,89,082	3,74,336
	Smt Savita Alla	1,48,425	--
	Aquila Drilling Private Limited	--	1,91,803
Repayment of Loan	Dinesh Alla	9,27,54,840	2,00,00,000
	Smt Savita Alla	65,00,000	--
	Aquila Drilling Private Limited	--	1,50,00,000
Acceptance of Loan	Dinesh Alla	9,27,54,840	1,50,00,000
	Smt Savita Alla	65,00,000	--
	Aquila Drilling Private Limited	--	1,50,00,000
Sitting Fee	Rajesh Alla	95,000	43,611
Drilling Charges	Aquila Drilling Private Limited	--	84,69,300
Amount received on Share Warrants	Dinesh Alla	9,01,40,310	4,17,31,625
	Aquila Drilling Private Limited	1,00,15,590	2,31,12,900
	Sashank Alla	1,92,60,750	64,20,250
	Savita Alla	5,77,82,250	1,92,60,750
	Anisha Alla	96,30,375	32,10,125
Rent	Dinesh Alla (HUF)	9,00,000	9,00,000
	Rajesh Alla (HUF)	3,00,000	3,00,000
Dividend Paid	Dinesh Alla	10,61,948	10,61,948
	Dinesh Alla (HUF)	8,18,134	4,58,332
	Savita Alla	4,82,916	4,82,916
	Aquila Drilling Private Limited	5,59,812	5,59,812
Professional charges	IIC Technologies Limited	--	3,60,000
Security charges	IIC Technologies Limited	--	3,60,000

\*Note: As gratuity and leave encashment are computed for all the employees in aggregate, the amounts relating to the Key Managerial Personnel cannot be individually identified.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### 11. 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 ₹55,54,553/- (Previous Year ₹57,64,674/-)

### 12. Earnings Per Share:

(Amount in ₹)		
Particulars	2016-17	2015-16
<b>The Numerator and Denominator used to calculate Earnings Per Share (EPS):</b>		
A Earnings attributable to Equity shareholders	50,55,35,737	11,63,38,623
<b>B Number of Shares:</b>		
Weighted average number of Equity shares outstanding for Basic EPS during the year (Nos.)	57,86,603	56,34,767
Weighted average number of Equity shares outstanding for Diluted EPS during the year (Nos.)	58,94,675	56,46,227
Nominal Value of Equity Share	10	10
C Earnings Per Share – Basic	87.36	20.65
--Diluted	85.76	20.60

### 13. Deferred Income Tax:

The movement of provision for deferred tax for the year ended 31.03.2017 is as given below:

(Amount in ₹)			
Particulars	As at 01.04.2016	(Charge)/Credit For the year	As at 31.03.2017
<b>Deferred Tax Asset:</b>			
Depreciation on Assets	5,65,14,553	(1,38,84,297)	4,26,30,256
Expenses allowable on the basis of Payment	24,01,244	8,74,333	32,75,577
<b>Total</b>	<b>5,89,15,797</b>	<b>(1,30,09,964)</b>	<b>4,59,05,833</b>

14. 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.



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### 15. Details of payment to auditors:

Particulars	(Amount in ₹)	
	2016-17	2015-16
<b>A. Standalone Auditors</b>		
As Auditor	6,00,000	5,00,000
For Tax Audit	2,75,000	2,50,000
For Quarterly reviews	3,00,000	2,50,000
For Taxation matters	75,000	75,000
For Other services	2,80,000	1,60,000
For Reimbursement of expenses	26,000	11,000
<b>Total</b>	<b>15,56,000</b>	<b>12,46,000</b>
<b>B. Subsidiary Auditors</b>		
As Auditors	11,02,819	9,65,246
<b>Total</b>	<b>26,58,819</b>	<b>22,11,246</b>

### 16. Additional Information, as required under Schedule III to the Companies Act, 2013 of enterprises consolidated as Subsidiary:

S. No	Name of the entity	(Amount in ₹)			
		Net Assets, i.e., total assets minus total liabilities		Share in profit or loss (Profit after tax)	
		As % of consolidated net assets	Amount	As % of consolidated profit	Amount
<b>Parent</b>					
	Alphageo (India) Limited	82.34	143,19,23,913	95.05	48,05,22,918
<b>Subsidiary – Foreign</b>					
1	Alphageo International Limited and its Subsidiary	25.57	44,47,54,543	3.83	1,93,29,346
	<b>Total</b>	<b>107.91</b>	<b>187,66,78,456</b>	<b>98.88</b>	<b>49,98,52,264</b>
	Add/(Less): Effect of Inter Company adjustments / eliminations	(7.91)	(13,75,95,792)	1.12	56,83,473
	<b>Consolidated Net Assets / Profit after Tax</b>	<b>100.00</b>	<b>173,90,82,664</b>	<b>100.00</b>	<b>50,55,35,737</b>

As Per our Report of even date  
For **P.V.R.K. Nageswara Rao & Co.**  
Chartered Accountants  
Firm's Registration Number: 002283S

**Dinesh Alla**  
Managing Director

**Z.P. Marshall**  
Chairman

**P.V.R.K. NAGESWARA RAO**  
Partner  
Membership Number: 18840

**Venkatesa Perumallu Pasumarthy**  
Chief Financial Officer

**Meenakshi Naag**  
Company Secretary

Hyderabad  
29.05.2017

For and on behalf of the Board

# Notice of 30th Annual General Meeting





## ALPHAGEO (INDIA) LIMITED

(CIN: L74210TG1987PLC007580)

Regd. Office: 802, Babukhan Estate, Basheerbagh, Hyderabad – 500001

Corporate Office: 1st Floor, Plot No.1, Sagar Society Road No.2, Banjara Hills, Hyderabad 500034

Tel: 040-23550502/503, Fax: 040-23302238, Email: info@alphageoindia.com

Website: www.alphageoindia.com

### Notice of 30th Annual General Meeting

Notice is hereby given that the THIRTIETH ANNUAL GENERAL MEETING of the Members of **ALPHAGEO (INDIA) LIMITED** will be held on 29th September 2017 at 11:00 A.M. at “Sundarayya Vignana Kendram, 1-8-1/B/25A, Baghlingampally, Hyderabad-500 044”, to transact the following business:

#### ORDINARY BUSINESS

1. To receive, consider and adopt (a) the Audited Financial Statements of the Company for the Financial Year ended 31st March, 2017 together with the Report of the Directors' and Auditors' thereon; and (b) the Audited Consolidated Financial Statements of the Company for the Financial Year ended 31st March 2017 together with Report of Auditors' thereon and in this regard, to pass the following resolutions as **Ordinary Resolutions**:
  - a. “**RESOLVED THAT** the audited financial statements of the Company for the financial year ended March 31, 2017 together with reports of the Directors' and Auditors thereon laid before this meeting, be and are hereby considered and adopted.”
  - b. “**RESOLVED THAT** the audited consolidated financial statements of the Company for the financial year ended March 31, 2017 together with the report of Auditors thereon laid before this meeting, be and are hereby considered and adopted.”
2. To declare a dividend on equity shares for the Financial Year ended March 31, 2017 and in this regard, to pass the following resolution as an **Ordinary Resolution**:
 

“**RESOLVED THAT** a dividend at the rate of ₹4/- (Four rupees only) per equity share of ₹10/- (Ten rupees) each fully paid-up of the Company as recommended by the Board of Directors of the Company be and is hereby declared for the financial year ended March 31, 2017 and the same be paid, out of the profits of the Company for the financial year ended March 31, 2017”.

3. To appoint Mr. Rajesh Alla (DIN: 01657395), who retires by rotation and being eligible, offers himself for re-appointment as a Director and in this regard, to pass the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Section 152 of the Companies Act, 2013, Mr. Rajesh Alla (DIN: 01657395), who retires by rotation at 30th Annual General Meeting of the Company and being eligible has offered himself for re-appointment, be and is hereby re-appointed as a Director of the Company, liable to retire by rotation.”

4. To Appoint Auditors and to fix their remuneration and in this regard, to pass the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), M/s. Majeti & Co., Chartered Accountants (ICAI Registration No. 015975S) Hyderabad, be and is hereby appointed as the Auditors of the Company, for a term of 5 (Five) consecutive years from the conclusion of this Thirtieth (30th) Annual General Meeting till the conclusion of Thirty Fifth (35th) Annual General Meeting of the Company, subject to ratification of their appointment by the Members at every Annual General Meeting till the Thirty Fifth (35) Annual General Meeting, at such remuneration as decided by the Board of Directors of the Company.”

#### SPECIAL BUSINESS

5. To approve issue of securities of the Company and in this regard to pass the following resolution as a **SPECIAL RESOLUTION**:

“**RESOLVED THAT** pursuant to the provisions of Section

62(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 (the “Companies Act”) and rules made thereunder, to the extent notified and in effect, and applicable provisions, if any, of the Companies Act, 1956 as amended (without reference to the provisions thereof that have ceased to have effect upon notification of sections of the Companies Act), the Foreign Exchange Management Act, 1999, as amended, the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000, as amended, the Issue of Foreign Currency Convertible Bonds and Ordinary Shares (Through Depository Receipt Mechanism) Scheme, 1993, as amended and the rules, regulations, guidelines, notifications and circulars, if any, issued by the Government of India, the Reserve Bank of India, the Securities and Exchange Board of India including the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended (the “ICDR Regulations”) or any other competent authority, whether in India or abroad, from time to time, to the extent applicable including the enabling provisions of the listing agreements entered into with the stock exchanges on which the Company's equity shares are listed (the “Listing Agreements”), the Memorandum of Association and Articles of Association of Alphageo (India) Limited (the “Company”) and subject to approvals, consents, permissions and sanctions as might be required and subject to such conditions and modifications as might be prescribed while granting such approvals, consents, permissions and sanctions and which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the “Board”, which term shall be deemed to include any Committee(s) constituted/to be constituted by the Board to exercise its powers including the powers conferred by this Resolution), the Board is hereby authorised on behalf of the Company, to create, offer, issue and allot (including with provisions for reservation on firm and/or competitive basis, of such part of issue and for such categories of persons including employees of the Company as may be permitted), with or without a green shoe option, in one or more tranches, in the course of domestic and/or international offering(s) in one or more foreign markets and/or domestic market, by way of a public issue, preferential issue, qualified institutions placement, private placement or a combination thereof, such number of equity shares of the Company (the “Equity Shares”) or the Global Depository Receipts (“GDRs”), the American Depository Receipts (“ADRs”),

the Foreign currency convertible bonds (“FCCBs”), fully convertible debentures/partly convertible debentures/optionally convertible debentures, non-convertible debentures, preference shares convertible into Equity Shares, and/or any other financial instruments or securities convertible into or linked to Equity Shares or with or without detachable warrants with a right exercisable by the warrant holders to convert or subscribe to the Equity Shares or otherwise, in registered or bearer form, and/or any security convertible into Equity Shares with or without voting/special rights and/or securities linked to Equity Shares, whether rupee denominated or denominated in foreign currency (hereinafter collectively referred to as the “Securities”) or any combination of Securities, to all eligible investors, including residents and/or non-residents and/or institutions/banks and/or incorporated bodies and/or individuals and/or trustees and/or stabilizing agent or any other category of investors, and whether or not such investors are members of the Company (collectively the “Investors”), through one or more prospectus or letter of offer or placement document or offering circular or offer document, at such time or times, at such price or prices, at market price(s) or at a discount or premium to market price(s) in terms of applicable regulations, in one or more tranche or tranches, and on such terms and conditions considering the prevailing market conditions and other relevant factors wherever necessary, at the Board's discretion including the discretion to determine the category of Investors to whom the offer, issue and allotment of Securities shall be made to the exclusion of others, in such manner, including allotment to stabilizing agent in terms of green shoe option, if any, exercised by the Company, and where necessary in consultation with the book running lead managers and/or underwriters and/or stabilizing agent and/or other advisors or otherwise on such terms and conditions, including issue of Securities as fully or partly paid, making of calls and manner of appropriation of application money or call money, in respect of different class(es) of investor(s) and/or in respect of different Securities, as the Board may in its absolute discretion decide at the time of issue of the Securities;

**RESOLVED FURTHER THAT** in case of a qualified institutions placement pursuant to Chapter VIII of the ICDR Regulations, the allotment of Securities (or any combination of the Securities as decided by the Board) shall only be to Qualified Institutional Buyers within the meaning of Chapter VIII of the ICDR Regulations, such Securities shall be fully paid-up and



the allotment of such Securities shall be completed within 12 months from the date of this resolution at such price being not less than the price determined in accordance with the pricing formula provided under Chapter VIII of the ICDR Regulations. The Company may, in accordance with applicable law, also offer a discount of not more than 5% or such percentage as permitted under applicable law on the price calculated in accordance with the pricing formula provided under the ICDR Regulations;

**RESOLVED FURTHER THAT** in the event that Equity Shares are issued to qualified institutional buyers under Chapter VIII of the ICDR Regulations, the relevant date for the purpose of pricing of the Equity Shares shall be the date of the meeting in which the Board decides to open the proposed issue of Equity Shares and at such price being not less than the price determined in accordance with the pricing formula provided under Chapter VIII of the ICDR Regulations;

**RESOLVED FURTHER THAT** in the event that convertible securities and/or warrants which are convertible into Equity Shares of the Company are issued simultaneously with non-convertible debentures to qualified institutional buyers under Chapter VIII of the ICDR Regulations, the relevant date for the purpose of pricing of such securities, shall be the date of the meeting in which the Board decides to open the issue of such convertible securities and/or warrants simultaneously with non-convertible debentures or the date on which the holders of such convertible securities / warrants become entitled to apply for the Equity Shares and at such price being not less than the price determined in accordance with the pricing formula provided under Chapter VIII of the ICDR Regulations;

**RESOLVED FURTHER THAT** in the event the Securities proposed to be issued as ADRs or GDRs or FCCBs, pursuant to the provisions of the Issue of Foreign Currency Convertible Bonds and Ordinary Shares (Through Depository Receipt Mechanism) Scheme, 1993 and other applicable pricing provisions issued by the Ministry of Finance, the relevant date for the purpose of pricing the Securities to be issued pursuant to such issue shall be the date of the meeting in which the Board or duly authorised committee of directors decides to open such issue;

**RESOLVED FURTHER THAT** the issue to the holders of the Securities, which are convertible into or exchangeable with equity shares at a later date shall be, inter alia, subject to the following terms and conditions:

- (a) in the event the Company is making a bonus issue by way of capitalization of its profits or reserves prior

to the allotment of the Equity Shares, the number of Equity Shares to be allotted shall stand augmented in the same proportion in which the equity share capital increases as a consequence of such bonus issue and the premium, if any, shall stand reduced pro tanto;

- (b) in the event of the Company making a rights offer by issue of Equity Shares prior to the allotment of the Equity Shares, the entitlement to the Equity Shares will stand increased in the same proportion as that of the rights offer and such additional Equity Shares shall be offered to the holders of the Securities at the same price at which they are offered to the existing shareholders;
- (c) in the event of merger, amalgamation, takeover or any other re-organization or restructuring or any such corporate action, the number of Equity Shares, the price and the time period as aforesaid shall be suitably adjusted; and
- (d) in the event of consolidation and/or division of outstanding Equity Shares into smaller number of Equity Shares (including by way of stock split) or re-classification of the Securities into other securities and/or involvement in such other event or circumstances which in the opinion of concerned stock exchange requires such adjustments, necessary adjustments will be made;

**RESOLVED FURTHER THAT in pursuance of the aforesaid resolutions:**

- (a) the Securities to be so created, offered, issued and allotted shall be subject to the provisions of the Memorandum and Articles of Association of the Company; and
- (b) the Equity Shares that may be issued by the Company shall rank pari passu with the existing Equity Shares of the Company in all respects including for the payment of dividend on such shares;

**RESOLVED FURTHER THAT** without prejudice to the generality of the above, subject to applicable laws and subject to approval, consents, permissions, if any of any governmental body, authority or regulatory institution including any conditions as may be prescribed in granting such approval or permissions by such governmental authority or regulatory institution, the aforesaid Securities may have such features and attributes or any terms or combination of terms in accordance with international practices to provide for the tradability and

free transferability thereof as per the prevailing practices and regulations in the capital markets including but not limited to the terms and conditions in relation to payment of dividend, issue of additional Equity Shares, variation of the conversion price of the Securities or period of conversion of Securities into Equity Shares during the duration of the Securities and the Board be and is hereby authorised in its absolute discretion in such manner as it may deem fit, to dispose off such of the Securities that are not subscribed;

**RESOLVED FURTHER THAT** for the purpose of giving effect to the above Resolution including any offer, issue or allotment of Equity Shares or Securities or instruments representing the same, as described above, the Board be and is hereby authorised on behalf of the Company to do all such acts, deeds, matters and things, as it may, in its absolute discretion, deem necessary or desirable for such purpose, including without limitation, the determination of terms and conditions for issuance of Securities including the number of Securities that may be offered in domestic or international markets and proportion thereof, timing for issuance of such Securities, issue price, face value, premium amount on issue/conversion of the Securities, if any, rate of interest, creation of mortgage/charge in accordance with provisions of the Companies Act, and shall be entitled to vary, modify or alter any of the terms and conditions as it may deem expedient, entering into and executing arrangements for managing, underwriting, marketing, listing, trading and providing legal advice as well as acting as depository, custodian, registrar, stabilizing agent, paying and conversion agent, trustee, escrow agent and executing other agreements, including any amendments or supplements thereto, as necessary or appropriate and to finalise, approve and issue any document(s), including but not limited to prospectus and/or letter of offer and/or placement document and/or offering circular and/or offer document and/or documents and agreements including filing of registration statements, prospectus and other documents (in draft or final form) with any Indian or foreign regulatory authority or stock exchanges and sign all deeds, documents and writings and to pay any fees, commissions, remuneration, expenses relating thereto and with power on behalf of the Company to settle all questions, difficulties or doubts that may arise in regard to the issue, offer or allotment of Securities and take all steps which are incidental and ancillary in this connection, including in relation to utilization of the issue proceeds, as it may in its absolute discretion deem fit without being required to seek further consent or approval of the members of the Company ("Members") or otherwise to the end and intent that the Members shall be deemed to have given their approval thereto expressly by the authority of this resolution;

**RESOLVED FURTHER THAT** for the purpose of giving effect to any offer, issue or allotment of Equity Shares or Securities or instruments representing the same, as described above, the Board be and is hereby authorised on behalf of the Company to seek listing of any or all of such Securities in one or more Stock Exchanges in India or outside India and the listing of Equity Shares underlying the ADRs and/or GDRs on the Stock Exchanges in India;

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to delegate all or any of its powers herein conferred to any Committee or any one or more executives of the Company".

By Order of the Board

Hyderabad  
04.08.2017

Meenakshi Naag  
Company Secretary

**NOTES:**

1. The Statement pursuant to Section 102(1) of the Companies Act, 2013, relating to the Special Business to be transacted at the Meeting is annexed hereto.
2. A Member entitled to attend and vote at the AGM is entitled to appoint a Proxy to attend and vote instead of himself and the Proxy need not be a Member of the Company. The instrument appointing Proxy should, however, be deposited at the CORPORATE OFFICE of the Company not less than 48 hours before the commencement of the Meeting.  
  
A person can act as a proxy on behalf of members not exceeding 50 and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
3. 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. Members who hold shares in dematerialized form are requested to write their client ID and DP ID numbers and the number of shares held and those who hold shares in physical form are requested to write their Folio Number and number of shares held in the attendance slip for attending the meeting.



4. During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, a member would be entitled to inspect the proxies lodged with the company, at any time during the business hours of the company, provided that not less than three days of notice in writing is given to the company
5. All documents referred to in the Notice and Explanatory Statement are open for inspection at the Corporate Office of the Company between 11:00 AM to 1:00 PM on all working days except on Saturdays till the date of AGM.
6. Pursuant to Section 108 of Companies Act, 2013 read with Rule 20 of Companies (Management and Administration) Rules, 2014, and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the Company is pleased to provide e-voting facility to the members to cast their votes electronically on all resolutions set forth in this Notice. The detailed instructions for e-voting are given as a separate attachment to this Notice.
7. 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.
8. **Closure of Register of Members and Dividend:**
  - a) The Company has notified that Register of Members shall remain closed from 22nd September, 2017 to 28th September, 2017 both days inclusive for determining the names of the Members eligible for dividend, if approved, on equity shares.
  - b) The dividend on equity shares, as recommended by the Board of Directors, if declared at the Annual General Meeting, will be paid to those shareholders whose name appears in Register of Members as on 21st September, 2017. In respect of shares held in Electronic Form, the dividend will be paid on the basis of particulars of beneficial ownership furnished by the Depositories for this purpose.
9. M/s. Karvy Computershare Private Limited, Karvy Selenium, Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad-500032 acts as the Company's Registrar and Share Transfer Agent for both manual and electronic form of shareholding. All correspondence relating to shares, including Change in Address and Bank Particulars should be addressed directly to them. In respect of shares held in Electronic form, shareholders may send requests or correspond through their respective Depository Participants.
10. **Remittance of Dividend:**  
In terms of instructions issued by the Securities Exchange Board of India, listed companies are required to use the Reserve Bank of India's approved electronic mode of payment such as Electronic Clearance Service (ECS)/ NEFT/RTGS Etc., for making payment of dividend to the members.  
  
Accordingly, members holding securities in DMAT mode are requested to update their bank account details with their depository participants. Members holding securities in physical form may send their request for updating bank account details to the Company's Registrar & Share Transfer Agent, Karvy Computershare Private Limited.
11. 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.
12. Corporate Members intending to depute their authorized representatives are requested to send to the Company a duly certified copy of the Board resolution authorizing their representatives to attend and vote at the Annual General Meeting.
13. Members holding shares in single name and physical form are advised to make nomination in respect of their shareholding in the company. Shareholders desirous of making nominations are requested to send their request (which will be made available on request) to the Registrar & Share Transfer Agent M/s. Karvy Computershare Private Limited.
14. Members desiring to seek any information on the financial statements are requested to write to the Company at an early date to enable compilation of information.
15. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their DMAT accounts. Members holding shares in physical form can submit their PAN to the Registrar & Share Transfer Agent.
16. The Ministry of Corporate Affairs has notified provisions relating to unpaid / unclaimed dividend under Sections 124 and 125 of Companies Act, 2013 and Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016. As per these Rules, dividends which are not encashed / claimed by the shareholder for a period of seven consecutive years shall be transferred to the Investor Education and Protection Fund (IEPF) Authority. The new IEPF Rules mandate the companies to transfer the shares of shareholders whose dividends remain unpaid / unclaimed for a period of seven consecutive years to the demat account of IEPF Authority. Hence, the Company urges all the shareholders to encash /claim their respective dividend during the prescribed period. The details of the unpaid / unclaimed amounts lying with the Company as on as on 30th June, 2017 are available on the website of the Company [http://www.alphageoindia.com/Other\\_Information.htm](http://www.alphageoindia.com/Other_Information.htm). The shareholders whose shares transferred to the IEPF Authority can claim their shares from the Authority by following the Refund Procedure as detailed on the website of IEPF Authority <http://iepf.gov.in/IEPFA/refund.html>.
17. In accordance with the aforesaid IEPF Rules, the Company has sent notice to respective shareholders whose shares are due to be transferred to the IEPF Authority and has also published the notice for the information of the shareholders. The Company is required to transfer all unclaimed shares to the demat account of the IEPF Authority in accordance with the IEPF Rules.
18. Unclaimed dividend for the Years 2009-10, 2010-11, 2013-14, 2014-15 and 2015-16 are held in separate Bank accounts and shareholders who have not encashed the dividend warrants are advised to write to the Company with complete details. The Company has not declared any dividend for the financial years 2011-12 and 2012-13.
19. Members are requested to contact Karvy Computershare Private Limited / Company Secretary of the Company for encashing the unclaimed dividends standing to the credit of their account. The detailed dividend history and due dates for transfer to IEPF are available on 'Investor Relations' page on the website of the Company [http://www.alphageoindia.com/Other\\_Information.htm](http://www.alphageoindia.com/Other_Information.htm).
20. Members who would like to receive all communication including Annual Report, Notices, circulars, etc. from the Company in electronic mode in lieu of physical copy and who have not registered their email addresses 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 participant and in respect of physical shareholding - by sending a request to the company's Registrar & Share Transfer Agent, mentioning therein their folio number and email address.
21. **The information pertaining to Directors seeking reappointment at the Annual General Meeting is furnished below:**  
  
Mr. Rajesh Alla is a graduate of Carnegie Mellon University, Pittsburgh, USA – a premier institute for Artificial Intelligence Research. He is an alumnus of Indian Institute of Management Ahmadabad and Osmania University, Hyderabad.  
  
An engineer-entrepreneur at heart, he worked in the Robotics Institute, Carnegie-Mellon University, developing automated Printed Circuit Board inspection systems for production use. He is one of the pioneers of Automated Digitizing and Recognition of documents. He has developed numerous Pattern Recognition and Artificial Intelligence Algorithms.  
  
Mr. Rajesh Alla is promoter director of the Company since 30th September, 1992. He is member of Audit Committee, Nomination and Remuneration Committee and Stakeholders' Relationship Committee of Board of Directors of the Company.  
  
Mr. Rajesh Alla is the Founder and Managing Director of IIC Technologies Limited and Director of IIC Geo Surveys Private Ltd, IIC Academy Private Ltd, Transducers and Controls Private Ltd and Palnadu Infrastructure Private Ltd. He is holding 1,26,567 Equity Shares of the company in his individual capacity. He is related to Mr. Dinesh Alla, Managing Director and Mrs. Savita Alla, Joint Managing Director of the Company.  
  
Except Mr. Rajesh Alla, Mr. Dinesh Alla, Mrs. Savita Alla and their relatives, none of the other Directors/ Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolution set out at item No.3 of the Notice.



The Board recommends the resolution set forth in item No.3 of the Notice for approval of the Members

**EXPLANATORY STATEMENT Pursuant to Section 102 (1) of the Companies Act, 2013**

The Explanatory Statement pursuant to section 102 of the Companies Act, 2013 ("the Act") given here under set outs all material facts relating to Special Business mentioned in Item No. 5 of the accompanying Notice dated 04th August, 2017.

Item No. 5

The Company wishes to strengthen its financial position and net worth by augmenting its long term resources, for enhancing its competitiveness and ability in execution of the contracts.

The Company, to meet the requirements for the above purpose and for general corporate purposes, as may be decided by the Board from time to time, is proposed to seek the authorization from the Members of the Company in favour of Board of Directors ("Board" which expression for the purposes of this resolution shall include any committee of Directors constituted by the Board), without the need for any further approval from the Members to undertake issue of securities of the Company in compliance with the applicable provisions, rules, regulations, guidelines, notifications and circulars if any of the Companies Act, 2013 or issued by the Government of India, Securities and Exchange Board of India, Reserve Bank of India or the Listing Agreements entered with the Stock Exchanges, as set out in the special resolution at Item No. 5 of the accompanying Notice.

In view of above, the Board may, in one or more tranches. issue and allot equity shares / fully convertible debentures, partly convertible debentures, optionally convertible debentures, non-convertible debentures/ preference shares, convertible or non-convertible/ global depository receipts/ American depository receipts/ foreign currency convertible bonds /any other financial instrument or securities convertible into or linked to equity shares with or without detachable warrants with a right exercisable by warrant holders to convert or subscribe to the equity shares or otherwise, with or without voting

rights, denominated in rupees or in foreign currency to all eligible investors including resident or non-resident and /or institutions/banks/qualified institutional buyers/ incorporated bodies / individuals or any other category of investors which aggregating not to exceed ₹300 Crores.

The pricing of the securities and the relevant date that may be applicable to a particular security or instrument shall be in compliance with the applicable regulations including SEBI (ICDR) Regulations.

For the reasons aforesaid, an enabling special resolution according approval of the members and giving an adequate flexibility and discretion to the Board was passed at the 29th Annual General Meeting held on 29th September 2016. However, as per the Provisions of Chapter VIII of SEBI (ICDR) Regulations and Rule 13 (2)(e) and (f) of the Companies (Share Capital and Debenture) Rules 2014, the validity of the Resolution is expiring on 28th September 2017. It is proposed, to have valid enabling resolution for the aforesaid purposes until issue of securities of the Company and to give an adequate flexibility and discretion to the Board to finalise the terms of the issue of securities from time to time and also to authorize Managing Director of the Company to do all required and necessary acts relating to the issue of securities of the Company, to pass the Special Resolution set out at Item No. 5 of the accompanying Notice for the approval of the Members.

The Board of Directors accordingly recommends the Special Resolution set out at Item No. 5 of the accompanying Notice for the approval of the Members.

None of the Directors, Key Managerial Personal and their relatives are, in anyway, concerned or interested in the said resolution, except to the extent of their equity holdings, if any in the Company.

By Order of the Board

Hyderabad  
04.08.2017

Meenakshi Naag  
Company Secretary

**Instructions for Remote E-Voting Forming Part of Notice Convening 30th Annual General Meeting**

**E-voting**

Pursuant to Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014, including any statutory modification(s) or re-enactment thereof for the time being in force and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, ALPHAGEO (INDIA) LIMITED (the Company) is pleased to provide its shareholders remote e-voting facility to cast their votes electronically on all resolutions set forth in the Notice convening the 30th Annual General Meeting scheduled to be held on 29th September 2017 at 11.00 AM. The remote e-voting facility is being provided by Karvy Computershare Private Limited (KCPL).

**E-voting Event Number and Timelines for Voting**

The E-voting Event Number and the timelines of E-voting detailed below:

E-voting Event Number (EVEN)	Commencement of remote e-voting	End of remote e-voting
3388	Monday, 25th September, 2017 (11:00 A.M. IST)	Thursday, 28th September, 2017 (5:00 P.M. IST)

**General Information:**

- i. Shareholders of the Company holding shares either in physical form or in dematerialised form, as on the cutoff date, may cast their vote electronically. The voting rights of the shareholders shall be ONE VOTE PER EQUITY SHARE registered in the name of the shareholder / beneficial owner as on the **cut-off date i.e. 21st September, 2017.**
- ii. Every shareholder requires User ID and Password/Pin for casting their votes electronically. In case of physical folio, User ID will be EVEN number followed by folio number. In case of Demat account, User ID will be your DP ID and Client ID.
- iii. For Shareholders receiving Notice of AGM in physical form, the initial password will be intimated along with the Notice of Annual General Meeting and for Shareholders receiving Notice of AGM electronically, password will be provided in the email forwarding the electronic notice.
- iv. Any person who becomes a member of the Company after the dispatch of the Notice of the AGM and holds shares as on the cutoff date may obtain/Pin and Password by contacting Karvy Computershare Private Ltd.
- v. The Remote E- voting period commences on **25th September 2017 (11.00 AM) and ends on 28th September 2017 (5.00 PM).** During this period, Shareholder of the Company holding their shares either

in physical form or in dematerialised form, as on the **cut-off date 21st September, 2017,** may cast their votes electronically. The E-voting module shall be disabled by Karvy for voting thereafter. Once the vote on a resolution is casted by the shareholders, the shareholders shall not be allowed to change it subsequently.

- vi. Shareholders who have not casted their votes electronically, may only cast their vote at the Annual General Meeting.
- vii. M/s. D. Hanumanta Raju & Co., Practicing Company Secretaries, Hyderabad will act as Scrutinizer for scrutinizing the E-voting process in a fair manner.
- viii. The scrutinizer shall, immediately after the conclusion of voting at the AGM, first counts the votes cast at the meeting, thereafter unlock the votes cast through remote e-voting in the presence of at least two witnesses, not in employment of the company and make a Consolidated Scrutinizer's Report of the votes cast in favour or against, if any of each of the resolutions set forth in the Notice of the Annual General Meeting, not later than 48 hours of the conclusion of the meeting, to the Chairman of the Meeting or a person authorised by him in writing who shall countersign the same.
- ix. Resolutions shall be deemed to be passed on the date of AGM subject to receipt of requisite number of votes in favour of Resolutions.

- x. The results of voting along with the scrutinizers' report shall be placed on the website of the Company [www.alphageoindia.com](http://www.alphageoindia.com) and on Karvy's website <https://evoting.karvy.com> and shall be intimated to the stock exchanges immediately after declaration of results by the Chairman or by a person authorised by him.

**Instruction and Step for E-Voting:**

Shareholders are requested to read the instructions / steps detailed below before exercising/casting their vote:

- i. Launch internet browser by typing the URL: <https://evoting.karvy.com>.
- ii. Enter the login credentials (i.e. User ID and password/ Pin). However, if you are already registered with Karvy for e-voting, you can use your existing User ID and Password/Pin for casting your vote.
- iii. After entering these details appropriately, click on "LOGIN".
- iv. You will now reach password change Menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A- Z), one lower case (a- z), one numeric value (0-9) and a special character (@, #, \$, etc.). The system will prompt you to change your password and update your contact details like mobile number, email ID etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. **It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.**
- v. You need to login again with the new credentials.
- vi. On successful login, the system will prompt you to select the E- Voting "EVEN" i.e., Alphageo (India) Limited.
- vii. On the voting page, enter the number of shares (which represents the number of votes) as on the Cut-off Date under "FOR / AGAINST" or alternatively, you may partially enter any number in "FOR" and partially "AGAINST" but the total number in "FOR / AGAINST" taken together not exceeding your total shareholding as mentioned herein above. You may also choose the option ABSTAIN. If the

shareholder does not indicate either "FOR" or "AGAINST" it will be treated as "ABSTAIN" and the shares held will not be counted under either head.

- viii. Shareholders holding multiple folios / Demat accounts shall choose the voting process separately for each folio / Demat accounts.
- ix. Voting has to be done for each item of the notice separately. In case you do not desire to cast your vote on any specific item it will be treated as abstained.
- x. You may then cast your vote by selecting an appropriate option and click on "Submit". A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you have voted on the resolution, you will not be allowed to modify your vote. During the voting period, Members can login any number of times till they have voted on all the Resolution(s).
- xi. Corporate / Institutional Members (i.e. other than Individuals, HUF, NRI etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution / Authority Letter etc., together with attested specimen signature(s) of the duly authorised representative(s), to the Scrutinizer at email ID: [dhr300@gmail.com](mailto:dhr300@gmail.com) with a copy marked to [evoting@karvy.com](mailto:evoting@karvy.com). The scanned image of the above mentioned documents should be in the naming format "Alphageo (India) Limited 30th Annual General Meeting".
- xii. Once the vote on a resolution is cast by a Member, the Member shall not be allowed to change it subsequently. Further, the Members who have cast their vote electronically shall not be allowed to vote again at the Meeting.
- xiii. In case of any queries, you may refer Help & Frequently Asked Question (FAQs) section of <https://evoting.karvy.com> (Karvy Website) or call KCPL on Toll Free No.1800 3454 001 or email: [evoting@karvy.com](mailto:evoting@karvy.com).

Hyderabad  
04.08.2017

By Order of the Board

Meenakshi Naag  
Company Secretary



**ALPHAGEO (INDIA) LIMITED**

(CIN: L74210TG1987PLC007580)

Regd. Office: 802, Babukhan Estate, Basheerbagh, Hyderabad – 500001

**Corporate Office:** 1st Floor, Plot No.1, Sagar Society Road No.2, Banjara Hills, Hyderabad 500034

**Tel:** 040-23550502/503, **Fax:** 040-23302238, **Email:** [info@alphageoindia.com](mailto:info@alphageoindia.com)

**Website:** [www.alphageoindia.com](http://www.alphageoindia.com)

**ATTENDANCE SLIP**

(Please Fill Attendance Slip and hand it over at the entrance of the Meeting Hall)

Regd. Folio. No./ DP ID / Client ID*:	
No. of Equity Shares held	

Name of Shareholder	
Name of Proxy	

I/We hereby record my/our presence at the 30th Annual General Meeting of the Alphageo (India) Limited, held on Friday, 29th September 2017 at 11.00 AM at "Sundarayya Vignana Kendram, 1-8-1/B/25 A, Baghlingampally, Hyderabad – 500 044.

**SIGNATURE OF THE MEMBER OR THE PROXY ATTENDING THE MEETING**

\_\_\_\_\_  
If Member, Please sign here

\_\_\_\_\_  
If Proxy, Please sign here

\*Applicable for investors holding shares in electronic form.

Route Map of venue of 30th Annual General Meeting



**ALPHAGEO (INDIA) LIMITED**

(CIN: L74210TG1987PLC007580)

Regd. Office: 802, Babukhan Estate, Basheerbagh, Hyderabad – 500001

**Corporate Office:** 1st Floor, Plot No.1, Sagar Society Road No.2, Banjara Hills, Hyderabad 500034

**Tel:** 040-23550502/503, **Fax:** 040-23302238, **Email:** info@alphageoindia.com

**Website:** www.alphageoindia.com

**30TH ANNUAL GENERAL MEETING - 29TH SEPTEMBER, 2017**

**PROXY FORM**

Pursuant to Section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014

Name of the Member(s): .....

Registered address: .....

E-mail id:.....

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

I/We, being the member (s) of ..... shares of the above named company, hereby appoint:

1. Name: .....

Address: .....

E-mail Id: ..... Signature ..... or failing him

2. Name: .....

Address: .....

E-mail Id: ..... Signature ..... or failing him

3. Name: .....

Address: .....

E-mail Id: ..... Signature .....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 30th Annual General Meeting of the Company, to be held on Friday of 29th September 2017 at 11.00 A.M. at "Sundarayya Vignana Kendram, 1-8-1/B/25 A, Baghlingampally, Hyderabad-500 044 and at any adjournment thereof in respect of such resolutions as are indicated below:



## NOTES

## ALPHAGEO (INDIA) LIMITED

### Corporate Information

#### BOARD OF DIRECTORS

Mr. Z. P. Marshall  
Mr. Dinesh Alla  
Mr. Rajesh Alla  
Mrs. Savita Alla  
Mr. Ashwinder Bhel  
Mr. Mohan Krishna Reddy Aryabumi

Chairman-Independent Director  
Managing Director  
Director  
Joint Managing Director  
Independent Director  
Independent Director

#### CHIEF FINANCIAL OFFICER

Venkatesa Perumallu Pasumarthy, B.Com, FCA

#### COMPANY SECRETARY

Ms. Meenakshi Naag, M.Com., ACS

#### AUDITORS

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

#### BANKERS

State Bank of India  
Axis Bank Ltd  
Punjab National Bank

#### REGISTERED OFFICE

802, Babukhan Estate, Basheerbagh  
Hyderabad- 500 001, Telangana

#### CORPORATE OFFICE

First Floor, Plot No. 1, Sagar Society  
Road No. 2, Banjara Hills,  
Hyderabad – 500 034, Telangana  
23550502/ 23550503

#### REGISTRAR AND SHARE TRANSFER AGENT

M/s. Karvy Computershare Private Limited  
Karvy Selenium Tower B, Plot 31-32,  
Gachibowli, Financial District, Nanakramguda  
Hyderabad - 500 032, Telangana  
Phone : +91 40 67161500  
Toll Free : 1800 345 4001, Fax: 040-23420814  
E-mail : einward.ris@karvy.com  
Website : www.karvycomputershare.com





**Alphageo (India) Limited**  
First Floor, Plot No. 1, Sagar Society  
Road No. 2, Banjara Hills,  
Hyderabad – 500 034, Telangana

[www.alphageoindia.com](http://www.alphageoindia.com)